



SYNERGIS HOLDINGS LIMITED
昇捷控股有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

Stock Code 股份代號 : 02340.HK

2018 ANNUAL REPORT 年報



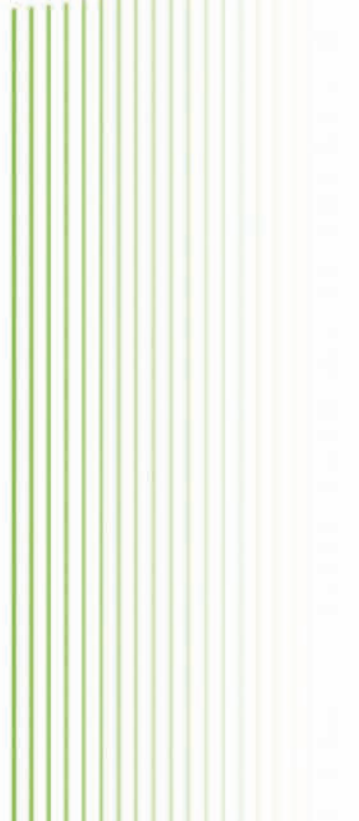
MISSION 使命

We are committed to creating value for stakeholders by providing comprehensive and innovative solutions that achieve high quality results.

我們致力為持份者創造價值，為他們提供全面及創新的方案，以達至高質素成效。

VALUES 企業價值

- Customer Focus
以客為本
- Integrity
正直誠實
- Teamwork
群策群力
- Innovation
不斷創新
- Pursuit of Excellence
追求卓越



CONTENTS 目錄

Significant Events of the Year 本年大事回顧	002
Chairman's Statement 主席報告	006
Group Structure 集團架構	009
Management Discussion and Analysis 管理層討論及分析	010
Profiles of Directors 董事之簡介	024
Profiles of the Group's Key Personnel 集團要員之簡介	029
Corporate Governance Report 企業管治報告	036
Highlights of 2018 Environmental, Social and Governance Report 2018年環境、社會及管治報告摘要	059
Directors' Report 董事會報告	060
Independent Auditor's Report 獨立核數師報告	080
Consolidated Income Statement 綜合損益表	091
Consolidated Statement of Comprehensive Income 綜合全面收入報表	092
Consolidated Balance Sheet 綜合資產負債表	093
Consolidated Statement of Changes in Equity 綜合權益變動表	095
Consolidated Statement of Cash Flows 綜合現金流量表	096
Notes to the Financial Statements 財務報表附註	097
Five-Year Financial Summary 五年財務摘要	177
Major Projects 主要工程項目	178
Major Properties 主要物業	179
Corporate Information 公司資料	180

SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

Jan 2018

Won a gold award and two merit awards at the Best Property Safety Management Award.

榮獲「最佳職安健物業管理大獎」金獎和兩項優異獎。



Awarded a re-development works contract of 3 Travessa do Faisao, Macau.

承接澳門山雞巷 3 號的重建工程。

Received the JobMarket Employer of Choice Award.

獲頒 JobMarket 卓越僱主大獎。



Synergis' mobile phone applications "Synergis Community" and "SICA" won two awards in the Quality Improvement and Experience Sharing Convention (QIESC).

憑藉智能手機應用程式 Synergis Community 和 SICA 獲得「優質改善經驗交流會」兩個大獎。



Feb 2018



Provision of pre-construction consultancy services to the A&A and renovation of a church property in Kowloon Tong.

承接九龍塘一幢教會物業加改建及翻新 — 建造前期工程顧問服務。

Mar 2018

Awarded the 15 years Plus Caring Company Logo by the Hong Kong Council of Social Service for 2 consecutive years.

連續兩年獲香港社會服務聯會頒發「15年 Plus 商界展關懷」嘉許標誌。

Apr 2018

Awarded the property management services contract of Grenville House in Mid-Levels Central.

承接半山嘉慧園的物業管理服務合約。



Published our first standalone Environmental, Social and Governance Report to announce our sustainable development programmes.

出版首份獨立的環境、社會及管治報告，公佈集團的可持續發展計劃。



SIGNIFICANT EVENTS OF THE YEAR 本年大事回顧

May 2018

Provision of facility management services to Malvern College Hong Kong.

為香港墨爾文國際學校提供設施管理服務。



Awarded of renovation works contract of Novotel Citygate Hong Kong.

承接東涌諾富特東薈城酒店的翻新工程。



Provision of fitting-out works to B1-M restaurant at West Kowloon Station (Hong Kong Section).

承接西九龍站 B1-M(香港段)餐飲店舖的裝飾工程。



Set a record high by receiving 185 property and security services awards from various regions, of which the New Territories North topped others as it alone attained 68 awards.

於各區物業及保安選舉中囊括185個獎項，創歷年新高，當中新界北區獲得68個獎項，為各區之冠。

Jun 2018

Awarded the renovation works contract of the washrooms of Watson Centre.

承接屈臣氏中心全幢大廈洗手間的翻新工程。



Won several new contracts of the Hong Kong International Airport (HKIA), including improvement works of HKIA T1 North Satellite Concourse and fitting-out works of a new retail banking branch at Regal Airport Hotel.

承接香港國際機場區的多項工程，包括：一號客運大樓北衛星客運廊的改善工程，以及富豪機場酒店銀行分行的裝飾工程。



Awarded an improvement works contract of a school under Po Leung Kuk.

承接保良局一間學校的改善工程合約。

SIGNIFICANT EVENTS OF THE YEAR

本年大事回顧

Jul 2018

Awarded the A&A works contract of 5/F, CITIC Tower.

承接中環中信大廈 5 樓的加改建工程。



Awarded the renovation works contract of LG/F to 3/F, Hilltop Plaza.

承接鴻豐商業中心地下低層至 3 樓的翻新工程。



Secured the repair and maintenance services contract of Social Services Centres – The Waterfront.

承接漾日居社區設施中心的維修及保養服務合約。

Aug 2018

Won a building construction works contract of a commercial development project of Electric Road, Tin Hau.

承接天后電氣道一幢商業大廈發展項目的樓宇建造工程合約。



Awarded fitting-out works contracts of several branch shops of Chow Tai Fook.

承接周大福珠寶金行數間分店的裝飾工程合約。



Awarded the design works contract of 18/F, Atelier K11, TST.

為尖沙咀 Atelier K11 18 樓提供設計工程服務。



Received 3 honours at the Hong Kong Construction Association's Construction Safety Award.

榮獲「香港建造商會建造安全大獎」三個獎項。



SIGNIFICANT EVENTS OF THE YEAR 本年大事回顧

Sep 2018

Awarded the operations management services contract of Guangzhou-Shenzhen-Hong Kong Express Rail Link (Hong Kong Section) West Kowloon Station car park.

承接廣深港高速鐵路香港段西九龍站停車場的營運管理服務合約。



Awarded facility management services contract of Hong Kong International Airport Taxi Services Management.

承接香港國際機場的士服務管理的設施管理服務合約。



Oct 2018

Awarded management services contract of M+ Museum Project.

承接M+博物館項目的室內裝飾工程管理合約。

Awarded fitting-out works contract of Whampoa Garden Site 1 and A&A works contract of Whampoa Garden Site 9.

承接黃埔花園 1 期商舖的裝飾工程和黃埔花園 9 期商舖的加改建工程。



Won a grand award, 3 excellence awards and a silver award in the Hong Kong Institute of Facility Management's Excellence in Facility Management Award.

榮獲香港設施管理學會「卓越設施管理獎」頒發一個卓越大獎、三個卓越獎和一個銀獎。

Nov 2018

Awarded the lobbies upgrade contract at 3/F, Centre A and B of ATL Logistics Centre.

承接亞洲貨櫃物流中心 A 和 B 座 3 樓倉庫樓層的大堂翻新工程合約。



Won 13 awards, including "The Excellent Contractor Award" of the Mid-term of 2018: Property Management Support Services (PMSS) in the LINK Award Presentation Ceremony.

在領展 2018 年中期頒獎禮中，榮獲包括「卓越承辦商大獎－物業管理支援服務」在內的 13 個獎項。



Awarded property management services contract of Braemar Hill Mansions in North Point.

承接北角賽西湖大廈的物業管理服務合約。



CHAIRMAN'S STATEMENT

主席報告



Chairman, Mr. Kingston Chu Chun Ho
主席·朱俊浩先生

Dear Shareholders,

On behalf of the board of Directors (the “Board”) of Synergis Holdings Limited (the “Company” or “Synergis”), I hereby present to you the annual performance of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2018.

The Group recorded a decrease of approximately 26.4% in total revenue to approximately HK\$1,533.0 million for the year ended 31 December 2018, due to the decreases in both the number of substantial new orders awarded and the number of works kicked off during the year for our interiors and special projects (the “ISP”) business. Gross profit margin however increased to 9.8% this year as compared to 8.0% recorded last year. The Group still suffered approximately 10.0% reduction of the gross profit from approximately HK\$166.8 million last year to approximately HK\$150.1 million this year. In order to increase the profitability of the Group despite intensifying competition, we consider that cost control is critical to the expansion of our businesses. After management has taken appropriate cost control measures, the general and administrative expenses decreased by 16.8% to approximately HK\$123.5 million as compared to that of last year. Moreover, due to the decrease in the outstanding workload for contracts on hand and the increasingly competitive business environment for ISP business, it was inevitable for management to make an one-off non-cash adjustment, which is

致各位股東：

本人謹代表昇捷控股有限公司(「本公司」或「昇捷」)董事會(「董事會」)向閣下呈報本公司及其附屬公司(統稱「本集團」)截至2018年12月31日止年度的年度表現。

本集團於截至2018年12月31日止年度錄得總收益減少約26.4%至約港幣1,533,000,000元，原因為室內裝飾及特殊項目(「室內裝飾及特殊項目」)業務獲授的重大新訂單數目及年內開始的工程數目均減少。然而，本年度的毛利率與去年8.0%比較增至9.8%。本集團毛利仍減少約10.0%，由去年約港幣166,800,000元減少至本年度約港幣150,100,000元。在激烈競爭環境下，為提高本集團的盈利能力，我們認為成本控制是業務擴張的關鍵。管理層採取合適的成本控制措施後，一般及行政開支較上一年減少16.8%至約港幣123,500,000元。此外，由於室內裝飾及特殊項目業務手頭合約的尚未完成工程減少及營商環境競爭越來越激烈，管

CHAIRMAN'S STATEMENT 主席報告

the full impairment loss on goodwill of approximately HK\$116.8 million (almost all of which was arisen from the acquisition of ISP business from Hsin Chong Group Holdings Limited ("Hsin Chong") in late 2012), in addition to the goodwill impairment charge of HK\$55 million made for the year ended 31 December 2017, and the further provision for the amounts including contract assets and receivables of approximately HK\$70.4 million, the majority of which of approximately HK\$63.0 million is related to respective balances of several key projects with Hsin Chong and its subsidiaries. As a result, the loss attributable to Shareholders substantially increased from approximately HK\$54.4 million last year to approximately HK\$160.0 million this year after taking into account of major exceptional items. We would like to share more details of the Group's performance, financial position and operation of the Group for the reporting period in the following section "Management Discussion and Analysis".

The property and facility management (the "PFM") business maintained a stable performance and manages over 82,000 residential units and 6.4 million square metres of residential, commercial and industrial facilities of about 330 PFM projects in Hong Kong and China. With its expertise and extensive experience to offer one-stop services to customers for over 40 years, the Group has gained recognition from the public, proven by the new contracts awarded during the year and the high retention contract rate. The management teams of PFM segment put unremitting efforts in the second half of 2018 to make significant progress in improving the poor financial outlook of the first half of the year and began to yield satisfactory results. Another main stream of income is contributed by ISP business. ISP segment currently has 14 major projects on hand, 7 projects of which have project periods covering the full year of 2019. We would be eager to maintain and foster our core businesses including renovation, fitting-out and small-scale construction businesses to continuously offer top-notch professional services to our clients. It remains the driving force for our growth.

The Group always implements Total Quality Management which covers all aspects of our operations, and constantly seeks to improve the quality of our services, and create value for stakeholders through comprehensive and innovative solutions as we further our mission. The awards we have won over the years attest to the wide recognition we have received for our dedication. With numerous awards received across industry, occupational safety and health, human resources and technological innovation fields, 2018 was a fruitful year for Synergis.

理層須作出一次性非現金調整，即除就截至2017年12月31日止年度就商譽作出的減值扣減港幣55,000,000元外，另就約港幣116,800,000元之商譽作出減值虧損(其中接近全部由於2012年底向新昌集團控股有限公司(「新昌」)收購室內裝飾及特殊項目業務所產生)，及金額包括合約資產及應收賬款進一步撥備約港幣70,400,000元，該等款項大部分約港幣63,000,000元與新昌及其附屬公司數份主要項目各結餘相關。因此，計及主要特殊項目後，股東應佔虧損由上一年約港幣54,400,000元大幅增加至本年度約港幣160,000,000元。報告期間的集團表現、財務狀況及本集團業務的更多詳情載於下文「管理層討論及分析」一節。

物業及設施管理(「物業及設施管理」)業務維持穩定的表現，於香港及中國約330個物業及設施管理項目，當中超過82,000個住宅單位及6,400,000平方米的住宅、商業及工業設施。本集團以專門知識及豐富的經驗為客戶提供一站式服務逾40年，由年內獲授的新合約及較高的合約保留比率可見本集團經已獲得大眾認可。物業及設施管理分部的管理團隊於2018年下半年不遺餘力，在改善上半年疲弱財務狀況方面取得重大進展，已開始收穫理想成績。另一個主要收入來源為室內裝飾及特殊項目業務。室內裝飾及特殊項目分部目前有14個主要手頭項目，其中7個的項目期涵蓋2019年全年。我們積極維持及推進核心業務，包括翻新、裝修及小規模建築業務，以持續為客戶提供最優質的專業服務。其仍為我們發展的驅動力。

本集團恆常實行涵蓋營運所有方面的全面質素管理，並不斷尋求改進服務質素，在進一步推動公司使命的同時，透過全面及創新的方案為持份者創造價值。多年來，我們所獲的獎項證明了我們的竭誠努力受到廣泛認可。憑藉在業內、職業安全及健康、人力資源及科技創新領域的眾多獎項，2018年成為昇捷的豐收之年。

CHAIRMAN'S STATEMENT

主席報告

Taking into account of the financial results, the Group's available cash reserves and working capital requirements, the Board resolved not to declare final dividend for the year ended 31 December 2018 (31 December 2017: Nil).

Stepping into 2019, Hong Kong property market is still in an expansion mode. Public gives great concern over housing stock production and the speed up of the issue of housing completion. We expect that the property management business will expand simultaneously. We will continue to expand our management portfolio by capturing the continuing outsourcing activities implemented by private residential owners, corporations and government institutions. Besides, a track record of our ISP segment was evidenced through the winning of large-scale contracts in the past. The strength and capability in managing large-scale projects reinforced by our competent and professional teams are widely recognized. Our ISP business is well positioned for long term growth.

Aligning our values of customer focus, integrity, teamwork, innovation and pursuit of excellence, sustainability is a core focus of our business strategy. We committed to proactively making improvements in its quality of services with the aim to enhance customer satisfaction. The Group is cautiously optimistic about the outlook of both businesses with continuing challenge and uncertainties in 2019.

On behalf of the Board, I would like to express my most sincere gratitude to our Directors and dedicated team for their unwavering commitment and passion for the business over the past years and have put forth in driving the Group towards sustainable development. I would also like to sincerely thank all our valued service providers, business partners as well as our Shareholders for their continuous support. With the solid business base and the effort of all our staff, the Group will endeavor to open a new chapter in the future.

Kingston Chu Chun Ho
Chairman

Hong Kong, 26 March 2019

經計及財務業績、本集團的可用現金儲備及營運資金需求，董事會議決不會就截至2018年12月31日止年度宣派末期股息(2017年12月31日：無)。

踏入2019年，香港物業市場繼續擴張。大眾非常關注住屋供應量及住屋落成加快的問題。我們預期物業管理業務將同時擴張。我們會繼續把握私人住宅業主、企業及政府機構實施的持續外判活動，藉此擴大管理組合。另外，室內裝飾及特殊項目分部的往績記錄出眾，可見於過往獲得的多份大型合約。稱職的專業團隊已增強管理大型項目的優勢及實力，並廣獲認同。室內裝飾及特殊項目業務有望錄得長期增長。

與我們以客為本、正直誠實、群策群力、不斷創新及追求卓越的企業價值相匹配，可持續發展是我們業務策略的核心。我們致力積極提升服務質素，以提高客戶滿意度。2019年仍然充滿挑戰及不確定因素，本集團對各業務的前景抱持審慎樂觀態度。

本人謹代表董事會向董事及盡心盡力的團隊於過去多年來為業務的竭誠付出及敬業樂業以及推動了本集團邁向可持續發展，致以最衷心的感謝。本人亦謹此對所有寶貴的服務供應商、業務夥伴及股東一直以來的鼎力支持致以誠摯的感謝。通過堅實的業務基礎及全體員工的努力，本集團將竭力打開未來的新一章。

主席
朱俊浩

香港，2019年3月26日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL OVERVIEW

財務概覽

		2018	2017	Change 變動	
				Amount 金額	% 百分比
Revenue 收益	HK\$' million 港幣百萬元	1,533.0	2,083.3	(550.3)	-26.4%
Gross profit 毛利	HK\$' million 港幣百萬元	150.1	166.8	(16.7)	-10.0%
Gross profit margin 毛利率		9.8%	8.0%	-	+1.8%
Operating expenses 經營開支	HK\$' million 港幣百萬元	(123.5)	(148.5)	25.0	+16.8%
Operating profit before exceptional items 除特殊項目前經營溢利	HK\$' million 港幣百萬元	26.7	20.4	6.3	+30.9%
Doubtful debts recovery 收回壞賬	HK\$' million 港幣百萬元	0.3	19.8	(19.5)	-98.5%
Impairment of contract assets and receivables 合約資產及應收賬款減值	HK\$' million 港幣百萬元	(70.4)	(5.9)	(64.5)	-1,093.2%
Impairment loss on goodwill 商譽減值虧損	HK\$' million 港幣百萬元	(116.8)	(55.0)	(61.8)	-112.4%
Intangible asset write off 撇銷無形資產	HK\$' million 港幣百萬元	-	(33.9)	33.9	+100.0%
(LBITDA)/EBITDA (除息稅、折舊及攤銷前虧損)/ 除息稅、折舊及攤銷前盈利	HK\$' million 港幣百萬元	(31.4)	50.5	(81.9)	-162.2%
Loss attributable to Shareholders 股東應佔虧損	HK\$' million 港幣百萬元	(160.0)	(54.4)	(105.6)	-194.1%
Basic losses per share 每股基本虧損	HK cents 港幣仙	(37.7)	(13.8)	(23.9)	-173.2%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group reported consolidated revenue of approximately HK\$1,533.0 million for the year ended 31 December 2018, a decrease of approximately 26.4% over the year ended 31 December 2017 as a result of the completion of few key contracts and fewer new contracts with substantial revenue contributions of interiors and special projects business (the “ISP Business”) having been awarded. In spite of keen competition and rising cost, the management team had successfully improved gross profit margin and was able to achieve a gross profit margin of 9.8% for this year, 1.8% higher than that recorded last year. The gross profit was still decreased by 10% to approximately HK\$150.1 million despite that the management strived hard for the year. After management has imposed appropriate cost control measures during the year, the operating expenses have been reduced by 16.8% to approximately HK\$123.5 million. As a result of that, the operating profit before exceptional items has been increased by 30.9% to approximately HK\$26.7 million. However, including the additional amount of approximately HK\$116.8 million on full impairment loss of goodwill and approximately HK\$70.4 million on impairment of contract assets and receivables, the Group recorded a loss attributable to shareholders of approximately HK\$160.0 million as compared to the loss of approximately HK\$54.4 million recorded last year. Losses per share was 37.7 HK cents (2017: losses per share was 13.8 HK cents).

截至2018年12月31日止年度，本集團錄得綜合收益約港幣1,533,000,000元，較截至2017年12月31日止年度減少約26.4%，原因是室內裝飾及特殊項目業務（「室內裝飾及特殊項目業務」）若干主要合約完工及可帶來重大收益的新合約減少所致。雖然競爭激烈及成本上升，管理團隊成功提高毛利率，本年度錄得毛利率9.8%，較去年提高1.8%。雖然管理層於年內全力以赴，毛利仍減少10%至約港幣150,100,000元。本年度，管理層實施合適的成本監控措施後，經營開支減少16.8%至約港幣123,500,000元。因此，除特殊項目前經營溢利增加30.9%至約港幣26,700,000元。然而，計及全額商譽減值虧損的新增金額約港幣116,800,000元及合約資產及應收賬款減值的新增金額約港幣70,400,000元，本集團錄得股東應佔虧損約港幣160,000,000元，而去年則錄得虧損約港幣54,400,000元。每股虧損為港幣37.7仙（2017年：每股虧損港幣13.8仙）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In view that the financial position of Hsin Chong Group Holdings Limited (“Hsin Chong”) continued to worsen, the Group made a provision of amounts including contract assets and receivables of approximately HK\$63.0 million, the majority of which is mainly related to several ISP contracts with Hsin Chong, for the year ended 31 December 2018, further to the provision of amounts including contract assets and receivables of approximately HK\$90.0 million made for the year ended 31 December 2016. On the ground that Hsin Chong has repeatedly defaulted payments under the second settlement agreement entered in between Hsin Chong and the Company on 1 June 2018 (the “2018 Settlement Agreement”) and the financial position of Hsin Chong deteriorated, the Company delivered a petition (the “Petition”) to the Court of First Instance of High Court of Hong Kong (the “High Court”) against Hsin Chong on 18 January 2019 that Hsin Chong be wound up by the High Court so as to recover the outstanding debts under the 2018 Settlement Agreement in the amount of approximately HK\$79.0 million including interest due from Hsin Chong and its subsidiaries. The hearing for the Petition has been adjourned to May 2019. The Company has sought legal advice as to actions it may take to protect its rights, and will make further announcements as and when appropriate. Details of the update can be referred to the announcements of the Company dated 18 January 2019 and 6 March 2019.

Besides, due to decreased outstanding workload for contracts on hand of ISP Business during the year and the uncertainties under increasingly competitive business environment of ISP Business, a further non-cash goodwill impairment provision on all the remaining carrying value of the goodwill of approximately HK\$116.8 million (almost all of which was generated from the acquisition of ISP Business in late 2012 (“Acquisition”)) was made for the year ended 31 December 2018, in addition to the goodwill impairment provision of HK\$55.0 million made for the year ended 31 December 2017.

由於新昌集團控股有限公司(「新昌」)的財務狀況繼續下滑，除了就截至2016年12月31日止年度計提的合約資產及應收賬款撥備約港幣90,000,000元外，本集團另外就截至2018年12月31日止年度包括合約資產及應收賬款等金額計提撥備約港幣63,000,000元，其中大部分涉及與新昌的多個室內裝飾及特殊項目合約。基於新昌一再拖欠其與本公司於2018年6月1日訂立的第二份還款協議(「2018年還款協議」)下的還款及新昌的財務狀況惡化，本公司於2019年1月18日向香港高等法院原訟法庭(「高等法院」)送達針對新昌的呈請(「呈請」)，要求高等法院對新昌清盤，以收回2018年還款協議項下的尚未償還債務為數約港幣79,000,000元(包括新昌及其附屬公司結欠的利息)。呈請的聆訊已延後至2019年5月。本公司已就其可採取的行動尋求法律意見，以保護其權利，並將於適當時候刊發進一步公告。最新情況之詳情可參閱本公司日期為2019年1月18日及2019年3月6日之公告。

另外，由於年內室內裝飾及特殊項目業務之手頭未完成的合約減少，及室內裝飾及特殊項目業務的營商環境競爭加劇下的不確定因素，除於截至2017年12月31日止年度作出的港幣55,000,000元之商譽減值撥備，於截至2018年12月31日止年度，已就商譽之所有剩餘賬面值進一步計提非現金商譽減值撥備約港幣116,800,000元(其中接近全部由於2012年底收購室裝飾及特殊項目業務(「收購事項」)所產生)。

BUSINESS REVIEW AND PROSPECTS

Business Overview

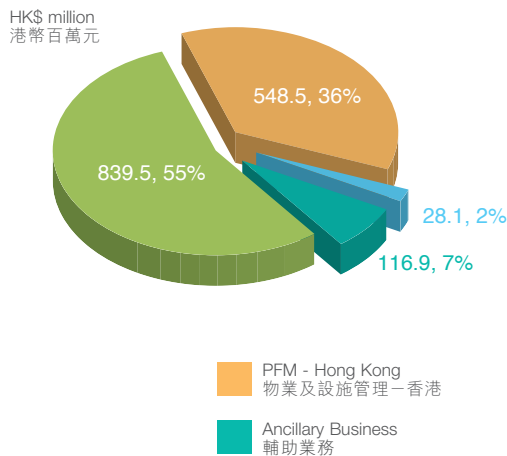
The Group's property and facility management ("PFM") business and ancillary business (the "Ancillary Business") (collectively, the "PFM Business") remained stable in revenue and profits and continued to maintain its solid market position whilst ISP Business has contributed over half of the Group's revenue.

業務回顧及前景

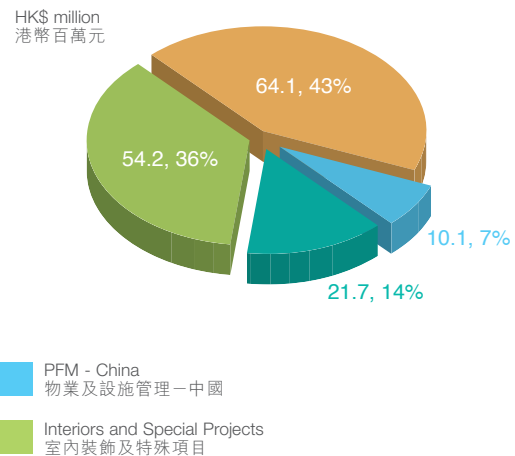
業務概覽

本集團之物業及設施管理(「物業及設施管理」)業務及輔助業務(「輔助業務」)(統稱為「物業及設施管理業務」)之收益及溢利保持穩固並繼續保持其堅固市場地位，而室內裝飾及特殊項目業務佔本集團收益逾半。

Revenue 收益



Gross Profit 毛利



- The revenue of PFM Business — Hong Kong of approximately HK\$665.4 million which was slightly above that of last year (2017: HK\$630.4 million)
- The gross profit of PFM Business — Hong Kong of approximately HK\$85.8 million which was very similar to that of last year (2017: HK\$86.5 million)
- Because one of key contracts expired during the year, the revenue and gross profit of PFM Business — China reduced substantially to approximately HK\$28.1 million (2017: HK\$67.2 million) and approximately HK\$10.1 million (2017: HK\$15.5 million) respectively as compared those of last year.
- Due to the completion of few key contracts and fewer new contracts with substantial revenue contributions of ISP Business, the revenue and gross profit reduced by 39.4% and 16.4% to approximately HK\$839.5 million (2017: HK\$1,385.7 million) and approximately HK\$54.2 million respectively (2017: HK\$64.8 million) as compared with last year.
- 物業及設施管理業務 — 香港所錄得收益約港幣665,400,000元微高於去年(2017年：港幣630,400,000元)
- 物業及設施管理業務 — 香港所錄得毛利約港幣85,800,000元與去年相若(2017年：港幣86,500,000元)
- 由於年內其中一份主要合約屆滿，故物業及設施管理業務 — 中國所錄得收益及毛利分別較去年大幅減少至約港幣28,100,000元(2017年：港幣67,200,000元)及約港幣10,100,000元(2017年：港幣15,500,000元)。
- 由於室內裝飾及特殊項目業務若干主要合約完工及可帶來重大收益的新合約減少，收益及毛利分別較去年減少39.4%及16.4%至約港幣839,500,000元(2017年：港幣1,385,700,000元)及約港幣54,200,000元(2017年：港幣64,800,000元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The operating results of PFM Business and ISP Business in the following sections excluded the exceptional items, being the impairment of contract assets and receivables due to client's credibility, the recovery of doubtful debts and the impairment loss on goodwill respectively.

以下各節的物業及設施管理業務及室內裝飾及特殊項目業務的經營業績，並不包括特殊項目，即因客戶信譽而作出之合約資產及應收賬款減值、收回壞賬及商譽之減值虧損。

		Operating Profit/(Loss) before exceptional items (HK\$' million) 除特殊項目前經營溢利/(虧損) (港幣百萬元)							
		2018	2017	Change 變動		1st half 2018	2nd half 2018	Change 變動	
				Amount 金額	% 百分比	2018年 上半年	2018年 下半年	Amount 金額	% 百分比
PFM	物業及設施管理								
– Hong Kong	– 香港	26.5	31.1	(4.6)	-14.8%	8.2	18.3	10.1	+123.2%
Ancillary Business	輔助業務								
– Hong Kong	– 香港	5.1	0.4	4.7	+1,175%	0.2	4.9	4.7	+2,350.0%
PFM Business	物業及設施管理業務								
– Hong Kong	– 香港								
Sub-total	小計	31.6	31.5	0.1	0.3%	8.4	23.2	14.8	+176.2%
PFM	物業及設施管理								
– China	– 中國	(8.3)	(1.3)	(7.0)	-538.5%	(2.4)	(5.9)	(3.5)	-145.8%
PFM Business	物業及設施管理業務								
– Sub-total	– 小計	23.3	30.2	(6.9)	-22.8%	6.0	17.3	11.3	+188.3%
ISP Business	室內裝飾及特殊								
	項目業務	12.7	5.7	7.0	+122.8%	5.2	7.5	2.3	+44.2%
Corporate Overheads	行政費用	(9.3)	(15.5)	6.2	+40.0%	(5.3)	(4.0)	1.3	+24.5%
Total	總計	26.7	20.4	6.3	+30.9%	5.9	20.8	14.9	+252.5%

When comparing with the interim results of the Group, the financial performance of operating results for the second half of 2018 has been improved substantially especially on the operating profit from approximately HK\$5.9 million for the six months ended 30 June 2018 to approximately HK\$26.7 million for the year ended 31 December 2018 since the management teams, especially that of PFM Business in Hong Kong, paid more attention to provide quality services to our customers, tenants and residents and have been more cost conscious in terms of monitoring the operating expenditure. Our two-third of operating profit for the year ended 31 December 2018 was achieved in the second half of the year.

與本集團的中期業績相比，2018年下半年經營業績的財務表現大幅改善，特別是經營溢利由截至2018年6月30日止六個月的約港幣5,900,000元增至截至2018年12月31日止年度的約港幣26,700,000元，因為管理團隊（特別是香港物業及設施管理業務的團隊）更加注重提供優質服務予客戶、租戶及住戶，並且於監察經營開支時更具有控制成本意識。截至2018年12月31日止年度，全年三分之二之經營溢利乃於下半年獲得。

Property and Facility Management Business

Property and Facility Management

The PFM Business in Hong Kong is capable of sustaining a diverse portfolio for a wide spectrum of clients including government, corporate clients, public institutions and private clients. The scope of service covers government departments, large-scale public facilities, transportation systems, airport cargo terminals, education institutions, hospitals, commercial and industrial properties, public and private housing estates and car parks, etc.

Hong Kong:

In 2018, our facility management team has successfully extended our portfolio to management services for international school and luxurious retail brand by the award of the first facility management contract for the newly established Malvern College Hong Kong in Tai Po with a contract period for three years and the newly opened Zung Fu House for Mercedes-Benz showroom and service centre at Chai Wan. During the year, key corporate clients such as MTR Corporation Limited, HKU SPACE, Asia Airfreight Terminal Company Limited and Hong Kong Jockey Club, have maintained good relationship with us. In addition, our property management team also put effort into extending its scope of services to the prestige residential properties from last year in addition to the property management for large-scale residential estates. Priding ourselves on our extensive property management expertise and professional quality-based management model, we won some successful bids in Mid-levels and Stanley including Grenville House, Robinson Mansion, Mirror Marina, Grosse Pointe Villa, 6–8 Stanley Village Road and Braemar Hill Mansions.

Besides, we have been providing car park management services for public and private car park operators, including 42 the Hong Kong Housing Authority's car parks and 48 Link Real Estate Investment Trust's car parks during the year. With effort to develop our car park business, we have gained recognition from MTR Corporation Limited, which awarded us a three-year car park management contract with an estimated contract sum of approximately HK\$40 million for West Kowloon Station Car Park in Hong Kong Section of Express Rail Link.

物業及設施管理業務

物業及設施管理

香港之物業及設施管理業務能維持客戶類別豐富的多元化組合，包括政府、企業客戶、公共機構及私人客戶。服務範圍涵蓋政府部門、大型公共設施、運輸系統、機場貨運站、教育機構、醫院、工商物業、公私營房屋及停車場等。

香港：

於2018年，設施管理團隊成功將組合拓展至國際學校及奢侈零售品牌的管理服務，獲得首份位於大埔新建的香港墨爾文國際學校之為期三年的設施管理合約及位於柴灣新開幕的仁孚港島汽車中心平治陳列室及服務中心的設施管理合約。年內，香港鐵路有限公司、香港大學專業進修學院、亞洲空運中心有限公司及香港賽馬會等主要企業客戶與我們維持良好關係。此外，物業管理團隊自去年開始致力拓展服務範圍由大型住宅屋村的物業管理至豪宅物業管理。憑藉我們豐富的物業管理知識及專業優質的管理模式，我們成功投得若干位於半山及赤柱的招標項目，包括嘉慧園、羅便臣大廈、鑾波樓、Grosse Pointe Villa、赤柱村道6–8號及賽西湖大廈。

此外，我們年內一直為公私營停車場營運商提供停車場管理服務，包括42個香港房屋委員會停車場及48個領展房地產投資信託基金停車場。在我們發展停車場業務的努力下，我們獲得香港鐵路有限公司的認同，並獲授廣深港高速鐵路香港段西九龍站停車場的一份為期三年停車場管理合約，估算合約總額約港幣40,000,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In addition to the contracts above, the Group has also obtained 39 new contracts from two-year to three-year with a total contract sum of over HK\$263 million. Significant contracts include:

- Property Management Service Contracts: Kwong Ming Court, Yee Fung Garden, Hampton Place and Greenknoll Court; and
- Facility Management Service Contracts: Taxi Services Management at Hong Kong International Airport, maintenance contract for Kwong Wah Hospital, West Kowloon Cultural District Authority Cyberport Office and Offices of Employees Retraining Board and Hong Kong Council for Accreditation of Academic and Vocational Qualifications, etc.

Apart from expanding our business portfolio, we are also capable of maintaining high retention rate for our existing contracts, which proves that our quality services are being recognised by our clients and also enables us to generate steady revenue to the Group. Below are the key contracts successfully renewed with a contract period of two to three years with an increase in service fee during the year:

- Property Management Service Contracts: Hin Ming Court, Wan Tau Tong Estate, Yuk Ming Court, Fu Shin Estate, Evelyn Towers, Summit Insurance Building, Hong Pak Court, Tai Wo Estate, Pearl Gardens and Wah Kwai Estate; and
- Facility Management Service Contracts: The Hang Seng University of Hong Kong, Asia Airfreight Terminal Company Limited, The Education University of Hong Kong, HKU SPACE and provision of Services for Customer Service Centre and Backend Accountancy for MTR Stations.

Our efforts to provide quality services are recognized by the public. At the Excellence in Facility Management Award 2018 organized by the Hong Kong Institute of Facility Management, we won not only three excellence awards and a silver award but Tuen Mun Public Riding School also won the Grand Award (Institutional & Government Properties), which is the highest honour we received at the same competition over the years. At the LINK Award Presentation Ceremony, we won 13 awards, including the Excellent Contractor Award of the Mid-term of 2018: Property Management Support Services (PMSS). Besides, we also won the Best Sustainability Award in Quality Improvement and Experience Sharing Convention 2017/18. In recognition of our efforts, our PFM business has set a record high by receiving 185 property and security services awards from various regions.

除上述合約外，本集團亦獲得39份兩年至三年期的新合約，合約總額超過港幣263,000,000元。主要合約包括：

- 物業管理服務合約：廣明苑、怡豐花園、凱帆軒及嘉翠園；及
- 設施管理服務合約：香港國際機場的士服務管理、廣華醫院維修合約、西九文化區管理局數碼港辦公室及僱員再培訓局及香港學術及職業資歷評審局辦公室等。

除擴大業務組合外，我們現有合約亦得以保持良好之續約保留率，證明我們的優質服務深受客戶肯定，亦為本集團帶來穩定收益。以下為年內成功續約兩至三年而服務費用有所上調的主要合約：

- 物業管理服務合約：顯明苑、運頭塘邨、煜明苑、富善邨、雲景台、健峰保險大廈、康柏苑、太和邨、明珠台及華貴邨；及
- 設施管理服務合約：香港恒生大學、亞洲空運中心有限公司、香港教育大學、香港大學專業進修學院及為港鐵站提供客戶服務中心及後勤會計服務。

我們提供優質服務的努力獲公眾認可。在香港設施管理學會舉辦的卓越設施管理獎2018中，我們不僅贏得三個卓越獎及一個銀獎，屯門公眾騎術學校更贏得卓越大獎（公共項目及政府產業），為過去多年來於同一比賽中我們榮獲的最高殊榮。在領展頒獎典禮中，我們榮獲13個獎項，包括2018年中期卓越承辦商大獎—物業管理支援服務。此外，我們亦於優質改善經驗交流會2017/18榮獲最佳持續發展獎。物業及設施管理業務於各區囊括185個物業及保安服務獎項，創歷年新高，可見我們的努力獲得肯定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue for this business segment has slightly increased by 1.8% but gross profit has decreased by around 5.3% to approximately HK\$64.1 million. In view of general inflation, the operating expenses have increased by 3.0%. Thus, the operating profit has decreased by around 14.8% of that of last year to approximately HK\$26.5 million. We strived hard to expand our business under keen competition and can keep the gross profit margin of 11.7%. On the other hand, due to the reengineering exercise of management team carried out from August 2018, we succeeded in reducing operating expenses substantially by 28.6% from approximately HK\$22.0 million recorded for the first half of the year to approximately HK\$15.7 million recorded for the second half of the year. We are sure that we will increase our competitive strength in 2019 with the cost-conscious mindset.

China:

In view of keen competition from large developers in China, our Group would strategically focus on and allocate resources to Shanghai team. However, due to the lack of substantial new contracts awarded in 2018 and the expiration of one of key contracts in Beijing, revenue for this business segment has decreased by 58.2% to approximately HK\$28.1 million from that of last year. The operating loss for this segment has increased substantially to approximately HK\$8.3 million, which included the compensation cost of approximately HK\$3.7 million in relation to the scaling down exercise of the operation teams in Southern China and Northern China in the second half of 2018 after revisiting the business strategies for the long term development of China Business. The management team targets to turn around and generate profit from 2019 with our strong commitment.

然而，此業務分部之收益稍微增加1.8%，但毛利減少約5.3%至約港幣64,100,000元。由於通貨膨脹，經營開支上升了3.0%。因此，經營溢利較去年減少14.8%至約港幣26,500,000元。儘管競爭激烈，我們仍竭力擴張業務，並將毛利率維持於11.7%。另一方面，由於自2018年8月起管理團隊進行改組，我們成功將經營開支由上半年錄得的約港幣22,000,000元大幅減少28.6%至下半年錄得的約港幣15,700,000元。我們確信憑藉注重成本控制的理念，將在2019年提升我們的競爭力。

中國：

鑑於與中國大型發展商的競爭激烈，本集團將策略性地重點發展上海團隊及向其投放資源。然而，由於2018年未能獲授重大之新合約，加上北京其中一份主要合約屆滿，該業務分部的收益較去年減少58.2%至約港幣28,100,000元。該分部的經營虧損大幅增加至約港幣8,300,000元，包括於重新檢視中國長遠業務發展的業務策略後，在2018年下半年縮減華南及華北營運團隊的活動所涉的賠償成本約港幣3,700,000元。管理層團隊矢志承諾，目標是在2019年起轉虧為盈。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Ancillary Business:

Our Ancillary Business comprising integrated procurement, laundry, cleaning, security and maintenance services has long been offering flexible services to the clients and supporting our core PFM business. Cleaning business is still the main revenue contributor to this segment. A number of new cleaning contracts with a total contract sum of approximately HK\$30 million were awarded during the year. Major contracts include cleaning services contracts for branches of the Bank of East Asia, Limited at Hong Kong Island and the New Territories, Foodies Market Limited in Tai Wai, Hampton Place, a building located at 33 Des Voeux Road Central, Loplus@Johnston and Radiant Towers. Besides, our maintenance services business has improved its performance from the second half of 2018. Major contracts include maintenance and technical supports for Fung Chuen Court, Chun Wo Commercial Centre, Wan Tau Tong Estate, Tai Wo Estate and Kwong Ming Court.

Total revenue from the Ancillary Business reported a 27.3% increase from that of last year to approximately HK\$116.9 million due to more business for our cleaning and maintenance services this year. The gross profit has increased by 15.4% from that of the last year to approximately HK\$21.7 million. This business segment recorded an encouraging result, the operating profit for this segment of approximately HK\$5.1 million for the year ended 31 December 2018.

We put more effort into enhancing the business model of our Ancillary Business and repositioning its strategy from the second half of 2018. Nearly all of the operating profit for the year ended 31 December 2018 of approximately HK\$5.1 million from Ancillary Business was achieved in the second half, which reflected the new management team's strong commitment to reach a new height.

輔助業務：

我們的輔助業務包括綜合採購、洗衣、清潔、保安及維修服務，一直以來為客戶提供靈活的服務並支持我們的核心之物業及設施管理業務。清潔業務仍是該分部的主要收益來源。年內獲授若干新清潔合約，總合約金額約為港幣30,000,000元。主要合約包括東亞銀行有限公司香港島及新界分行、位於大圍的搵食市集有限公司、凱帆軒、一幢位於德輔道中33號之大廈、Loplus@Johnston及旭輝臺的清潔服務合約。此外，我們的維修服務業務的表現自2018年下半年起好轉。主要合約包括鳳鑽苑、俊和商業中心、運頭塘邨、太和邨及廣明苑的維修及技術支援。

來自輔助業務之總收益較去年增加27.3%至約港幣116,900,000元，因為本年度的清潔及維修服務業務增加。毛利較去年增加15.4%至約港幣21,700,000元。截至2018年12月31日止年度，該業務分部錄得的業務令人鼓舞，此分部之經營溢利為約港幣5,100,000元。

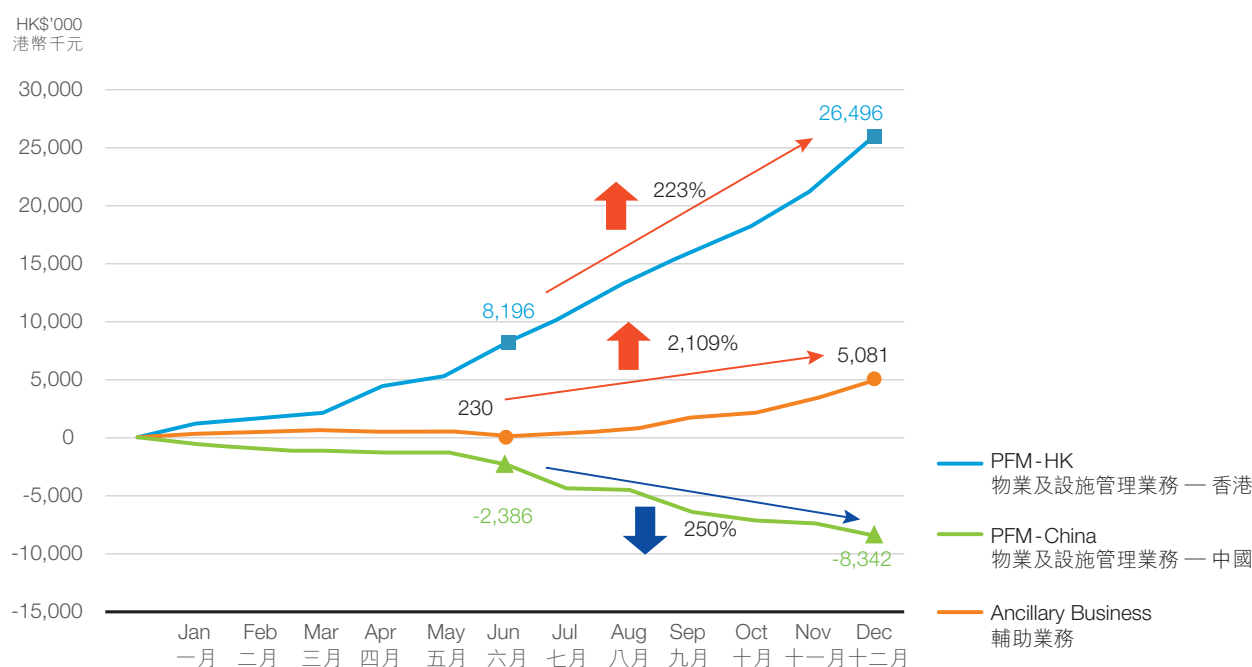
我們投放更多資源提升輔助業務的業務模式，並由2018年下半年起將其策略重新定位。截至2018年12月31日止年度，輔助業務差不多所有營運利潤約港幣5,100,000元均於下半年錄得，反映新管理團隊堅定承諾實現新里程。

MANAGEMENT DISCUSSION AND ANALYSIS 管理層討論及分析

It is expected that our cleaning business will continue to be our main profit contributor to the Ancillary Business in 2019. We believe that, our maintenance services business will further improve its business and become one of key contributors to our Ancillary Business in 2019. Our maintenance services business has also received the qualifications of Registered Minor Works Contractor and Registered Electrical Contractor. Having become a Registered Fire Service Installation Contractor (Classes 1 & 2) in February 2019, we have planned to bid for and undertake fire services including the related improvement and renovation works. With enhanced quality of our Ancillary Business services, business diversification and the advantages of having managed large portfolio of residential units, the management is highly confident that higher revenue and profit contribution are anticipated in the coming year.

預計清潔業務將仍是2019年輔助業務中的主要利潤來源。我們相信維修服務業務將於2019年進一步改善其業務及成為輔助業務的其中一個主要貢獻來源。維修服務業務亦已獲得註冊小型工程承建商及註冊電業承辦商資格。我們於2019年2月成為註冊消防裝置承辦商(第1及2級)，並已計劃競投及承接消防服務，包括相關改善及翻新工程。憑藉輔助業務服務品質提升、業務多元化及管理龐大住宅單位組合的優勢，管理層深信來年有望取得更高收入及溢利貢獻。

Operating Profit before exceptional items for the year ended 31 December 2018 截至2018年12月31日止年度之除特殊項目前經營溢利



Stepping into 2019, Synergis has continued to adopt a total quality management approach, which helps us to maintain a high standard of services and provide premium services to our clients as in the past. We have a dedicated management team and a strong backup force comprising professional headquarters supporting team, technical and security support team. This gives us confidence to grasp all possible opportunities to expand our market share with our enlarging service scope and quality services and to retain our current clients for more prosperous reward. The management team is ambitious to perform much better than it did in 2018.

踏入2019年，昇捷繼續採取全面品質管理方針，幫助我們維持高服務水平及向客戶提供一如既往的優質服務。我們擁有專注的管理團隊，及由專業的總部支援團隊及技術及保安支援團隊組成的強大後援力量。這使我們有信心把握所有潛在機遇，憑藉不斷開拓的服務範疇及優質服務以擴大市場佔有比率，並保留現有客戶取得更豐碩回報。管理團隊有志大幅提升表現，更勝2018年。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Interiors and Special Projects Business

As a part of the core business of Synergis, ISP Business provides one-stop ISP services including planning, design, consultancy, project management, demolition work, site formation work, repair and restoration of historic buildings work, etc. to its local and overseas customers.

During the year, the total revenue and gross profit of ISP Business recorded approximately HK\$839.5 million and approximately HK\$54.2 million respectively, representing a decrease of 39.4% in revenue and 16.4% in gross profit respectively when compared to those of last year. The decrease in revenue was mainly due to the completion of few key contracts and fewer new contracts with substantial revenue contributions for the year but we have endeavored to improve and successfully increased our gross profit margin by 1.8% from 4.7% to 6.5%. The significant revenue contribution came from 4 key projects including residential development at Discovery Bay North Phase 16, decoration works for a hotel in Tung Chung, the new factory development of a well-established pharmaceutical brand in Yuen Long, builder works for automation of arrival bags delivery at Hong Kong International Airport, which contributed over half of ISP Business's revenue for the year. Management took a more cautious approach to monitor the operating expenses this year and thus operating expenses decreased by 30.0%. Therefore, the operating profit increased from approximately HK\$5.7 million recorded last year to approximately HK\$12.7 million recorded this year.

Despite the increasing competitive environment of the industry, ISP Business has managed to obtain a number of new projects during the year with the contract sum amounting to approximately HK\$917.2 million. The major contracts mainly for alteration and addition, and construction are listed below:

- A Temple Renovation Project at Kowloon Tong;
- Proposed Commercial Building Development Works at 2C&2D Lau Li Street and 68-70 Electric Road;
- Residential Development at 2 Headland Road, Repulse Bay; and
- Renovation of Existing Toilets at Watson Centre in Kwai Chung.

室內裝飾及特殊項目業務

室內裝飾及特殊項目乃昇捷核心業務的一部分，向本地及海外客戶提供一站式室內裝飾及特殊項目服務，包括規劃、設計、顧問、項目管理、拆卸工程、地盤平整工程、歷史建築維修及修復工程等。

本年內，室內裝飾及特殊項目業務的總收益及毛利分別錄得約港幣839,500,000元及約港幣54,200,000元，較去年的收益及毛利分別減少39.4%及16.4%。收益減少乃主要由於若干主要合約完工及本年度可帶來重大收益的新合約減少，但我們致力改善及成功地提高毛利率，由4.7%上升1.8%至6.5%。收益的主要貢獻來自四個主要項目包括香港愉景灣北第十六期之住宅發展項目、一幢位於東涌的酒店裝修工程、一個知名製藥品牌於元朗之新廠房發展項目及香港國際機場行李運輸系統土建工程，其佔室內裝飾及特殊項目業務年內收益超過一半。於本年度，管理層採取較審慎的態度監察經營開支，因此其減少30.0%。所以，經營溢利由去年錄得的約港幣5,700,000元增至本年度錄得的約港幣12,700,000元。

雖然行業競爭越趨激烈，室內裝飾及特殊項目業務於年內成功取得多個新項目，合約總額達約港幣917,200,000元。該等主要合約列示如下，其主要為改建及加建以及建築：

- 九龍塘一間教堂翻新項目；
- 琉璃街2C-2D號及電氣道68-70號擬定商業大廈發展工程；
- 淺水灣赫蘭道2號住宅發展項目；及
- 葵涌屈臣氏中心現有洗手間翻新工程。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The total outstanding workload for contracts on hand as of 31 December 2018 exceeded HK\$1.0 billion, over two-third of which is expected to be completed in 2019. In view that ISP Business faced a very challenging business environment recently and suffered reduction of the outstanding workload for contracts on hand and its business performance (including the revenue and gross profit) of ISP Business is unlikely to be significantly improved in the near future, it is inevitable for us to make a further provision for all the remaining carrying value of the goodwill approximately HK\$116.8 million (almost all of which was arisen from the Acquisition) for this year, further to the provision of HK\$55.0 million made last year.

Stepping in 2019, ISP Business would focus on the core businesses (fitting-out, alteration and addition, renovation, special construction project, demolition, etc.) and we believe that we may gain an opportunity to better serve our clients with the team's commitment to excellence in the coming years.

Financial Position and Financial Risk Management

As of 31 December 2018, the total outstanding bank loans were HK\$166.0 million, which is very similar to that of last year and scheduled to be repaid over the next two years. This includes an outstanding balance of HK\$36.0 million (of which HK\$12.0 million is due over one year) related to the banking facility drawn down for the Acquisition and a term loan of HK\$40.0 million (of which HK\$10.0 million is due over one year) drawn down to support ISP operation. The remaining sum represents the working capital loans for supporting ISP operation and business development. During the year, the Group's sources of fund were generated primarily from operating activities and financing activities including existing banking facilities.

Interest costs on bank borrowings are primarily charged based on a spread over HIBOR. With regard to the current portfolio of businesses, management expects that financial requirements for the foreseeable future will be met from a combination of shareholders' equity and banking facilities. The Group would continue to proactively monitor the financial position and maintain sufficient working capital and liquidity in the way that can enable us to capture any good business opportunities and to meet the challenges ahead.

截至2018年12月31日，手頭未完成合約工程總值超過港幣1,000,000,000元，逾三分之二將預計於2019年完成。考慮到室內裝飾及特殊項目業務近期面臨極具挑戰的經營環境及手頭未完成合約工作量減少，其業務表現（包括收益及毛利）不太可能於不久將來有顯著改善，而我們難免要繼去年撥備港幣55,000,000元後，於本年度就商譽（其中接近全部由收購事項產生）之所有餘下賬面值約港幣116,800,000元作出撥備。

踏入2019年，室內裝飾及特殊項目業務將繼續集中於裝修、改建及加建、翻新工程、特殊建設項目、拆卸等核心業務，而我們深信我們會有機會於未來數年以團隊的卓越服務承諾，為客戶提供更佳服務。

財務狀況及財務風險管理

截至2018年12月31日，與去年的銀行貸款相若並計劃於未來兩年償還之尚未償還銀行貸款總額為港幣166,000,000元。其包括未償還餘額港幣36,000,000元（其中港幣12,000,000元於一年後到期）乃關於為收購事項提取的銀行融資，以及有期貸款港幣40,000,000元（其中港幣10,000,000元於一年後到期），乃為支持室內裝飾及特殊項目營運而提取。餘款為支持室內裝飾及特殊項目運作及業務開發之營運資金貸款。年內，本集團的資金來源主要來自經營活動及融資活動（包括現有銀行信貸）。

銀行借貸之利息成本主要按香港銀行同業拆息加息差計算。就現有業務組合而言，管理層預期將以股東權益及銀行信貸之方式應付可見的未來財務需求。本集團將繼續積極監控其財務狀況，並維持充足營運資本及流動資金以把握任何良好商機及迎接未來挑戰。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Because of the full impairment of goodwill (almost all of which was arisen from the Acquisition) and further provision for contract assets and receivables related to Hsin Chong for the year ended 31 December 2018, the net assets have been dropped to approximately HK\$89.5 million. As a result, the gearing ratio (net debt to net tangible assets) increased from 34.5% to 58.1% as compared with last year.

截至2018年12月31日止年度，由於商譽（其中接近全部由收購事項產生）計提全額減值及就有關新昌的合約資產及應收賬款計提進一步撥備，資產淨值下跌至約港幣89,500,000元。因此，資產負債比率（淨負債與有形資產淨值之比率）較去年由34.5%增至58.1%。

Financial position (HK\$'000)

財務狀況（港幣千元）

		2018	2017
Total assets	資產總值	838,874	1,120,897
Receivables and other assets	應收賬款及其他資產	698,105	864,921
Deposits, cash and cash equivalents	存款、現金及現金等值	113,950	116,198
Current assets	流動資產	812,055	981,119
Intangible assets	無形資產	—	116,794
Net tangible assets	有形資產淨值	89,522	134,033
Net assets	資產淨值	89,522	250,827
Current liabilities	流動負債	747,200	868,442
Bank loans	銀行貸款	166,000	162,402
Gearing ratios and liquidity	資產負債比率及流動資金		
Net debt to net tangible assets	淨負債與有形資產淨值之比率	58.1%	34.5%
Total debt to net tangible assets	總負債與有形資產淨值之比率	185.4%	121.2%
Current ratio	流動比率	1.1	1.1
Per share data	每股資料		
Shares in issue (all classes)	已發行股份（所有類別）	504,850,000	504,850,000
Basic and diluted losses per share (HK cents)	每股基本及攤薄虧損（港幣仙）	(37.7)	(13.8)
Net assets per share (HK cents)	每股資產淨值（港幣仙）	17.7	49.7

The Group adopts a conservative approach in the management of its financial risks and resources, under the supervision of the Executive Committee.

本集團於執行委員會之監管下對其財務風險和資源採取審慎方式管理。

Interest rate risk arising from bank borrowings is low as interest rates are fixed for short-term periods to take advantage of the lower rates thus available. Interest rates will be subject to fluctuation at the time of renewal.

我們採用短期固定利率以充分利用當前的低息環境，故銀行借貸之利率風險較低。利率將可能於重續時波動。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's business is conducted primarily in Hong Kong, and the majority of its assets and liabilities is denominated in Hong Kong Dollars. Therefore, the Group has minimal foreign currency exposure. The growth of the Group's business in China has been funded via permanent capital injection, which is for the long-term and as such, foreign currency hedging is considered unnecessary.

It is the Group's policy not to enter into derivative transactions for speculative purposes. It is also the Group's policy not to invest its financial resources in financial products, including hedge funds or similar instruments, with significant underlying leverage or derivative exposure.

Cash Management

The Group operates a centralised cash management system. Cash balances surplus to immediate requirements are mainly placed as short-term bank deposits with a number of licensed banks in Hong Kong.

Human Resources

As at 31 December 2018, the Group employed a total of 5,294 staff (31 December 2017: 5,695) in Hong Kong, China and Macau.

In order to sustain our quality services, it is always our long-term goal to retain capable staff. We have put a lot of effort into ensuring that our staff members are having desirable staff remuneration and benefits through market research and regular review. Our Human Resources Team always strives their best to keep track of changes in the latest market conditions so as to more talented candidates to serve the Group. In addition, aiming for the mutual growth of the staff and the Company, the Company is willing to share resources with our staff. In 2019, our new Human Resources Management focuses on "We Care We Share 盡展關懷共享成果". We believe that the staff will reward the Company and customers through providing quality services and thus we can gain more appreciation and recognition from the customers. Besides, the team manages to enhance the existing Human Resources system. In the era of information technology, Synergis believes that digitalization helps promote the effectiveness and efficiency of business operations.

本集團的業務主要在香港進行，其大部分資產和負債均以港幣計值，因此本集團的外匯風險甚微。本集團業務在中國之增長透過永久注資長期撥付資金，因此本集團認為並無必要進行外匯對沖。

本集團之一貫政策是不會訂立衍生工具交易作投機炒賣用途，亦不會投資於帶來重大槓桿效應或衍生工具風險之金融產品上，包括對沖基金或類似投資工具。

現金管理

本集團設有中央現金管理系統。應對即時需求之現金結餘盈餘主要作為短期銀行存款存放於香港多間持牌銀行。

人力資源

於2018年12月31日，本集團於香港、中國及澳門僱用合共5,294名員工(2017年12月31日：5,695名)。

為了維持優質服務，我們的恒常長期目標是留聘有能力的員工。我們透過市場研究及定期檢討，竭力確保員工獲得理想的員工薪酬及福利。人力資源團隊一直盡其所能緊貼最新市況變化，以吸納更多人才服務本集團。此外，為了員工能與本公司共同成長，本公司願意與員工分享資源。於2019年，本公司新的人力資源管理方針注重「We Care We Share 盡展關懷共享成果」。我們相信員工將以優質服務回饋本公司及顧客，獲得更多顧客的讚賞及認同。另外，團隊有能力提升現有人力資源制度。於資訊科技年代，昇捷相信數碼化有助促進業務營運的有效性及效率。

PROFILES OF DIRECTORS 董事之簡介

MR. KINGSTON CHU CHUN HO

(aged 33)

Mr. Kingston Chu Chun Ho (“Mr. Chu”) was appointed as an Executive Director and the Chairman of the Company with effect from 9 March 2017. He is also a member of each of the Executive Committee, the Nomination Committee and the Remuneration Committee.



Mr. Chu is a licensed person under Securities and Futures Ordinance for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities for Kingston Securities Limited and Kingston Corporate Finance Limited, respectively. Mr. Chu is a member of Guangxi Committee of The Chinese People’s Political Consultative Conference, a member of General Committee of The Chamber of Hong Kong Listed Companies, vice president of Hong Kong CPPCC Youth Association, Youth Committee Vice Director of HKCPPCC (Provincial) Members Association, vice president of Federation of Hong Kong Guangxi Community Organisations, vice chairman of Hong Kong Guangdong Youth Association, honorary chairman of Hong Kong Guangxi Youth Organisations and Youth Committee Chairman of Hong Kong Federation of Dongguan Associations. Mr. Chu holds a Bachelor Degree of Science in Business Administration from the University of Southern California in the U.S.A.

Mr. Chu has been an executive director of Kingston Financial Group Limited (stock code: 1031) since 21 August 2015 and an executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) (“Sincere HK”) since 29 May 2012, both of which are listed on the main board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Mr. Chu has also been a director of Sincere Watch Limited, a shareholder of Sincere HK since 21 May 2012. He was a non-executive director of New Concepts Holdings Limited (stock code: 2221) from September 2016 to November 2017, a company listed on the Main Board of the Stock Exchange.

Mr. Chu is the son of Mrs. Chu Yuet Wah, the ultimate beneficial owner of Champ Key Holdings Limited, which is the controlling shareholder of the Company.

朱俊浩先生

(33歲)

朱俊浩先生(「朱先生」)自2017年3月9日起獲委任為本公司之執行董事兼主席。彼亦為執行委員會、提名委員會及薪酬委員會之成員。

朱先生分別為金利豐證券有限公司及金利豐財務顧問有限公司於證券及期貨條例項下之第1類(證券交易)及第6類(就機構融資提供意見)受規管活動之持牌人士。朱先生為中國人民政治協商會議廣西壯族自治區政協委員、香港上市公司商會常務委員會委員、香港政協青年聯會副主席、港區省級政協委員聯誼會青年委員會副主任、香港廣西社團總會副會長、香港廣東青年總會副主席、香港廣西青年聯會名譽主席及香港東莞社團總會青年委員會主席。朱先生持有美國南加州大學工商管理學士學位。

朱先生自2015年8月21日起出任金利豐金融集團有限公司(股份代號：1031)之執行董事及自2012年5月29日起出任Sincere Watch (Hong Kong) Limited(股份代號：444)(「Sincere HK」)之執行董事，該等公司均於香港聯合交易所有限公司(「聯交所」)主板(「主板」)上市。

朱先生亦自2012年5月21日起出任Sincere HK股東Sincere Watch Limited之董事。彼於2016年9月至2017年11月期間曾出任創業集團(控股)有限公司(股份代號：2221)之非執行董事，該公司於聯交所主板上市。

朱先生為李月華女士(本公司控股股東Champ Key Holdings Limited之最終實益擁有人)之兒子。

PROFILES OF DIRECTORS 董事之簡介



MR. TERENCE LEUNG SIU CHEONG

BSc, MHKIE, MCIQB, MHKICM, ACI Arb, R.P.E. (aged 53)

Mr. Terence Leung Siu Cheong (“Mr. Leung”) was appointed as an Executive Director with effect from 10 April 2015. He subsequently was (i) appointed as a Co-

Managing Director with effect from 1 September 2015 and re-designated to a Managing Director for the interiors and special projects business with effect from 5 April 2016; and (ii) appointed as the Deputy Chairman with effect from 9 March 2017. He is also a member of the Executive Committee.

Mr. Leung is the managing director of certain subsidiaries of the Company. He is also a member of the supervisory board of a joint venture of the Group.

Mr. Leung is responsible for the business development and project monitoring of all addition and alteration works, renovation works, fitting-out works, conservation and revitalisation works, and various construction and special projects. He is a member of the Hong Kong Institution of Engineers and a registered professional engineer. Mr. Leung has established and managed the interiors and special projects division since 2006, which was incorporated into the Group as one of the major businesses of the Group in 2012. He has over 30 years of experience in project planning and monitoring, building construction and coordination, cost control, renovation and fitting-out works.

梁兆昌先生

BSc, MHKIE, MCIQB, MHKICM, ACI Arb, R.P.E. (53歲)

梁兆昌先生(「梁先生」)自2015年4月10日起獲委任為執行董事。彼其後(i)自2015年9月1日起獲委任為聯席董事總經理及自2016年4月5日起調任為室內裝飾及特殊項目業務董事總經理；及(ii)自2017年3月9日起獲委任為副主席。彼亦為執行委員會之成員。

梁先生為本公司之若干附屬公司之董事總經理。彼亦為本集團一間合資公司之監事會成員。

梁先生負責所有加建及改建工程、翻新工程、室內裝飾工程、保育及活化工程，以及各項建築及特殊項目工程之業務發展及項目監控。彼為香港工程師學會之會員及註冊專業工程師。梁先生於2006年成立及管理室內裝飾及特殊項目部門，而該部門亦於2012年納入本集團成為其中的主要業務。彼擁有逾30年之項目規劃與監控、樓宇建造及整理、成本控制、翻新與室內裝飾工程經驗。

PROFILES OF DIRECTORS 董事之簡介



MR. LAU MAN TAK

(aged 49)

Mr. Lau Man Tak ("Mr. Lau") has been appointed as an Independent Non-executive Director since 28 September 2017. He is also the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee.

Mr. Lau graduated from the Hong Kong Polytechnic University with a bachelor's degree of arts in accountancy in November 1991. Mr. Lau has more than 18 years of experience in finance and accounting. He has been an associate member of the Hong Kong Institute of Certified Public Accountants since September 1997, a fellow member of the Association of Chartered Certified Accountants since July 2002, a fellow member of the Hong Kong Institute of Directors since August 2012 and a member and a fellow member of the Hong Kong Securities and Investment Institute since April 2000 and November 2015, respectively.

Mr. Lau is currently the chairman and an executive director of TEM Holdings Limited (stock code: 8346) and an independent non-executive director of Chinese Food and Beverage Group Limited (stock code: 8272), both of which are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange, and an independent non-executive director of Kingston Financial Group Limited (stock code: 1031), a company listed on the Main Board of the Stock Exchange. He is also the chairman and a non-executive director of REF Holdings Limited (stock code: 1631), a company listed on the Main Board of the Stock Exchange. Mr. Lau was an independent non-executive director of Sincere Watch (Hong Kong) Limited (stock code: 444) from June 2012 to December 2016, a company listed on the Main Board of the Stock Exchange.

劉文德先生

(49歲)

劉文德先生(「劉先生」)自2017年9月28日起獲委任為本公司之獨立非執行董事。彼亦為審核委員會主席，以及薪酬委員會及提名委員會之成員。

劉先生於1991年11月在香港理工大學畢業，持有會計學文學士學位。劉先生於金融及會計方面擁有逾18年經驗。彼自1997年9月起為香港會計師公會之會員，自2002年7月起為英國特許公認會計師公會之資深會員，自2012年8月起為香港董事學會之資深會員及分別自2000年4月及2015年11月起為香港證券及投資學會之會員及資深會員。

劉先生現時為TEM Holdings Limited(創新電子控股有限公司*)(股份代號：8346)之主席兼執行董事及華人飲食集團有限公司(股份代號：8272)之獨立非執行董事，該等公司於聯交所GEM(「GEM」)上市，亦為金利豐金融集團有限公司(股份代號：1031)之獨立非執行董事，該公司於聯交所主板上市。彼亦為REF Holdings Limited(股份代號：1631)之主席兼非執行董事，該公司於聯交所主板上市。劉先生於2012年6月至2016年12月曾擔任Sincere Watch (Hong Kong) Limited(股份代號：444)之獨立非執行董事，該公司於聯交所主板上市。

* 僅供識別

PROFILES OF DIRECTORS 董事之簡介



MR. ERIC LEE HON MAN

(aged 52)

Mr. Eric Lee Hon Man (“Mr. Lee”) has been appointed as an Independent Non-executive Director since 28 September 2017. He is the chairman of the Nomination Committee, and a member of the

Audit Committee and the Remuneration Committee.

Mr. Lee is currently an independent non-executive director of TEM Holdings Limited (stock code: 8346), a company listed on the GEM of the Stock Exchange, and is employed by Orient Finance Holdings (Hong Kong) Limited as managing director of investment banking department. Mr. Lee graduated from the University of Birmingham, the United Kingdom with a bachelor’s degree of engineering in electronic and electrical engineering in July 1988, and obtained a master’s degree in business administration from the Chinese University of Hong Kong in December 1993.

Mr. Lee has over 20 years of experience in the corporate finance industry. From August 2015 to February 2017, Mr. Lee worked at LY Capital Limited, a company engaging in advising on corporate finance, as a director. From April 2002 to November 2014, Mr. Lee worked at First Shanghai Capital Limited, a company engaging in advising on corporate finance, and his last position was managing director. From July 1997 to March 2002, Mr. Lee worked at DBS Asia Capital Limited, a company engaging in advising on corporate finance, and his last position was vice president.

李翰文先生

(52歲)

李翰文先生(「李先生」)自2017年9月28日起獲委任為本公司之獨立非執行董事。彼為提名委員會主席，以及審核委員會及薪酬委員會之成員。

李先生現為TEM Holdings Limited (創新電子控股有限公司*) (股份代號：8346)之獨立非執行董事，該公司於聯交所GEM上市，亦受聘於東方金融控股(香港)有限公司，擔任投資銀行部董事總經理。李先生於1988年7月畢業於英國伯明翰大學，獲工程學士學位(電子及電機工程)，並於1993年12月取得香港中文大學工商管理碩士學位。

李先生在企業融資行業有逾20年經驗。李先生於2015年8月至2017年2月為絡繹資本有限公司的董事，該公司從事就企業融資提供意見。由2002年4月至2014年11月，李先生任職第一上海融資有限公司，該公司從事就企業融資提供意見，而彼離職前職位為董事總經理。由1997年7月至2002年3月，李先生效力於星展亞洲融資有限公司，該公司從事就企業融資提供意見，而彼離職前職位為副總裁。

* 僅供識別

PROFILES OF DIRECTORS 董事之簡介



DR. WONG YUN KUEN

(aged 61)

Dr. Wong Yun Kuen (“Dr. Wong”) has been appointed as an Independent Non-executive Director since 1 December 2017. He is the chairman of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee.

Dr. Wong received a Ph.D. Degree from Harvard University, and was “Distinguished Visiting Scholar” at Wharton School of the University of Pennsylvania. He has worked in financial industries in the United States and Hong Kong for many years, and has considerable experience in corporate finance, investment and derivative products. He is a member of Hong Kong Securities and Investment Institute.

Dr. Wong is the chairman and an executive director of UBA Investments Limited and Far East Holdings International Limited, a non-executive director of China Sandi Holdings Limited and an independent non-executive director of Kingston Financial Group Limited, DeTai New Energy Group Limited (formerly known as Guocang Group Limited), Kaisun Holdings Limited (formerly known as Kaisun Energy Group Limited), GT Group Holdings Limited (formerly known as China Yunnan Tin Minerals Group Company Limited), Tech Pro Technology Development Limited and Asia Coal Limited. Dr. Wong was also an executive director of Boill Healthcare Holdings Limited (formerly known as Ngai Shun Holdings Limited) from July 2016 to December 2018 and an independent non-executive director of Sincere Watch (Hong Kong) Limited from September 2012 to November 2017, Bauhaus International (Holdings) Limited from October 2004 to December 2016, China Sandi Holdings Limited from September 2009 to September 2016, Far East Holdings International Limited from December 2014 to July 2017. All the companies mentioned above are listed on the Stock Exchange.

黃潤權博士

(61歲)

黃潤權博士(「黃博士」)自2017年12月1日起獲委任為獨立非執行董事。彼為薪酬委員會主席，以及審核委員會及提名委員會之成員。

黃博士持有哈佛大學博士學位，並曾任賓夕法尼亞大學沃頓商學院之「傑出客席學者」。彼投身美國及香港金融界多年，於企業融資、投資及衍生產品方面擁有豐富經驗。彼為香港證券及投資學會會員。

黃博士為開明投資有限公司及遠東控股國際有限公司之主席兼執行董事、中國三迪控股有限公司之非執行董事以及金利豐金融集團有限公司、德泰新能源集團有限公司(前稱國藏集團有限公司)、Kaisun Holdings Limited(凱順控股有限公司*)(前稱Kaisun Energy Group Limited(凱順能源集團有限公司*))、高富集團控股有限公司(前稱中國雲錫礦業集團有限公司)、德普科技發展有限公司及亞洲煤業有限公司之獨立非執行董事。黃博士亦曾於2016年7月至2018年12月期間出任保集健康控股有限公司(前稱毅信控股有限公司)之執行董事及曾於2012年9月至2017年11月期間出任Sincere Watch (Hong Kong) Limited之獨立非執行董事；於2004年10月至2016年12月期間出任包浩斯國際(控股)有限公司之獨立非執行董事；於2009年9月至2016年9月期間出任中國三迪控股有限公司之獨立非執行董事；於2014年12月至2017年7月期間出任遠東控股國際有限公司之獨立非執行董事。上述公司均於聯交所上市。

* 僅供識別

PROFILES OF THE GROUP'S KEY PERSONNEL

集團要員之簡介

PROPERTY AND FACILITY MANAGEMENT BUSINESS

物業及設施管理

MS. MANDY HUI SUK MAN

MBA, FCCA, FCPA (aged 43)

Ms. Mandy Hui Suk Man ("Ms. Hui") is the Acting Managing Director for the property and facility management business and the Finance Director of the Group. She is also a director of certain subsidiaries of the Company.

許淑敏女士

MBA, FCCA, FCPA (43歲)

許淑敏女士(「許女士」)為本集團物業及設施管理業務之署理董事總經理兼財務董事。彼亦為本公司多間附屬公司的董事。

Ms. Hui is responsible for strategic planning and implementation, business development, monitoring operation of the property and facility management business and supervising corporate services teams to improve the operational efficiency of the Group. She is also in charge of overseeing the finance and accounting operations, budgetary control, financial control and treasury management of the Group. She also assists the Board for any merger and acquisition projects. She is a Certified Public Accountant in Hong Kong and has around 20 years of experience in corporate accounting, financing and taxation. Ms. Hui joined the Group in 2006 and prior to that, she got solid experience in both audit and accounting. She is also responsible to company secretarial practice of the Group and is the primary corporate contact person of company secretarial function for the Company. Ms. Hui holds a Master's Degree of Business Administration from Hong Kong Baptist University. She is a fellow member of The Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountant.

許女士負責戰略規劃及實施、業務發展、監察物業及設施管理業務營運及監督企業服務團隊以提升集團之營運效率。彼亦負責監督集團財務及會計運作，預算控制、財務監控及庫務管理，亦協助董事會的併購項目。彼為香港註冊會計師，於企業會計、融資及稅務積累約20年的經驗。許女士在2006年加盟本集團，在此之前彼於核數及會計擁有扎實經驗。彼亦負責本集團公司秘書實務工作，為本公司公司秘書職能的主要企業聯絡人士。許女士擁有香港浸會大學工商管理碩士學位，並為特許公認會計師公會及香港會計師公會的資深會員。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MS. CELINE TAM PUI CHING

MHousMan(HKU), F.PFM, MHKIoD, MCIH, RPHM, MHIREA (aged 58)

Ms. Celine Tam Pui Ching ("Ms. Tam") is the Director — Property Management and a director of certain subsidiaries of the

Company. She is responsible for overseeing daily management operations as well as strategic planning and business development of the Group's Hong Kong and Kowloon regions of property management segment.

Ms. Tam began her career for property and facility management at Hong Kong Housing Department. She was later transferred to the then City & New Territories Administration as liaison officer to serve at the deployed District Offices. She left the civil service and started gaining extensive working experience in the private sector at some well-established property/facility management companies. Prior to her joining to Synergis in May 2017, she worked for a property management subsidiary of a reputable property developer.

Ms. Tam holds a Master's Degree of Housing Management from The University of Hong Kong. She is an expert in property management with rich experience in related industries. Being the fellow member of The Hong Kong Institute of Facility Management, she was elected as the president of the Institute for the year term of 2011-2012. She is currently a registered professional housing manager who holds membership of Chartered Institute of Housing Asian Pacific Branch, Hong Kong Institute of Real Estate Administrators and The Hong Kong Institute of Directors.

譚佩貞女士

MHousMan(HKU) · F.PFM, MHKIoD, MCIH, RPHM, MHIREA (58歲)

譚佩貞女士(「譚女士」)為董事 — 物業管理及本公司若干附屬公司的董事。彼負責監督本集團香港及九龍區域的物業管理分部日常管理運作、策略規劃與業務發展。

譚女士投身於物業及設施管理專業，始於香港房屋署。她後來獲調派當時的民政事務總處轄下政務處出任聯絡主任。其後她離開公務員行列，加盟知名的物業／設施管理公司，以掌握私營物業管理市場的運作模式。在2017年5月加入昇捷前，她在一間信譽良好的房地產發展商的附屬物業管理公司任職。

譚女士持有香港大學房屋管理碩士學位，是一位物業管理專才，具有相關行業的豐富經驗。作為香港設施管理學會的資深會員，她曾當選為2011-2012年度學會會長。彼現時為註冊專業房屋經理；同時持有英國特許房屋經理學會亞太分會、香港地產行政師學會及香港董事學會會員資格。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介

MR. IVAN CHEUNG YUK LUNG

BBA, BAHS (Hons), RPHM, FHKIH, MRICS (aged 42)

Mr. Ivan Cheung Yuk Lung ("Mr. Cheung") is the General Manager — Property Management and a director of certain subsidiaries of the Company. He is responsible for the

strategic planning, business development and management operation of the Group's New Territories East and West regions of property management segment and car park segment. He has over 19 years of experience in property management.

Mr. Cheung received a Bachelor's Degree of Arts in Housing Studies from the City University of Hong Kong and a Bachelor's Degree of Business Administration in Applied Economics from the Baptist University of Hong Kong. He is a fellow member of the Hong Kong Institute of Housing and has served as a council member since 2017. Also, he is a professional member of The Royal Institution of Chartered Surveyors, a registered professional housing manager of the Housing Managers Registration Board and a national property manager of Human Resources and Social Security Department of Guangdong Province.

Mr. Cheung began his career at Synergis as property officer in 2002. Three years later, he was promoted to assistant property manager and started his managerial career path. After that, he was subsequently promoted to the current position in 2018.

張玉龍先生

BBA, BAHS (Hons) · RPHM, FHKIH, MRICS (42歲)

張玉龍先生(「張先生」)為總經理 — 物業管理及本公司若干附屬公司之董事。彼負責本集團新界東區、新界西區域的物業管理分部和停車場分部的策略規劃、業務發展及管理營運。彼擁有超過19年物業管理經驗。

張先生持有香港城市大學房屋學文學學士學位和香港浸會大學工商管理學士學位。彼為香港房屋經理學會的資深會員，並自2017年起擔任該會的理事。彼同時為皇家特許測量師學會的專業會員、房屋經理註冊委員會的註冊專業房屋經理，以及廣東省人力資源和社會保障廳的全國物業管理師。

張先生於2002年加入本集團擔任管業主任一職，三年後晉升為助理管業經理，擔任經理職級。彼之後繼續拾級而上，並於2018年獲晉升至現時的職位。



PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. NELSON HO SIU LEUNG

MBA, FRICS, F.PFM, FHKIoD, MHKIS, Beam Pro, Green Building Faculty (aged 53)

Mr. Nelson Ho Siu Leung ("Mr. Ho") joined the Group on 11 May 2016 as a director of Synergis Facility Management Limited and is responsible for the overall strategic planning, business development and management operation of the facility management business.

Mr. Ho graduated from the Hong Kong Polytechnic University and qualified as a Chartered Building Surveyor and Chartered Project Management Surveyor. He is also a green building expert and appointed as a member of Green Building Faculty of Hong Kong Green Building Council and a nominated director of the Beam Society Limited. He is a founding director and the past president of the Hong Kong Institute of Facility Management; and a founding director and the founding chairman of buildingSMART Hong Kong. Mr. Ho contributes much of his time to public service and is currently a member (2012–2019) of the Appeal Tribunal Panel (Building) of the Development Bureau, Task Force Member (since 2012) of the Task Force on Energy Management System (EnMS) Certification of the Hong Kong Accreditation Service, Innovation and Technology Commission. He was a member (2011–2017) of the Panel of Advisors on Building Management Disputes, Home Affairs Department.

Mr. Ho possesses over 30 years of experience in the project and facility management industry and had served in various renowned developers, major consulting firms and public organisations in Hong Kong. Prior to joining the Group, Mr. Ho had established recognition from the facility management industry and is an award-winning facility management leader.

何少亮先生

MBA, FRICS, F.PFM, FHKIoD, MHKIS, Beam Pro, Green Building Faculty (53歲)

何少亮先生(「何先生」)於2016年5月11日加盟本集團出任昇捷設施管理有限公司董事，負責設施管理業務的整體策略規劃、業務發展及管理營運。

何先生畢業於香港理工大學，持有特許建築測量師及特許項目管理測量師資格。彼亦為香港綠色建築議會一名綠色建築專家，並獲委任為建築環保評估協會董事。彼為香港設施管理學會的創會董事及前會長亦為「型建香港」的創會董事及創會主席。何先生身兼多項公職，現為發展局上訴審裁小組(建築物)的現任成員(2012–2019年)，創新科技署轄下香港認可處的能源管理系統(EnMS)認證工作小組成員(自2012年起)。彼曾為民政事務總署大廈管理糾紛顧問小組成員(2011–2017年)。

何先生於項目及設施管理行業具有逾30年的經驗，曾在香港多間著名發展商、大型顧問公司及公營機構服務。加入本集團前，何先生已於業界獲得高度認可並且是經常獲獎的設施管理先驅。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介

MR. LEUNG CHI MING

EMBA, MRICS, MCIH (aged 45)



Mr. Leung Chi Ming (“Mr. Leung”) is the Regional Director (China) and a director of certain subsidiaries of the Company. Mr. Leung holds an Executive Master’s Degree of Business Administration in Real Estate. He is also a member of

Royal Institution of Chartered Surveyors and the Chartered Institute of Housing.

Mr. Leung joined the Group in 1999 and has over 22 years of extensive experience in real estate consultancy and service in Hong Kong and China. He is responsible for the overall strategic planning, business development and management operations of the real estate business of the Group in China.

INTERIORS AND SPECIAL PROJECTS BUSINESS

MR. DAVID CHAN TAT WAI

(aged 59)



Mr. David Chan Tat Wai, (“Mr. Chan”) is a director of certain subsidiaries of the Company and responsible for the strategic planning, business development and overall operation of interiors and special projects business.

Mr. Chan is also responsible for the business development and project monitoring of certain alterations and additions works, renovation works, fitting-out works, facade works and special projects. He is a member of the Chartered Institute of Building and Hong Kong Institute of Construction Managers.

Mr. Chan joined interiors and special projects division in 2010 and has over 37 years of experience in project planning and monitoring, building construction and coordination, estimating and budgeting, cost control, procurement, renovation and fitting-out works.

梁志明先生

EMBA, MRICS, MCIH (45歲)

梁志明先生(「梁先生」)為區域董事(中國)及本公司之若干附屬公司之董事。梁先生持有房地產專業高級工商管理碩士學位。彼亦為英國皇家特許測量師學會會員及英國特許房屋經理學會會員。

梁先生於1999年加入本集團，並於香港及中國之房地產顧問及服務擁有超過22年豐富經驗。彼負責本集團於中國房地產業務之整體規劃、發展策略及管理營運。

室內裝飾及特殊項目業務

陳達偉先生

(59歲)

陳達偉先生(「陳先生」)為本公司之若干附屬公司之董事，負責室內裝飾及特殊項目的整體策略規劃、業務發展及管理營運。

陳先生亦負責多個改建及加建工程、翻新工程、室內裝飾工程、幕牆及覆面工程，以及特殊項目工程之業務發展及項目監控。陳先生為英國特許建造學會會員及香港營造師學會會員。

陳先生於2010年加入室內裝飾及特殊項目部門，並已積逾37年之項目規劃與監控、樓宇建造及整理、估價及預算、成本控制、採購、翻新與室內裝飾工程經驗。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. YU CHI WING

(aged 51)

Mr. Yu Chi Wing ("Mr. Yu") is a director of certain subsidiaries of the Company and responsible for the strategic planning, business development and overall operation of interiors and special projects business.

Mr. Yu is also responsible for the business development, tendering, project monitoring and commercial issues of all alteration and addition works, renovation works, fitting-out works, conservation and revitalization works and special projects. Before joining the Group, Mr. Yu had worked for over 24 years in Hsin Chong Group Holdings Limited, the former holding company of the Group and was its senior staff member. He has over 30 years of experience in building construction and coordination, cost control, renovation and fitting-out works.

MS. CECILIA CHIU MEI ZIN

CIPS(UK), MIPS(HK) (aged 60)

Ms. Cecilia Chiu Mei Zin ("Ms. Chiu") is a director of certain subsidiaries of the Company and is responsible for overall strategic planning, business development and operation of the Group's procurement and supply chain services.



Ms. Chiu is a member of the Chartered Institute of Procurement & Supply of the United Kingdom and a member of Institute of Purchasing & Supply of Hong Kong. Being a procurement and supply chain professional, Ms. Chiu possesses over 32 years of solid procurement and supply chain experience at top management capacity regionally and globally in several multi-national listed companies.

She was the head in charge of procurement and supply chain for different industries, majority of which are construction and hospitality industries including various sizeable construction projects in Hong Kong, Macau, China and South East Asia plus several mega integrated resort projects in Las Vegas, Macau and Singapore.

余志榮先生

(51歲)

余志榮先生(「余先生」)為本公司之若干附屬公司之董事，負責室內裝飾及特殊項目的整體策略規劃、業務發展及管理營運。

余先生亦負責所有改建及加建工程、翻新工程、室內裝飾工程、保育及活化工程，以及特殊項目工程之業務發展、投標事務、項目監控及商務事宜。加入本集團前，余先生曾於本集團前控股公司新昌集團控股有限公司服務逾24年並為其高級人員。彼擁有逾30年之樓宇建造及整理、成本控制、翻新與室內裝飾工程經驗。

趙美仙女士

CIPS(UK), MIPS(HK) (60歲)

趙美仙女士(「趙女士」)為本公司之若干附屬公司之董事，負責本集團採購及供應鏈服務的整體策略規劃、業務發展及營運。

趙女士為英國皇家採購及供應學會會員及香港採購供應專業協會會員。趙女士為採購及供應鏈的專業人員，在採購及供應鏈部門擁有逾32年豐富高層管理經驗，先後任職於多家跨國上市公司亞洲及全球範圍的業務。

彼曾擔任多種不同行業的採購及供應鏈業務主管，大部分屬建造業及綜合渡假酒店業，包括多個香港、澳門、中國及東南亞大型建築工程項目，以及位於拉斯維加斯、澳門及新加坡的若干大型綜合渡假村項目。

PROFILES OF THE GROUP'S KEY PERSONNEL 集團要員之簡介



MR. LOUIS LOK TAK KWONG

(aged 46)

Mr. Louis Lok Tak Kwong ("Mr. Lok") is a director of certain subsidiaries of the Company and is responsible for overall operation of certain projects and in charge of Planning Department and Building Services Department of the Group as well.

Mr. Lok joined interiors and special projects division in 2009 and possesses more than 20 years of experience in building construction, alteration and additional works, cost control and project planning. He has been involved in several mega projects in Macau and various commercial, residential and industrial buildings in Hong Kong.

Mr. Lok graduated with a Bachelor's Degree of Science (Honours) in Building Technology and Management and a Master's Degree in Project Management from the Hong Kong Polytechnic University. He has been qualified as a member of each of Hong Kong Institutes of Construction Managers, the Chartered Institute of Building and the Hong Kong Institution of Engineers. He is also a Registered Professional Engineer in (Building Discipline).

駱德光先生

(46歲)

駱德光先生(「駱先生」)為本公司之若干附屬公司之董事，負責多個工程項目的整體營運及本集團統籌策劃部門和屋宇設備部門。

駱先生在2009年加入室內裝飾及特殊項目部門及具有超過20年的建築、改建及加建工程、成本控制及專案策劃的經驗。他曾參與多個大型澳門工程，在香港亦有建造不同的商業、住宅、工業大廈的經驗。

駱先生畢業於香港理工大學建築科技及管理(榮譽)理學士學位及項目管理碩士學位。彼取得香港營造師學會、英國皇家特許建造學會及香港工程師學會各自之會員資格。彼亦為註冊專業工程師(建築)。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company recognises the interests of and its responsibility to one of its most important stakeholders — the shareholders. Synergis is committed to upholding high standards of corporate governance as a means of protecting and enhancing shareholder value and ensuring the integrity of operations of the Group. Synergis's corporate governance standards are built on the principles of independence, accountability, transparency and fairness with an appropriate system of checks and balances.

CORPORATE GOVERNANCE CODE

The Company has applied the principles of the code provisions and certain recommended best practices set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on Stock Exchange.

Throughout the year, the Company has fully complied with all code provisions of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules on the Stock Exchange (as amended from time to time by the Stock Exchange) as its own code of conduct for regulating securities transactions by Directors. Having made specific enquiry by the Company, all the Directors confirmed they have complied with the required standard set out in the Model Code throughout the year.

The Board has further adopted the Model Code as the written guidelines for regulating securities transactions by the senior management (whose names appear in the annual report of the Company) and certain employees (collectively, the "Relevant Employees") of the Group. The Board believes that the Relevant Employees may, by virtue of their positions, likely be in possession of unpublished inside information of the Group.

本公司深明股東是最重要之持份者之一，並對股東承擔責任。昇捷致力維持高度企業管治水平，以保障及提升股東價值，同時確保本集團誠實公正運作。昇捷的企業管治標準建基於獨立性、問責性、透明度及公平性原則，並制訂完善檢討及平衡制度。

企業管治守則

本公司應用聯交所證券上市規則（「上市規則」）附錄14所載之《企業管治守則》及《企業管治報告》（「企業管治守則」）所載各項守則條文之原則及若干建議最佳常規。

於本年內，本公司已全面遵守企業管治守則之所有守則條文。

董事進行證券交易之標準守則

董事會已採納聯交所上市規則附錄10所載之《上市發行人董事進行證券交易的標準守則》（「標準守則」）（經聯交所不時修訂）作為其規管本公司董事進行證券交易之操守準則。經本公司作出特定查詢後，所有董事均確認彼等於本年內一直遵守標準守則所規定之標準。

董事會進一步採納標準守則作為規管本集團高層管理人員（彼等名稱出現於本公司年報）及若干僱員（統稱「有關僱員」）進行證券交易之書面指引。董事會相信有關僱員可憑藉本身職位取得本集團未公開之內幕消息。

BOARD OF DIRECTORS

Composition

During the year and up to the date of this annual report, the Board comprised five Directors, including two Executive Directors and three Independent Non-executive Directors.

The names of the directors are set out below:

Executive Directors

Mr. Kingston Chu Chun Ho (*Chairman*)
Mr. Terence Leung Siu Cheong
(*Deputy Chairman and Managing Director for ISP Business*)

Independent Non-executive Directors

Mr. Lau Man Tak
Mr. Eric Lee Hon Man
Dr. Wong Yun Kuen
Mr. Kan Fook Yee
(retired with effect from 18 May 2018)

An updated list of directors identifying their roles and functions is available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.synergis.com.hk).

Coming from diverse businesses and professional backgrounds, the Board members possess a balance of skills and expertise appropriate for the requirements of the business of the Group and they are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. Save as disclosed in the Profiles of Directors set out on pages 24 to 28 of this annual report, there is no relationship among the Board members.

The Company currently has three Independent Non-executive Directors representing more than one-third of the total number of Board members and is in compliance with the requirement under Rule 3.10 of the Listing Rules. The views of the Independent Non-executive Directors carry weight in the Board's decisions, and their participation helps the Board exercise judgment, make decisions and act objectively in the interests of the Company and its shareholders as a whole.

董事會

組成

於本年內及截至本年報日期，董事會由5名董事組成，包括2名執行董事及3名獨立非執行董事。

各董事姓名載列如下：

執行董事

朱俊浩先生(主席)
梁兆昌先生(副主席兼室內裝飾及特殊項目
業務董事總經理)

獨立非執行董事

劉文德先生
李翰文先生
黃潤權博士
簡福飴先生
(自2018年5月18日起退任)

董事名單更新版本可於聯交所網站(www.hkexnews.hk)及本公司網站(www.synergis.com.hk)供查閱，當中會列明各董事之職能及責任。

董事會成員來自不同行業及專業背景，具備切合本集團業務需要的全面技能及專業知識。彼等共同負責領導及監督本公司的事務，以協助本公司成功發展。除於本年報第24頁至第28頁所載董事之簡介所披露者外，董事會成員之間並無任何關係。

本公司現時有3名獨立非執行董事，佔董事會成員總人數三分之一以上，符合上市規則第3.10條之規定。獨立非執行董事之意見於董事會決策中極具影響力，彼等幫助董事會行使判斷、作出決定及採取符合本公司與其股東整體利益之客觀行動。

CORPORATE GOVERNANCE REPORT

企業管治報告

Each of the Independent Non-executive Directors has given to the Company an annual confirmation of independence in compliance with Rule 3.13 of the Listing Rules. The Company considers that all the Independent Non-executive Directors are and have remained independent. Mr. Lau Man Tak, chairman of the Audit Committee, has the appropriate accounting and financial management expertise required under Rule 3.10(2) of the Listing Rules.

The Board members, including all the Independent Non-executive Directors, are expressly identified in all corporate communications which disclose the names of the Directors of the Company.

Functions

The Board has an ultimate oversight of the Group's activities. Its primary functions are to set and direct the Company's strategy and to monitor and measure the management's performance. The Board is accountable for the overall strategic development of the Group with the objective to enhance shareholder value. Material matters are reserved for the Board's considerations or decisions which include, among other things, overall strategy of the Group, business plans, annual budgets, significant capital expenditure, interim and annual results and reports, dividend policy and payments, material acquisitions, disposals or investment proposals, directors' appointments, re-appointments or removal, and other material transactions.

The Board has delegated certain of its responsibilities to the Audit Committee, Remuneration Committee, Nomination Committee and Executive Committee. It has also delegated the day-to-day operations of the Group's business to the senior management. Delegation of duties to the Board committees and daily business operations to the management are discussed on pages 44 to 51 of this report.

Board Chairman and Managing Director

Code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing. Mr. Kingston Chu Chun Ho is the Chairman of the Board. Mr. Terence Leung Siu Cheong is the Managing Director for ISP Business of the Company. Mr. William Yeung Wai Ling was the Managing Director for PFM Business of the Company until 15 July 2018 while Ms. Mandy Hui Suk Man has been appointed as the Acting Managing Director for PFM Business of the Company with effect from 16 July 2018.

各位獨立非執行董事已遵照上市規則第3.13條之規定就彼等之獨立性向本公司提交年度確認函。本公司認為所有獨立非執行董事現時及一直保持獨立。審核委員會主席劉文德先生具備上市規則第3.10(2)條所規定的合適會計及財務管理專長。

董事會成員(包括各獨立非執行董事)均明確地載列於所有披露本公司董事姓名的企業通訊中。

職能

董事會為本集團業務之最高監督組織，其主要職能為制定本公司之策略並提供指引，亦同時監察及評估管理層之表現。董事會負責本集團之整體策略發展，以致力提升股東價值為目標。所有重大事宜均留待董事會考慮或決定，有關事宜包括(其中包括)本集團整體策略、業務計劃、年度預算、重大資本開支、中期與年度業績及報告、股息政策及分派、重大收購、出售或投資建議、委任、重新委任或罷免董事、及其他重大交易。

董事會已將其若干責任轉授予審核委員會、薪酬委員會、提名委員會以及執行委員會。董事會亦已授權高層管理人員處理本集團業務之日常營運。有關轉授職責予董事會轄下的委員會及授權管理層處理日常營運之詳情，將於本報告第44頁至第51頁討論。

董事會主席及董事總經理

企業管治守則之守則條文A.2.1條訂明，主席及行政總裁之職能必須分開，且不可由同一人兼任。主席及行政總裁之責任分工應以書面形式清楚列明。朱俊浩先生為董事會主席。梁兆昌先生為本公司室內裝飾及特殊項目業務董事總經理。楊威寧先生為本公司物業及設施管理業務董事總經理直至2018年7月15日，而許淑敏女士自2018年7月16日起獲委任為本公司物業及設施管理業務之署理董事總經理。

At all times, the chairmen and chief executives are not related to each other and there are clear divisions among their responsibilities with a view to achieving a balance of power and authority. The Chairman of the Board provides leadership to the Board in terms of formulating policies and strategies, and discharges those duties set out in code provision A.2 of the CG Code. The Managing Directors have the overall responsibility of implementing the decisions, policies and strategies approved by the Board, and overseeing the Group's business and operations. The duties of the Chairman and the Managing Directors are set out in their respective service agreements entered into with the Company.

With the support from the Executive Directors and the Company Secretary, the Chairman of the Board ensures that all Directors are properly briefed on issues arising from Board meetings and receive adequate, complete and reliable information in a timely manner.

Appointment, Re-election and Removal of Directors

The Board has assumed the responsibility to consider the appointment, re-election and removal of the Directors. The Board set up a Nomination Committee in 2011 to recommend the appointment, re-election and removal of the Directors.

All the Independent Non-executive Directors have entered into letters of appointment with the Company for a term of three years subject to the requirements of the Listing Rules and the bye-laws of the Company ("Bye-laws"), including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings ("AGM(s)") of the Company at least once every three years. The term is renewable upon expiry.

Any new Director to be appointed by the Company shall be provided with information on duties and obligations of director, relevant regulatory requirements and the Group's business affairs. All Directors appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following general meeting or next following AGM of the Company respectively and shall then be eligible for re-election at the meeting according to the Bye-laws of the Company.

主席及行政總裁之間一直並無任何關係及彼等之責任有明確區分，以確保權力及職權的平衡。董事會主席領導董事會制訂政策及策略，以及履行企業管治守則守則條文第A.2條所載的職責。董事總經理負責實行董事會通過之所有決定、政策及策略，並監察本集團之業務及營運。主席及董事總經理的職責分別載於彼等各自與本公司訂立之服務協議內。

在執行董事及公司秘書的協助下，董事會主席確保在董事會會議上所有董事均適當知悉當前的事項，並適時收到充份且完備及可靠的資料。

委任、重選及罷免董事

董事會負責考慮委任、重選及罷免董事。董事會於2011年設立提名委員會，就董事之委任、重選及罷免作出建議。

所有獨立非執行董事均與本公司簽訂任期為3年之委任函，惟須遵守上市規則及本公司細則（「細則」）之規定，包括最少每3年一次於本公司股東周年大會（「股東周年大會」）上輪席告退並膺選連任或尋求重選連任之規定。於任期屆滿後可予續期。

任何獲本公司委任之新董事，將獲提供有關董事職責及責任、相關監管規則及本集團業務之資料。所有為填補董事會臨時空缺或增加現有董事名額而獲委任之董事任期僅分別至本公司下屆股東大會或下屆股東周年大會為止，並有資格根據本公司細則於該股東大會上重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Meetings

Regular Board meetings are held at least four times a year at approximately quarterly intervals. Tentative dates of regular Board meetings for next year are scheduled approaching the end of each calendar year in order to facilitate the Directors to plan for attendance of the meetings. Additional Board meetings will be convened, as and when required, to deal with ad hoc issues. Any Director who is not able to present physically may participate at any Board meeting through electronic means of communication, such as conference telephone or other similar communication equipment, in accordance with the Bye-laws.

Board Proceedings

Notice convening each regular Board meeting is sent at least 14 days in advance, and reasonable notice is given for other Board meetings. The Company Secretary assists the Chairman of the Board to prepare the meeting notice and agenda. Each Director may include any item in the agenda. The agenda, accompanied by meeting papers with sufficient and reliable information, are sent to each Director normally not less than three days before the date of a Board meeting to enable the Directors to make informed decisions on the matters to be discussed, except where a Board meeting is convened on a very urgent basis to consider any urgent ad hoc matter.

The Company Secretary is responsible for taking minutes of the Board meetings, drafts and final versions of which will be circulated to Directors for comment and records, respectively, and in both cases, within a reasonable time after each meeting. Minutes shall record in sufficient detail the matters considered by the Board at the meeting and decisions reached, including any concerns raised by the Directors or dissenting view (if any) expressed. Minutes of Board meetings are kept by the Company Secretary and open for inspection to any Director on request.

All Directors have access to the Company Secretary who is responsible for ensuring that Board procedures are complied with and all applicable rules and regulations are followed. Directors have full and timely access to all relevant information, including reports from the Board committees and reports from the management. They are also provided with updates on the latest developments of the Listing Rules and other relevant legal and regulatory changes and matters of relevance to the Directors in discharging their duties as and when appropriate.

董事會會議

董事會定期會議每年最少舉行4次，約每季一次。翌年董事會定期會議之暫定舉行日期將於每年近年底時編訂，以便董事安排出席有關會議。董事會亦將於有需要時召開額外的董事會會議，以處理突發事務。根據細則之規定，任何未能親身出席董事會會議之董事，可透過電話會議或其他類似通訊設備等電子通訊方式參與董事會會議。

董事會程序

董事會定期會議之通告於會議召開前最少14日發出，而董事會其他會議之通告則於合理時間內發出。公司秘書負責協助董事會主席擬備會議通告及議程。每位董事皆有機會將任何事項納入議程之內。一般在舉行董事會會議前最少3日，送出會議議程及其他具備充足可靠資料之會議文件予每位董事（除非董事會會議於緊急情況下召開以考慮任何緊急突發事項），使董事能夠就提出的事項作出知情決定。

公司秘書須負責撰寫董事會會議記錄，其初稿及最終稿須在每次董事會會議結束後的合理時間內發送予董事評議，而最終稿則予以存檔。會議記錄須對董事會會議上各董事所考慮的事項及達致的決定作出足夠詳細之記錄，其中包括董事提出之任何關注事項或表達之異議（如有）。董事會會議記錄由公司秘書備存，並按要求公開予任何董事查閱。

所有董事均有聯絡公司秘書之途徑，而公司秘書有責任確保董事會程序獲依循及所有適用規則及規例均獲遵守。董事均可適時全面取得所有相關資料，包括董事會轄下的委員會之報告及管理層之報告。彼等亦獲適時提供有關上市規則之最新發佈及其他有關法例及監管規例變動之最新信息，以及與董事履行彼等職責有關之事宜。

CORPORATE GOVERNANCE REPORT 企業管治報告

To assist the Directors to discharge their duties, the Board has adopted written procedures in case any Director wishes to seek independent professional advice at the Company's expenses.

Board approval is also given by circulation of resolution in writing pursuant to the Bye-laws on urgent matter which requires decision in a tight timeframe and hence convening a Board meeting is difficult or not practicable. In the case where a resolution in writing is circulated, sufficient information and explanatory materials will also be provided to the Directors at the same time.

If a substantial shareholder or a Director has a conflict of interest in a matter (including material transaction with connected persons) which the Board determines to be material, the Board will hold a meeting (as long as time is allowed to convene a Board meeting) to consider the relevant matter first before any subsequent approval is given by way of circulation of resolution in writing.

Appropriate insurance cover on Directors' and officers' liabilities has been arranged to protect the Directors and officers of the Group.

為協助董事履行彼等之職責，董事會已採納書面程序，讓任何董事可尋求獨立專業意見，費用則由本公司支付。

如有緊急事項須於緊迫時限內作出決定，並因此難以或不能召開董事會會議，則根據細則，董事會可透過傳閱書面決議方式批准有關事項。在傳閱書面決議時，充分之資料及說明材料亦將同時提供予董事。

若有主要股東或董事在某一事項(包括與關連人士的重大交易)中存有董事會認為重大的利益衝突時，董事會將首先舉行會議(只要在時間上容許召開董事會會議)以考慮有關事項，隨後才會透過以傳閱書面決議方式給予任何批准。

本集團已購買適當之董事及高級職員責任保險，為其董事及高級職員提供保障。

CORPORATE GOVERNANCE REPORT

企業管治報告

Attendances of Meetings

Five Board meetings, two Audit Committee meetings, two Remuneration Committee meetings, one Nomination Committee meeting and two general meetings were held during the year. Attendances of these meetings by Directors are set out below:

會議出席情況

本年內，曾經舉行5次董事會會議、2次審核委員會會議、2次薪酬委員會會議、1次提名委員會會議及2次股東大會。下表載列董事出席該等會議之情況：

Name of Directors	董事姓名	Meetings attended/Eligible to attend				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會
Chairman	主席					
Kingston Chu Chun Ho	朱俊浩	5/5	n/a	2/2	1/1	2/2
Executive Director	執行董事					
Terence Leung Siu Cheong	梁兆昌	5/5	n/a	n/a	n/a	2/2
Independent Non-executive Directors	獨立非執行董事					
Lau Man Tak	劉文德	5/5	2/2	2/2	1/1	2/2
Eric Lee Hon Man	李翰文	5/5	2/2	2/2	1/1	2/2
Wong Yun Kuen	黃潤權	5/5	2/2	2/2	1/1	2/2
Kan Fook Yee ¹	簡福飴 ¹	2/2	1/1	1/1	1/1	1/1

Notes:

¹ Mr. Kan Fook Yee retired as an Independent Non-executive Director with effect from 18 May 2018.

n/a: not applicable

附註：

¹ 自2018年5月18日起，簡福飴先生退任獨立非執行董事。

n/a: 不適用

During the year, the Chairman of the Board also held one meeting with the Independent Non-executive Directors without the other Directors present.

本年內，董事會主席亦與獨立非執行董事在沒有其他董事出席下舉行一次會議。

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and gain and develop a balanced understanding of the views of shareholders generally. All Independent Non-executive Directors attended the AGM and special general meeting of the Company both held on 18 May 2018.

企業管治守則之守則條文第A.6.7條訂明，獨立非執行董事及其他非執行董事應出席股東大會，並對股東的意見有全面公正的了解。全體獨立非執行董事均已出席本公司於2018年5月18日舉行之股東周年大會及股東特別大會。

Directors' Training and Professional Development

Every Director keeps abreast of responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

Directors are aware of the requirement under the code provision A.6.5 of CG Code regarding continuous professional development. During the year, the Company provided reading materials to the Directors for self-study. In addition, the Directors have attended external courses or conference organised by various organisations.

Directors also reviewed the business and financial updates and other reading materials provided to them concerning latest developments in corporate governance practices, and relevant legal and regulatory developments. A record of the Directors' participation in various continuous professional development programme is kept by the company secretarial department. A summary of training received by the Directors for the year ended 31 December 2018 according to the records provided by the Directors is as follows:

董事培訓及專業發展

每位董事均會時常更新有關本公司董事責任，以及本公司的經營、業務活動及動向的資料。

董事均知曉企業管治守則下守則條文第A.6.5條有關持續專業發展的規定。本年內，本公司曾為董事提供閱讀資料供自我進修。此外，董事已參加由不同機構舉辦的外界課程或會議。

董事亦審閱彼等獲提供之業務及財務的更新資料以及其他有關企業管治常規及相關法律及法規演進最新發展的閱覽資料。1份董事參與不同持續專業發展項目的記錄，由公司秘書部保存。董事於截至2018年12月31日止年度所接受培訓的概要（根據董事所提供的記錄編製）如下：

Name of Directors	董事姓名	Giving talks or attending seminars/conferences/forums	Reading newspapers, journals and updates relating to the economy, general business, accounting, laws, rules and regulations, etc
		舉行講座或出席研討會／會議／論壇	閱讀關於經濟、一般商業、會計、法律、規則及法規等方面之報章、期刊及最新資訊
Kingston Chu Chun Ho	朱俊浩	√	√
Terence Leung Siu Cheong	梁兆昌	√	√
Lau Man Tak	劉文德	√	√
Eric Lee Hon Man	李翰文	√	√
Wong Yun Kuen	黃潤權	√	√
Kan Fook Yee ¹	簡福飴 ¹	√	√

Note:

¹ Mr. Kan Fook Yee retired as an Independent Non-executive Director with effect from 18 May 2018.

附註：

¹ 自2018年5月18日起，簡福飴先生退任獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

Each of the Board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Executive Committee, is to assist in the execution of the Board's responsibilities and to oversee particular aspect of the Group's affairs. Each Board committee is provided with sufficient resources to discharge its duties properly, and holds meetings in accordance with the Bye-laws, its specific written terms of reference and, where applicable, the proceedings of Board meeting.

Audit Committee

The Audit Committee currently comprises three Independent Non-executive Directors, and Mr. Lau Man Tak acts as the chairman of the Audit Committee. The members of Audit Committee during the year under review were:

Mr. Lau Man Tak (*Chairman*)
(appointed with effect from 1 January 2018)
Mr. Eric Lee Hon Man
Dr. Wong Yun Kuen
Mr. Kan Fook Yee
(retired with effect from 18 May 2018)

None of the Audit Committee members is or has been a former partner of the Company's existing external auditors for the past two years.

The Audit Committee is primarily responsible for conducting an independent and objective review of the financial reporting process, internal controls and audit function with emphasis on:

- (i) appraise the quality of the audit effort of the Company's internal and external auditors;
- (ii) serve as an independent and objective party to review the financial information presented by management to shareholders, regulators and the general public;
- (iii) ascertain the adequacy of the Company's systems of risk management and internal control which management and the Board have established; and
- (iv) serve as useful channel of communication between the Board and the external and internal auditors on matters relating to and arising out of the external and internal audit.

董事委員會

各董事委員會(即審核委員會、薪酬委員會、提名委員會及執行委員會)均為協助執行董事會之責任，並專責監督本集團事務之某一特定範疇。每個董事委員會均獲提供充足資源，可適當地履行其職責，並根據細則、其特定書面職權範圍及董事會議事程序(如適用)舉行會議。

審核委員會

審核委員會目前由三名獨立非執行董事組成，劉文德先生擔任審核委員會主席。回顧本年內，審核委員會的成員如下：

劉文德先生(主席)
(自2018年1月1日起獲委任)
李翰文先生
黃潤權博士
簡福飴先生
(自2018年5月18日起退任)

概無審核委員會成員現時或於過去兩年曾經為本公司現任外聘核數師之前合夥人。

審核委員會主要負責就財務申報程序、內部監控及審核職能進行獨立及客觀之檢討，並專注於以下事項：

- (i) 評估本公司內部及外聘核數師之審核工作質素；
- (ii) 以獨立及客觀身份審核管理層向股東、監管機構及公眾呈報之財務資料；
- (iii) 釐定管理層及董事會設立之本公司風險管理及內部監控系統是否充分；及
- (iv) 就關於外部及內部審核及由其產生的事項，擔任董事會與外部及內部核數師之間有效的溝通渠道。

CORPORATE GOVERNANCE REPORT 企業管治報告

The authority and duties of the Audit Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Audit Committee is available on the websites of the Company and the Stock Exchange.

The principal duties of the Audit Committee include, among other things, recommending to the Board on the appointment, re-appointment or removal of the Company's external auditor and on its remuneration; reviewing the Company's interim and annual financial statements and other financial reports; and reviewing the Company's financial reporting system, internal control procedures (including monitoring the effectiveness of the internal audit function) and risk management systems. The Audit Committee has explicit authority to investigate any activity within its duties and responsibilities and the authority to obtain outside legal or other independent professional advice if it considers necessary.

The Audit Committee shall meet at least twice a year. During the year, two Audit Committee meetings were held. Attendances of the meetings have been disclosed on page 42 of this report.

During the year, the Audit Committee members with the participation of the internal and external auditors and the management, reviewed (i) the risk management and internal control systems of the Group; and (ii) the interim and annual results and the related financial statements of the Company with a view to ensuring that these financial statements were prepared in accordance with the accounting principles and standards generally accepted in Hong Kong. The Audit Committee also considered the reports from the external auditor on the scope and findings of its independent review of the interim financial statements and audit of the annual financial statements.

There is no disagreement between the Board and the Audit Committee's view on re-appointment of external auditor, and they both have agreed to recommend the re-appointment of PricewaterhouseCoopers as the Company's external auditor for the ensuing year at the 2019 AGM of the Company.

審核委員會之權限及職責載於其特定書面職權範圍內。審核委員會之職權範圍全文已登載於本公司及聯交所網站內。

審核委員會之主要職責包括(當中包括)就委任、重新委任或罷免本公司外聘核數師及就其酬金向董事會作出建議；審閱本公司中期及年度財務報表以及其他財務報告；並檢討本公司之財務申報制度、內部監控程序(包括監管內部審核職能之成效)及風險管理制度。審核委員會具清晰權限，可在其職責及責任範圍內調查任何活動，並有權於其認為必需時取得外聘法律或其他獨立專業意見。

審核委員會須每年至少舉行兩次會議。本年內，審核委員會舉行了2次會議。出席會議之情況已於本報告第42頁披露。

本年內，審核委員會成員已連同內部及外聘核數師與管理層審閱(i)本集團之風險管理及內部監控制度；及(ii)本公司中期及年度業績以及相關財務報表，以確保該等財務報表根據香港公認會計原則及準則編製。審核委員會亦已省覽外聘核數師就其對中期與年度財務報表進行獨立審閱和審核之範圍及就所得結果作出之報告。

董事會及審核委員會就重新委任外聘核數師上並無分歧意見，而彼等均已同意於本公司即將舉行之2019年股東周年大會上，建議重新委任羅兵咸永道會計師事務所為本公司來年之外聘核數師。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Remuneration Committee currently comprises four Directors, a majority of whom are Independent Non-executive Directors, and Dr. Wong Yun Kuen acts as the chairman of the Remuneration Committee. The members of the Remuneration Committee during the year under review were:

Dr. Wong Yun Kuen (*Chairman*)
Mr. Kingston Chu Chun Ho
Mr. Lau Man Tak
Mr. Eric Lee Hon Man
Mr. Kan Fook Yee
(retired with effect from 18 May 2018)

The authority and duties of the Remuneration Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Remuneration Committee is available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is primarily responsible for reviewing the remuneration policy of the Group and the remuneration packages of the Directors and senior management of the Company. Its duties are summarised below:

- (i) make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) make recommendations to the Board on the remuneration packages of individual Executive Directors and senior management;
- (iv) make recommendations to the Board on the remuneration of Non-executive Directors;
- (v) consider salaries paid by comparable companies, time commitment and responsibilities, and employment conditions elsewhere in the Group;

薪酬委員會

薪酬委員會目前由四名董事組成，以獨立非執行董事佔多數，黃潤權博士擔任薪酬委員會主席。回顧年內，薪酬委員會的成員如下：

黃潤權博士 (*主席*)
朱俊浩先生
劉文德先生
李翰文先生
簡福飴先生
(自2018年5月18日起退任)

薪酬委員會之權限及職責載於其特定書面職權範圍內。薪酬委員會之職權範圍全文已登載於本公司及聯交所網站內。

薪酬委員會主要負責檢討本集團之薪酬政策及本公司董事與高層管理人員之薪酬待遇。其職責概述如下：

- (i) 就本公司所有董事及高層管理人員薪酬之政策及架構，以及就發展薪酬政策而訂立一套正式且具透明度之程序，向董事會作出建議；
- (ii) 經參考董事會之企業目的及目標後，檢討及批准管理層之薪酬建議；
- (iii) 就個別執行董事及高層管理人員之薪酬待遇，向董事會作出建議；
- (iv) 就非執行董事之薪酬，向董事會作出建議；
- (v) 考慮比較公司支付的薪金，須付出的時間及職責，以及本集團內其他職位的僱用條件；

CORPORATE GOVERNANCE REPORT 企業管治報告

- | | |
|---|--|
| <p>(vi) review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;</p> | <p>(vi) 檢討及批准向執行董事及高層管理人員就任何喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；</p> |
| <p>(vii) review and approve compensation arrangement, relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and</p> | <p>(vii) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及</p> |
| <p>(viii) ensure that no Director or any of his associates is involved in deciding his own remuneration.</p> | <p>(viii) 確保任何董事或其任何連繫人不得參與釐定其薪酬。</p> |

The Remuneration Committee shall meet at least once a year. During the year, two Remuneration Committee meetings were held. Attendances of the meetings have been disclosed on page 42 of this report.

薪酬委員會須每年至少舉行一次會議。本年內，薪酬委員會舉行了2次會議。出席會議之情況已於本報告第42頁披露。

During the year, the Remuneration Committee members reviewed (i) the remuneration packages of the newly appointed Acting Managing Director for PFM Business; (ii) the salaries of Executive Directors and senior management for the year ending 31 December 2019; (iii) the salary increment of the general staff for the year ending 31 December 2019; (iv) the directors' fees for the year ending 31 December 2019; and (v) recommended the aforesaid matters to the Board for approval.

本年內，薪酬委員會成員已檢討(i)新獲委任的物業及設施管理業務署理董事總經理之薪酬待遇；(ii)截至2019年12月31日止年度之執行董事及高層管理人員之薪金；(iii)截至2019年12月31日止年度之普通員工的加薪；(iv)截至2019年12月31日止年度之董事袍金；及(v)就批准上述事宜向董事會作出推薦建議。

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the senior management by band for the year ended 31 December 2018 is set out below:

根據企業管治守則之守則條文第B.1.5條，以下列出高層管理人員於截至2018年12月31日止年度的薪酬組別：

Within the band of	組別介乎於	Number of individuals 人數
up to HK\$1,000,000	港幣 1,000,000 元或以下	12
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至港幣 2,000,000 元	22
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至港幣 3,000,000 元	1

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Policy of the Group

The Group sets its remuneration policy by making reference to the prevailing market conditions and benchmark of the industry, and by formulating a performance-based reward system. It is to ensure that the Group is able to attract, retain and motivate executives of the highest calibre, essential to the successful leadership and effective management of the Group. The performance measures are balanced between financial and industrial comparatives. The components of remuneration package may consist of base salary, allowances, benefits-in-kind, fringe benefits including medical insurance and contributions to pension funds, as well as incentives like discretionary bonus, participation in a share option scheme or long-term rewards.

The remuneration packages of the Executive Directors and senior management of the Company are determined by the Remuneration Committee and approved by the Board by reference to their respective duties and responsibilities in the Group, individual performance, achievement of the Group's targets and the prevailing market terms in the industry.

The remunerations of the Non-executive and Independent Non-executive Directors are determined by the Board under the recommendation of the Remuneration Committee by reference to their duties and responsibilities in the Group, time involvement and the prevailing market situation.

Nomination Committee

The Nomination Committee currently comprises four Directors, a majority of whom are Independent Non-executive Directors, and Mr. Eric Lee Hon Man acts as the chairman of the Nomination Committee. The members of the Nomination Committee during the year under review were:

Mr. Eric Lee Hon Man (*Chairman*)
(appointed with effect from 18 May 2018)
Mr. Kingston Chu Chun Ho
Mr. Lau Man Tak
Dr. Wong Yun Kuen
Mr. Kan Fook Yee (*former Chairman*)
(retired with effect from 18 May 2018)

The authority and duties of the Nomination Committee are set out in its specific written terms of reference. Full text of the terms of reference of the Nomination Committee is available on the websites of the Company and the Stock Exchange.

本集團之薪酬政策

本集團在訂定其薪酬政策時會參考當時市況及行業標準，並制定一套與表現掛鈎的獎賞制度，以確保本集團能吸引、挽留及激勵具有卓越才幹、可成功領導及有效管理本集團之人才。在進行表現評核時會考慮財政狀況及行業指標以求在兩者中取得平衡。薪酬待遇之組成部分可包括基本薪金、津貼、實物福利、附加福利(包括醫療保險及退休金供款)及諸如酌情花紅、參與購股權計劃或長期回報等激勵。

本公司執行董事及高層管理人員之薪酬待遇乃由薪酬委員會及董事會經參考彼等各自於本集團之職責及責任、個人表現、本集團目標之達標情況及業內當時之市場條款後釐定及批准。

非執行及獨立非執行董事之薪酬乃由董事會根據薪酬委員會之建議，並經參考各董事於本集團之職責及責任、所耗時間及當時市況後釐定。

提名委員會

提名委員會目前由四名董事組成，以獨立非執行董事佔多數，李翰文先生擔任提名委員會主席。回顧年內，提名委員會的成員如下：

李翰文先生(*主席*)
(自2018年5月18日起獲委任)
朱俊浩先生
劉文德先生
黃潤權博士
簡福飴先生(*前主席*)
(自2018年5月18日起退任)

提名委員會之權限及職責載於其特定書面職權範圍內。提名委員會之有關職權範圍全文已登載於本公司及聯交所網站內。

CORPORATE GOVERNANCE REPORT 企業管治報告

The Nomination Committee is primarily responsible for formulating nomination policy and leading the process of identifying and nominating suitable candidates. Its duties are summarised below:

- (i) review the structure, size and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, skills, knowledge, professional experience and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;
- (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) identify and nominate candidates to fill casual vacancies of Directors for the Board's approval;
- (iv) taking into account the Group's corporate strategy and mix of skills, knowledge, experience and diversity needed in the future, to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for directors, in particular the Chairman and the Chief Executive;
- (v) assess the independence of Independent Non-executive Directors and review the Independent Non-executive Directors' annual confirmations on their independence; and make disclosure of its review results in the Corporate Governance Report;
- (vi) regularly review the time required from a Director to perform his/her responsibilities and report to the Board of their findings; and
- (vii) review the policies on both the Board Diversity Policy and Nomination Policy, as appropriate; and review the measurable objectives that the Board had set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually.

The Nomination Committee shall meet at least once a year. During the year, one Nomination Committee meeting was held. Attendances of the meeting have been disclosed on page 42 of this report.

提名委員會主要負責制定提名政策及主導物色及提名適合候選人的過程。其職責概述如下：

- (i) 至少每年檢討董事會的架構、規模及多元化(包括但不限於性別、年齡、文化及教育背景、種族、技能、知識、專業經驗及服務年期方面)，並就任何擬作出的變動向董事會提出建議以配合執行本集團企業策略；
- (ii) 物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提出建議；
- (iii) 物色及提名候選人供董事會批准以填補董事之臨時空缺；
- (iv) 經計及本集團的企業策略以及未來所需的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃的有關事宜向董事會提出建議；
- (v) 評核獨立非執行董事之獨立性及審視獨立非執行董事就其獨立性所作年度確認；並在《企業管治報告》內披露其審視結果；
- (vi) 定期檢討董事履行其責任所需付出之時間，並向董事會匯報其檢討結果；及
- (vii) 在適當情況下檢討董事會成員多元化政策及提名政策等政策；及檢討董事會為執行董事會成員多元化政策而制定之可計量目標和達標進度；以及每年在《企業管治報告》內披露其檢討結果。

提名委員會須每年至少舉行一次會議。本年內，提名委員會舉行了1次會議。出席會議之情況已於本報告第42頁披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year, the Nomination Committee members (i) reviewed and considered that the structure, size, diversity and composition of the Board are appropriate; (ii) assessed the independence of Independent Non-executive Directors; (iii) reviewed the re-designation of the chairman of Nomination Committee; (iv) reviewed the appointment of the Acting Managing Director of PFM Business; and (v) recommended the aforesaid matters to the Board for approval.

The “Board Diversity Policy” sets out the approach to achieve diversity on the Board. It is believed that a truly diverse board will include and make good use of differences in the skills, background, experience, knowledge, expertise and other qualities of the Board members. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will review the Board composition by considering the benefits of all aspect of diversity, including but not limited to those described above. The “Board Diversity Policy” shall be reviewed by the Nomination Committee, as appropriate, to ensure its effectiveness.

The “Nomination Policy” and revised terms of reference of Nomination Committee were adopted from January 2019, taking into consideration the revised Listing Rules effective from 1 January 2019. The “Nomination Policy” sets out the key selection criteria and nomination procedures of the Nomination Committee in making recommendations to the Board on the appointment of Directors and succession planning for Directors. The “Nomination Policy” shall be reviewed by the Board from time to time.

本年內，提名委員會成員已(i)檢討並認為董事會的架構、規模、多元化及組成適當；(ii)評估獨立非執行董事的獨立性；(iii)檢視提名委員會主席之調任；(iv)檢視物業及設施管理業務署理董事總經理之委任；及(v)建議董事會批准上述事宜。

「董事會成員多元化政策」載列實現董事會成員多元化之方式。本公司認為，一個真正成員多元化之董事會將融入及善用董事會成員之不同技能、背景、經驗、知識、專長及其他質素。該等差異將在釐定董事會之最佳組合時納入考量。提名委員會將透過考慮多元化之所有裨益(包括但不限於上述方面)檢討董事會之組成。「董事會成員多元化政策」須由提名委員會進行檢討(如適用)以確保其有效性。

「提名政策」及經修訂之提名委員會職權範圍經考慮於2019年1月1日生效的經修訂上市規則後自2019年1月獲採納。「提名政策」載列提名委員會就董事委任及董事會繼任計劃向董事會作出推薦的主要甄選條件及提名程序。「提名政策」應由董事會不時審閱。

Executive Committee

The Executive Committee currently comprises two Executive Directors and one senior management member of the Group. The members of the Executive Committee during the year under review were:

Mr. Kingston Chu Chun Ho (*Chairman*)

Mr. Terence Leung Siu Cheong (*Deputy Chairman and
Managing Director for ISP Business*)

Ms. Mandy Hui Suk Man
(*Acting Managing Director for PFM Business and Finance Director*)
(appointed as the Acting Managing Director for PFM Business with effect from 16 July 2018)

Mr. William Yeung Wai Ling
(*former Managing Director for PFM Business*)
(resigned as the Managing Director for PFM Business with effect from 16 July 2018)

The authority and duties of the Executive Committee are set out in the specific written terms of reference adopted by the Board. Full text of the terms of reference of the Executive Committee is available on the website of the Company. The principal duties of the Executive Committee are, pursuant to the Authorisation Matrix/Limits of Authority of each subsidiary, to approve tender submission and/or payment requisition when the amount of tender or payment exceeds certain limits, to approve banking matters, the issue of guarantees to third party customers, the issue of shares under share option scheme and promotion or appointment of senior management at operation level, and other duties delegated by the Board from time to time.

The Executive Committee shall meet as and when required depending on business and operation needs. Members' attendances would depend on the importance of the matters to be transacted. During the year, the Executive Committee held 30 meetings to discharge their duties.

執行委員會

執行委員會目前由兩名執行董事及一名本集團高層管理人員組成。回顧本年內，執行委員會的成員如下：

朱俊浩先生(主席)

梁兆昌先生(副主席兼室內裝飾及
特殊項目業務董事總經理)

許淑敏女士
(物業及設施管理業務署理董事總經理
兼財務董事)

(自2018年7月16日起獲委任
物業及設施管理業務署理董事總經理)

楊威寧先生

(前物業及設施管理業務董事總經理)

(自2018年7月16日起辭任物業及設施管理
業務董事總經理)

執行委員會之權限及職責載於經董事會採納之特定書面職權範圍內。執行委員會之有關職權範圍全文已登載於本公司網站內。執行委員會之主要職責為根據各附屬公司之審批權限額度表，倘若投標額或付款額超過若干限制，則需審批入標競投及／或付款請求、批准銀行事務、向第三方客戶出具擔保、按購股權計劃發行股份及晉升或委任業務層的高層管理人員、及不時執行由董事會委任的其他職責。

執行委員會須因應業務及營運需要召開會議。成員可按將予處理事宜之重要性出席會議。本年內，執行委員會舉行了30次會議以履行職責。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

- (i) develop and review the Company's policies and practices on corporate governance;
- (ii) review and monitor the training and continuous professional development of Directors and senior management;
- (iii) review and monitor the Company's policies and practices on compliance with all legal and regulatory requirements;
- (iv) develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (v) review the Company's compliance with the CG Code and disclosure requirements in the Corporate Governance Report.

The Board has in place Procedures for Directors to seek Independent Professional Advice.

DELEGATION TO MANAGEMENT

The monitoring of the day-to-day business operations of the Group and the implementation of the business plans and strategies adopted by the Board are performed by the senior management led primarily by the Managing Directors of the Company.

The Group has also organised a management meeting for senior management and other relevant staff to meet on a monthly basis to review business operations with significant issue, review the financial and business performance against the budget approved by the Board, and review the implementation of the strategies and policies adopted by the Board.

Risk Management Committee

With a view to further enhancing risk management at all levels, a Risk Management Committee, as approved by the Audit Committee and the Board, has been established to assume the responsibility for identifying, evaluating, assessing and managing risk areas from company-wide perspective. The Risk Management Committee comprises senior management and corporate managers of the Group. Its findings and recommendations are reported to the Audit Committee.

企業管治職能

董事會負責釐定本公司企業管治政策及履行以下企業管治職責：

- (i) 制訂及檢討本公司企業管治政策及常規；
- (ii) 檢討及監察董事及高層管理人員之培訓及持續專業發展；
- (iii) 檢討及監察本公司就遵守所有法律及監管規定所制定之政策及常規；
- (iv) 制訂、檢討及監察適用於僱員及董事之行為守則及合規手冊(如有)；及
- (v) 檢討本公司是否遵守企業管治守則及企業管治報告之披露規定。

董事會已設有董事尋求獨立專業意見之程序。

轉授權力予管理層

高層管理人員主要在本公司董事總經理之領導下，監督本集團之日常業務運作及執行經董事會採納之業務計劃與策略。

本集團亦為高層管理人員及其他相關員工設有管理人員會議，以供每月召開會議以檢討有關業務運作之重要事宜，按董事會批准之預算檢討財務及業務表現，以及檢討董事會所採納策略及政策之實施成效。

風險管理委員會

為進一步加強各層面的風險管理，經審核委員會與董事會批准，風險管理委員會已成立，其責任是從公司整體層面識別、分析、評估及管理不同的風險範疇。風險管理委員會由本集團高層管理人員及企業部門經理組成。其調查結果及建議向審核委員會呈報。

Risk Management

The Board has the overall responsibility for establishing, maintaining and evaluating the adequacy and effectiveness of the risk management and internal control systems of the Group on an ongoing basis. Such systems are designed to manage rather than eliminate risk of failure to achieve business objective, and can only provide reasonable but not absolute assurance against material misstatement or loss.

Management is responsible for setting the appropriate tone from the top, performing risk assessments, and owning the design, implementation and maintenance of internal controls. The associated policies and procedures for risk management and internal controls, which are properly documented and communicated to staff, are designed to help ensure that the Group's assets are safeguarded against unauthorised use or disposition; relevant rules and regulations are adhered to and complied with; complete, accurate and reliable financial and accounting records are maintained; and key risk factors including business strategic, operational, financial and regulatory compliance risks which may impact the Group's performance are appropriately identified and managed.

To ensure the risk management process is consistent with the best practice, the Directors of Group review the existing practice, and their suggestions will be incorporated into the Group's risk management framework in due course.

The Group's risk management framework comprises the following key features:

- A distinct organisational structure for different responsible parties with defined authority, responsibilities and risk management roles;
- The Board sets forth the proper risk management culture and risk appetite for the Group, evaluates and determines the level of risk that the Group should take and monitor regularly;
- The Risk Management Committee facilitates the risk assessment process and timely communication to the Audit Committee and the Board. Also, they ensure key business and operational risks being properly identified and managed; and

風險管理

董事會全權負責設立、維持並持續評估本集團之風險管理及內部監控系統之充足性及成效。有關管理系統旨在管理而非消除未能達成業務目標之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

管理層負責從頂層為監控定調、執行風險評估、並設計、實施及維護內部監控。風險管理及內部監控之相關政策及程序已作妥善書面記錄並傳達予員工，該等政策及程序旨在協助確保本集團資產不會在未經授權下被使用或轉讓；有關規則及規例獲依循及遵守；財務及會計記錄獲完整、準確及可靠地保存；以及可能影響本集團業績的業務策略、營運、財務及監管合規風險等主要風險因素均獲妥為識別及管理。

為確保風險管理程序與最佳常規一致，本集團董事審閱現時的做法，彼等的建議將於適當時候納入本集團風險管理框架。

本集團之風險管理框架包含以下主要特徵：

- 就負責各方訂立權責及風險管理角色分明的組織架構；
- 董事會為本集團設立適當的風險管理文化及風險承受能力，評估及釐定本集團應承擔並進行定期監控的風險水平；
- 風險管理委員會促進風險評估程序，並及時向審核委員會及董事會溝通。再者，彼等確保主要業務及營運風險妥為識別及管理；及

CORPORATE GOVERNANCE REPORT

企業管治報告

- A Risk Management Policy has been established to provide a framework for the identification, analysis, evaluation, treatment, monitoring and reporting of key risks at all levels across the Group to support the achievement of the organisation's overall strategic objectives.

Identified potential risks are evaluated using appropriate qualitative and quantitative techniques and risk responses (i.e. accept, reduce, transfer and avoid) are formulated, which are consistent with the Group's risk appetite. Risks are assessed based on a risk assessment matrix that helps to rank the risks into four risk levels (i.e. Extremely High, High, Medium and Low) and to prioritise risk management effort to determine the appropriate risk mitigation plans.

Internal Control

The Group has an internal audit ("IA") function, which plays a major role in monitoring the internal governance of the Group, to conduct independent reviews of the adequacy and effectiveness of its risk management and internal control system and report the review results regularly to the Board through the Audit Committee.

To ensure systematic coverage of all auditable areas and effective deployment of resources, a 3-year IA plan with reference to the risk assessment results has been formulated and approved by the Audit Committee. During the year, the IA plan focused on the examination of the fraud control, site safety, business strategy, financial and treasury management, compliance with applicable rules and regulations, management of litigation and claims, payment controls and conflict of interest. Subsequent meetings were conducted to update the IA plan in order to reflect the major changes in the organisational structure and business objectives, review the IA reports and highlight the more significant issues identified from the IA reviews and follow-up actions taken. Meetings between the head of IA function and senior management are conducted monthly to stay current with market developments and changes in the business strategy.

- 制定風險管理政策以提供一個框架，以識別、分析、評估、處理、監控及匯報本集團的關鍵風險，協助組織實現整體戰略目標。

已識別潛在風險乃以恰當定性及定量方法評估，並制定與本集團風險承受能力一致的風險應對方法（即接受、減低、轉移及避免）。風險乃根據風險評級分為4個風險等級（即極高、高、中等及低）進行評估，該評級亦可協助制定風險管理優先次序，訂立恰當的風險緩解計劃。

內部監控

本集團既有內部審核（「內部審核」）職能，主要職責為監察本集團內部管治，對風險管理及內部監控系統的充足性及成效進行獨立審視，並透過審核委員會定期向董事會匯報審視結果。

為確保有系統地覆蓋所有審核範圍及有效分配資源，參考風險評估結果後已制訂三年內部審核計劃並獲得審核委員會批准。本年內，內部審核計劃的焦點為評核欺詐監控、地盤安全、業務策略、財務及庫務管理、遵守適用守則及規定、管理訴訟及索賠、付款監控以及利益沖突。其後亦召開會議，更新內部審核計劃，反映組織架構的主要變動及業務目標、審閱內部審核報告，並重點提及內部審核所識別的較重大問題及已採取的跟進行動。內部審核職能的主管與高層管理人員每月召開會議，以得知市場發展及業務策略的變動。

The Group is fully aware of its obligation of handling and dissemination of inside information under the Listing Rules and the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”). The Group has a set of procedures and controls in place to preserve the confidentiality of inside information relating to the Group. All Board members and senior management, who are likely to possess the Group’s inside information because of their offices or employments in the Group, are bound by Model Code. In addition, every employee is required to follow the guidelines of the code of conduct and the staff handbook to keep unpublished inside information strictly confidential.

Review of Risk Management and Internal Control Systems

During the year, the Board has conducted a review on the effectiveness of risk management and internal control systems of the Group through discussion with the Audit Committee, which covers the major control procedures in areas of business/strategy, operational, financial, compliance and regulatory risk, and was satisfied with the effectiveness of the Group’s risk management and internal control systems.

The changes in the nature and extent of significant risks faced by the Group and response plans to changes in its business and the external environment have been evaluated. The scope and quality of ongoing monitoring of risks and the internal control systems have been assessed. No significant areas of concern that may affect the Group to achieve strategic goals have been identified. The Board considered that the risk management and internal control systems are functioning effectively and adequately.

In addition, confirmation from management on the effectiveness of the risk management and internal control systems of the Group was received during the year.

The Board has reviewed and is satisfied with the adequacy of resources, staff qualifications and experiences, training requirements and budgets of the Group’s accounting, financial reporting and IA functions.

本集團十分清楚上市規則及香港法例第571章證券及期貨條例（「證券及期貨條例」）下處理及發佈內幕消息的責任。本集團有一系列程序及監控，保持與本集團有關的內幕消息機密。全體董事會成員及高層管理人員均可能因彼等的職務或受僱於本集團，而擁有本集團內幕消息，彼等受標準守則約束。再者，各員工須遵守道德守則及員工手冊內的指引，保持未刊發內幕消息絕對保密。

風險管理及內部監控系統回顧

本年內，董事會已通過與審核委員會就業務／策略、營運、財務、合規及監管的風險範疇之主要監控程序的討論，對本集團風險管理及內部監控系統的效能進行檢討，並對本集團風險管理及內部監控系統的成效表示滿意。

本集團所面臨重大風險之性質及程度之轉變以及就其業務及外部環境變動所作出之應對計劃已經作出評估。持續監察風險及內部監控系統的工作範疇及素質已作出評估。概無識別可能影響本集團達成策略目標的重要關注事項。董事會認為風險管理內部監控系統的運作有效充足。

此外，本年內已收到管理層對本集團風險管理及內部監控系統有效性之確認。

董事會已審視及滿意資源充足性、僱員資格及經驗、受訓要求及本集團會計、財務報告及內部審核職能的預算。

CORPORATE GOVERNANCE REPORT

企業管治報告

Integrity Monitoring Committee

Each of our staff is given clear guidelines and codes of standard in the staff handbook with integrity being put as the first and foremost code of conduct. A whistle-blowing-type channel which is implemented by the Integrity Monitoring Committee is to provide staff and contractors a channel to report issues which might cause a significant financial loss to, or an adverse impact on the image of the Company. The Integrity Monitoring Committee comprises the Senior Quality Assurance Manager as chairman of the Committee, the Acting Managing Director for PFM Business and Finance Director and the Senior Human Resources Manager as members.

DIRECTORS' RESPONSIBILITY FOR FINANCIAL REPORTING

The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view of the state of affairs of the Company and the Group on a going concern basis. With the support of the accounting and finance functions led by the Finance Director of the Group, the Directors have ensured that the consolidated financial statements for the year ended 31 December 2018 have been prepared in accordance with appropriate accounting policies applied, if any, consistently save for those new and amended accounting standards as disclosed in the notes to the consolidated financial statements.

In preparing the interim and annual financial statements, announcements and other financial disclosures required under the Listing Rules, the Directors aim at presenting a balanced, clear and understandable assessment of the Group's position and prospects. Financial information put before the Board for approval by management is accompanied by sufficient explanation to enable the Directors to make an informed assessment.

The independent auditor's report, which contains the statement of the external auditor about its reporting responsibilities on the Company's financial statements, is set out in pages 87 to 90 of this annual report.

誠信監察委員會

本集團給每位員工的員工手冊中均載有清晰指引及標準守則，其中以誠信為首要操守原則。誠信監察委員會實施之舉報渠道為員工及承建商提供渠道報告或會導致本公司蒙受重大財務損失或有損本公司形象的事項。誠信監察委員會由高級質量監控經理(委員會主席)、物業及設施管理業務署理董事總經理兼財務董事及高級人才資源經理(成員)組成。

董事的財務匯報責任

董事明白彼等對編製綜合財務報表的責任，財務報表須真實公平地反映本公司及本集團按持續經營基準的事務狀況。在本集團財務董事統領的會計及財務職能支援下，董事確保截至2018年12月31日止年度之綜合財務報表已根據貫徹應用的適當會計政策(如有)編製，惟綜合財務報表附註所披露的該等新訂及經修訂會計準則除外。

在編製中期與年度財務報表、公告及根據上市規則之規定須予披露之其他財務資料時，董事均以中肯、清晰及易於理解之形式評估本集團之情況及前景為目標。管理層提呈予董事會審批的財務資料須連同充足解說，使董事可作出知情評估。

獨立核數師報告(當中載有外聘核數師就本公司財務報表之匯報責任所作聲明)載於本年報第87至第90頁。

AUDITOR'S REMUNERATION

The fees paid/payable to PricewaterhouseCoopers, the Company's external auditor, for services rendered for the year ended 31 December 2018 are set out as follows:

Services rendered	所提供服務	Fees paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services	審核服務	1,856
Non-audit services*	非審核服務*	232

* comprised services mainly related to interim review and continuing connected transactions assurance, etc.

核數師酬金

截至2018年12月31日止年度，就本公司外聘核數師羅兵咸永道會計師事務所提供服務而已付／應付費用載列如下：

Services rendered	所提供服務	Fees paid/payable 已付／應付費用 HK\$'000 港幣千元
Audit services	審核服務	1,856
Non-audit services*	非審核服務*	232

* 包括主要與中期審查和持續關連交易保證等相關之服務。

COMPANY SECRETARY

The Company Secretary is responsible for facilitating the Board process, as well as communications among Board members. The Company Secretary complied with all the qualifications under the Listing Rules. The Company Secretary is Mr. Eric Chan Kwong Leung, who is engaged and appointed by the Company from an external secretarial services provider. The primary corporate contact person at the Company is Ms. Mandy Hui Suk Man, the Acting Managing Director for PFM Business and Finance Director of the Group.

公司秘書

公司秘書負責促成董事會的有效運作，以及董事會成員之間的溝通。公司秘書為陳鄺良先生，彼由本公司從外間秘書服務供應商委聘及委任。本公司的主要企業聯絡人為本集團物業及設施服務業務署理董事總經理兼財務董事許淑敏女士。

SHAREHOLDERS' RIGHTS, INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

In addition to publishing interim and annual reports, announcements, circulars, quarterly business updates and press releases, updates on the Group's developments are also provided on the Company's website which is updated in a timely manner.

Comments and suggestions from shareholders or investors are welcome through the following channels to the Company:

- (i) by post to the Company's Hong Kong principal place of business at 7/F., Linkchart Centre, 2 Tai Yip Street, Kwun Tong, Kowloon, Hong Kong
- (ii) by facsimile transmission to (852) 2751 8784
- (iii) by telephone at (852) 3471 2340
- (iv) by email at investor@synergis.com.hk

股東權利、投資者關係及與股東之溝通

除透過刊發中期報告與年報、公告、通函、季度業務更新及新聞稿外，有關本集團最新發展情況之資料亦會登載於本公司下述網站並及時予以更新。

股東或投資者如有任何意見及建議，歡迎透過下列途徑提交予本公司：

- (i) 郵寄至本公司之香港主要營業地點，地址為香港九龍觀塘大業街2號聯卓中心7樓
- (ii) 傳真至(852) 2751 8784
- (iii) 致電(852) 3471 2340
- (iv) 發送電郵至 investor@synergis.com.hk

CORPORATE GOVERNANCE REPORT

企業管治報告

(v) on the Company's website at www.synergis.com.hk under "IR Contact" of "Investor Relations"

An AGM is deemed as a forum for shareholders to communicate directly with the Board members. Notice of 20 clear business days together with detailed agenda is given to shareholders for the AGM of the Company and 10 clear business days for all special general meetings of the Company. Separate resolution is proposed at the AGM on each substantially separate issue, including the election of each individual director.

PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

In accordance with the Bye-laws, any shareholder holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at a general meeting shall have the right, by written requisition served to the Board or the Company Secretary, to require a special general meeting to be convened by the Board for transaction of any business specified in such requisition. Any vote of shareholders at a general meeting must be taken by poll. The chairman of meeting will explain the poll voting procedures at the relevant general meeting.

CONTINUOUS CORPORATE GOVERNANCE ENHANCEMENT

The Board is committed to continuous corporate governance enhancement including giving closer attention to any regulatory changes with a view to maintaining a corporate culture built on ethics and integrity and increasing shareholder value as a whole.

(v) 於本公司網站 www.synergis.com.hk 之「投資者關係」下「投資界查詢」一欄

股東周年大會被視為股東與董事會成員直接溝通的平台。召開本公司股東周年大會須最少於20個完整營業日前向股東寄發載有詳細會議議程之通告，而本公司所有股東特別大會則須10個完整營業日。個別的決議案就各項基本上獨立的事項提呈股東周年大會，包括選舉各個別董事。

股東提出建議於股東大會表決的程序

根據細則之規定，任何持有有權於股東大會上投票之本公司繳足股本不少於十分之一的股東，均有權向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求列明之任何事項。股東於股東大會上必須以投票表決方式進行任何表決。大會主席將於相關股東大會上解釋投票表決的程序。

不斷提升企業管治水平

董事會承諾將繼續提升企業管治水平，包括密切留意任何法規變動，務求維持一套建基於道德及誠信的企業文化，及提升股東的整體價值。

HIGHLIGHTS OF 2018 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2018年環境、社會及管治報告摘要

As a responsible corporate citizen, we take sustainability into careful considerations to enhance business resilience, improve our people's well-being, enhance customers' satisfaction, and protect our common natural resources. We take concrete actions that are consistent with our sustainability strategies, with an aim to create sustained values to our stakeholders.

Our standalone 2018 Environmental, Social and Governance ("ESG") report is prepared to share our actions, performances and policies relating to sustainability to our stakeholders. It adheres to the "comply or explain" and "recommended disclosure" provisions of the ESG Reporting Guide under Appendix 27 of the Listing Rules on the Stock Exchange.

Below are some key highlights of our 2018 ESG performance:

作為一個負責任的企業公民，我們慎重考慮可持續發展以增強業務復原能力、改善員工福祉、提升客戶滿意度，及保護公共自然資源。我們採取符合可持續發展策略的實質行動，矢志為持份者創造持續的價值。

我們編製2018年獨立的环境、社會及管治(「環境、社會及管治」)報告旨在向持份者分享我們有關可持續發展的行動、表現及政策。其繼續恪守聯交所上市規則附錄27的環境、社會及管治報告指引「不遵守就解釋」及「建議披露」條文。

下表載列我們2018年環境、社會及管治表現的若干主要摘要：

Sustainability at Synergis 昇捷的可持續發展	<ul style="list-style-type: none"> Performed our first sustainability risk identification assessment to strengthen our internal discussion about corporate sustainability risks 進行首份可持續性風險識別評估，以加強內部對企業可持續性風險的討論
The Group's Economic and Governance 本集團的經濟及管治	<ul style="list-style-type: none"> Upheld integrity in our operations and continued to work closely with the Hong Kong Independent Commission Against Corruption to ensure our business integrity 堅守營運誠信及繼續與香港廉政公署緊密合作以確保業務誠信
Service Responsibility 服務責任	<ul style="list-style-type: none"> Encouraged innovations and integrated technological elements into our operations in pursuit of service excellence 鼓勵創新及將科技元素併入營運中，以追求卓越服務
Supply Chain Management 供應鏈管理	<ul style="list-style-type: none"> Collaborated closely with our supply chain partners to enhance their sustainability performance 與供應鏈合作夥伴緊密合作，以提升其可持續性表現
Workplace Practices 工場常規	<ul style="list-style-type: none"> Optimized the e-learning platform to create more training opportunities to employees 優化電子學習平台，為僱員創造更多培訓機會
Environment 環境	<ul style="list-style-type: none"> Refined our data collection network and expanded the scope of our environmental KPIs reporting 改良數據收集網絡及擴闊環境關鍵績效指標報告的範圍
Community 社區	<ul style="list-style-type: none"> Continued to invest in the community through various volunteering and fundraising activities 繼續透過不同的慈善及籌款活動回饋社會

Please visit our corporate website to download the full version of our 2018 ESG report.

如欲下載2018年環境、社會及管治報告全文，請瀏覽我們的公司網站。

DIRECTORS' REPORT

董事會報告

The Directors present the report and the consolidated financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company's subsidiaries are the provision of PFM Business and ISP Business in Hong Kong, China and Macau. Particulars of the principal subsidiaries of the Company are set out in notes 34 to the financial statements.

SEGMENT INFORMATION

Details of segment information are set out in note 5 to the financial statements.

BUSINESS REVIEW

Details of the business review information are set out in the section headed "Management Discussion and Analysis" on pages 10 to 23 of this annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

We consider environmental protection is essential to the long-term development of the Group and will constantly improve management practices so as to minimise waste, maximise efficiencies and reduce our negative environmental impact on the environment.

For details, please refer to our standalone "2018 Environmental, Social and Governance Report".

COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with rules and regulations.

The Group's operations are mainly carried out by the Company's subsidiaries in Hong Kong, China and Macau while the Company itself was incorporated in Bermuda and listed on the Stock Exchange in Hong Kong. Our establishment and operations accordingly shall comply with relevant laws and regulations in Hong Kong, Bermuda, China and Macau.

董事會提呈本報告及本集團截至2018年12月31日止年度之綜合財務報表。

主要業務

本公司之主要業務為投資控股。本公司附屬公司之主要業務為於香港、中國及澳門提供物業及設施管理服務業務及室內裝飾及特殊項目業務。本公司主要附屬公司之詳情載於財務報表附註34。

分部資料

分部資料詳情載於財務報表附註5。

業務回顧

業務回顧資料之詳情載於本年報第10頁至第23頁之「管理層討論及分析」一節。

環境政策及表現

我們認為環境保護對本集團之長遠發展而言屬至關重要，並將持續提升管理常規以盡量減少廢棄物、提升效益及降低負面環境影響。

有關詳情謹請參閱我們獨立的「2018年環境、社會及管治報告」。

遵守法律及法規

本集團承認遵守監管規定之重要性及不遵守有關規定之風險。本集團已分配系統及員工資源以確保持續遵守相關規則及法規。

本集團之營運主要由本公司於香港、中國及澳門之附屬公司進行，而其本身於百慕達註冊成立並於香港聯交所上市。我們的成立及營運因此應遵守香港、百慕達、中國及澳門之相關法律及法規。

To ensure compliance with the Competition Ordinance, the Group has conducted trainings for our staff. We also step up measures to increase safety awareness amongst our management and staff to prevent accidents in contravention with safety regulations.

RISKS AND UNCERTAINTIES

Various risks that the Company may face have been disclosed in the Corporate Governance Report and the Notes to the Financial Statements on pages 52 to 55 and pages 126 to 131 of this annual report respectively.

RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group ensures all staff are reasonably remunerated and we regularly review and improve our policies on remuneration and benefits, training, occupational health and safety.

The Group maintains a good relationship with its customers. A customer complaint handling mechanism is in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers.

For details, please refer to our standalone "2018 Environmental, Social and Governance Report".

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2018 are set out in the consolidated income statement on page 91; the consolidated statement of comprehensive income is set out on page 92 and the state of affairs of the Group and of the Company as at 31 December 2018 are set out in the consolidated balance sheet on pages 93 to 94; and balance sheet and reserve movement of the Company are set out on note 32.

The Board did not recommend the payment of interim dividend for the six months ended 30 June 2018 (2017: nil). To preserve funds for the operation and business development of the Company, the Board does not recommend the payment of final dividend for the year ended 31 December 2018 (2017: nil). Accordingly, total dividends for the financial year of 2018 is nil (2017: nil).

為確保遵守競爭條例，本集團已對員工進行培訓。我們亦加強措施提升管理人員及員工安全意識，以防止違反安全法規之事故發生。

風險及不確定因素

本公司可能面臨的各類風險已分別於本年報第52至第55頁及第126頁至第131頁之企業管治報告及財務報表附註披露。

與僱員、客戶及供應商之關係

本集團確保全體員工均獲得合理薪酬，同時我們亦定期檢討及改進我們的薪酬及福利、培訓、職業健康及安全政策。

本集團與客戶保持良好關係。本集團設有客戶投訴處理系統以接收、分析及研究投訴及就補救措施提供建議，進而提升服務質素。

本集團與其供應商保持良好關係並對其供應商進行公平及嚴格之評估。

有關詳情請參閱我們獨立的「2018年環境、社會及管治報告」。

業績及分派

本集團截至2018年12月31日止年度之業績載於第91頁之綜合損益表；第92頁之綜合全面收入報表，及本集團和本公司截至2018年12月31日之財政狀況載於第93至第94頁之綜合資產負債表及附註32之本公司資產負債表及儲備變動表。

董事會不建議就截至2018年6月30日止六個月派付中期股息(2017年：零)。為了本公司營運及業務發展之資金所需，董事會不建議就截至2018年12月31日止年度派付末期股息(2017年：零)。因此，2018財政年度之股息總額為零(2017年：零)。

DIRECTORS' REPORT

董事會報告

DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy") on 3 January 2019, pursuant to which the Company may declare and distribute dividends to the Shareholders to allow Shareholders to share the Company's profits and for the Company to retain adequate reserves for future growth. In proposing any dividend payout, the Board shall also take into account, among others, the Group's actual and expected financial performance, operating results, cash flow, financial condition and capital requirements, Shareholders' interests, contractual covenants, general business conditions and strategies, possible effects on the Group's creditworthiness, state of economy and other factors that the Board deems appropriate.

Such declaration and payment of dividends shall be determined at the sole discretion of the Board and is subject to the restrictions under the Companies Act of Bermuda, the Bye-laws and any other applicable laws, rules and regulations.

The Company will review the Dividend Policy from time to time and reserves the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy, and the Dividend Policy shall not constitute a legally binding commitment by the Company and there is no assurance that dividends will be paid in any particular amount in any given period.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the Consolidated Statement of Changes in Equity on page 95 and in note 23 to the financial statements respectively.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the operating results and of the assets and liabilities of the Group for the last four financial years and for the year ended 31 December 2018 is set out on page 177. This summary does not form a part of the financial statements.

PROPERTY, PLANT AND EQUIPMENT, AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment, and investment properties of the Group during the year are set out in note 14 and note 15 to the financial statements respectively.

股息政策

本公司已於2019年1月3日採納一項股息政策（「股息政策」），據此，本公司可向股東宣派及分派股息，讓股東分佔本公司溢利及為本公司保留足夠儲備作未來增長之用。於提議任何派付股息的金額時，董事會亦將考慮（其中包括）本集團實際及預期財務表現、經營業績、現金流量、財務狀況及資金需求、股東權益、合約契據、整體業務狀況及策略、對本集團信譽的潛在影響、經濟狀況及董事會認為適當的任何因素。

有關股息的宣派及派付將由董事會全權酌情決定，惟受百慕達公司法、細則及任何其他適用法律、規則及法規的限制。

本公司將不時審閱股息政策並保留全權絕對酌情權更新、修訂及／或修改股息政策，股息政策並不構成本公司具法律約束力的承諾，概不保證將於任何指定期間按任何特定金額派付股息。

儲備

本集團及本公司於本年內之儲備變動詳情分別載於第95頁之綜合權益變動表及財務報表附註23。

五年財務摘要

本集團於過去4個財政年度及截至2018年12月31日止年度經營業績與資產及負債摘要載於第177頁。此摘要並不屬於財務報表之一部份。

物業、機器及設備以及投資物業

於本年內，本集團物業、機器及設備以及投資物業之變動詳情分別載於財務報表附註14及附註15。

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2018, calculated under the Companies Act of Bermuda, amounted to HK\$nil (31 December 2017: HK\$7,947,000).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws although there is no restriction against such rights under the laws of Bermuda.

DIRECTORS

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

Executive Directors

Mr. Kingston Chu Chun Ho (*Chairman*)
Mr. Terence Leung Siu Cheong
(*Deputy Chairman and Managing Director for ISP Business*)

Independent Non-executive Directors

Mr. Lau Man Tak
Mr. Eric Lee Hon Man
Dr. Wong Yun Kuen
Mr. Kan Fook Yee #
(retired with effect from 18 May 2018)

The profiles of Directors who are in office as at the date of this report are set out on pages 24 to 28 of this annual report.

In accordance with Bye-laws 87(1) and 87(2), Mr. Kingston Chu Chun Ho and Mr. Lau Man Tak shall retire by rotation at the AGM, and being eligible, have offered themselves for re-election at the AGM. Save for the aforesaid, the other remaining Directors would continue in office.

The Company has received from each of its Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, and considers that all the Independent Non-executive Directors are independent in accordance with the terms of the independence guidelines set out in Rule 3.13 of the Listing Rules.

股本

本年內本公司之股本變動詳情，載於綜合財務報表附註22。

可供分派儲備

本公司於2018年12月31日之可供分派儲備乃根據百慕達公司法計算，金額為港幣零元（2017年12月31日：港幣7,947,000元）。

優先購買權

本公司細則並無優先購買權之條文，惟百慕達法例亦無就該等權利設有任何限制。

董事

於本年內及截至本報告日期止，董事如下：

執行董事

朱俊浩先生(主席)
梁兆昌先生
(副主席兼室內裝飾及特殊項目業務董事總經理)

獨立非執行董事

劉文德先生
李翰文先生
黃潤權博士
簡福飴先生#
(自2018年5月18日起退任)

於本報告日期在職之董事之簡介載於本年報第24至第28頁。

根據細則第87(1)及87(2)條，朱俊浩先生及劉文德先生將於股東周年大會上輪值退任並符合資格於股東周年大會膺選連任。除前述者外，其他餘下之董事均將繼續留任。

本公司已接獲其每位獨立非執行董事就其獨立性根據上市規則第3.13條作出之年度確認書，並認為所有獨立非執行董事根據上市規則第3.13條所載之獨立指引條款均為獨立人士。

DIRECTORS' REPORT

董事會報告

The director who has served on the boards of directors of the subsidiaries of the Company as at the date of this report was Mr. Terence Leung Siu Cheong.

Mr. Kan Fook Yee retired as an Independent Non-executive Director upon conclusion of the 2018 AGM held on 18 May 2018 as he would like to devote more time for other personal pursuits. He has confirmed that he has no disagreement with the Board and that he is not aware of any matter in relation to his retirement that needs to be brought to the attention of the Shareholders or the Stock Exchange.

DIRECTORS' SERVICE CONTRACTS

None of the Directors offering themselves for re-election at AGM have entered into a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for the agreements disclosed in the section headed "Continuing Connected Transactions" below, there were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, its holding companies or its fellow subsidiaries was a party and in which any Director and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year.

DIRECTORS' EMOLUMENTS

Details of Directors' emoluments are set out in note 9 to the financial statements.

EQUITY-LINKED AGREEMENTS

Save for disclosed in the sections headed "Share Option Scheme", "Convertible Securities, Options, Warrants or Similar Rights" and "Substantial Shareholders' Interests and Short Positions in the Shares and Underlying Shares of the Company — Convertible Preference Shares" of this report, the Company has not entered into any equity-linked agreements during the year.

於本報告日期，擔任本公司附屬公司董事的董事為梁兆昌先生。

簡福飴先生於2018年5月18日舉行的2018年股東周年大會結束時退任獨立非執行董事，因彼擬投入更多時間於個人事務。彼確認彼與董事會並無分歧，亦不知悉任何有關彼退任之事宜須敦請股東或聯交所垂注。

董事之服務合約

於即將舉行之股東周年大會上重選連任之董事概無與本公司或其任何附屬公司簽訂不可於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

董事於交易、安排或合約之權益

除下文「持續關連交易」一節所披露的協議外，於本年末或本年內之任何時間，本公司之附屬公司、其控股公司或其同系附屬公司概無就本集團之業務訂立董事及董事之關連人士直接或間接擁有重大權益之交易、安排及合約。

董事酬金

董事酬金之詳情載於財務報表附註9。

權益掛鈎協議

除本報告「購股權計劃」、「可換股證券、購股權、認股權證或類似權利」及「主要股東於本公司股份及相關股份中擁有之權益及淡倉 — 可轉換優先股」各節所披露外，本公司概無於本年內訂立任何權益掛鈎協議。

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Bye-law 168, every Director or other officers of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director or other officers shall be liable for any loss, damages or misfortune which may happen to or be incurred by the Company in the execution of the duties of his/her office or in relation thereto, provided that this Bye-law shall only have effect in so far as its provisions are not avoided by the Companies Act of Bermuda. The Company has maintained Directors and officers liability insurance during the year.

BANK LOANS AND OTHER BORROWINGS

Analysis of bank loans and other borrowings of the Group as at 31 December 2018 is set out in note 26 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2018, none of the Directors or chief executive 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: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

獲准許彌償條文

根據細則第168條，各董事或本公司其他高級職員有權就履行其職務或在其他有關方面蒙受或產生之所有虧損或負債自本公司之資產中獲得彌償，且概無董事或其他高級職員須就履行職責或與此有關而使本公司蒙受或產生之任何虧損、損失或不幸事件負責，惟該公司細則僅在未被百慕達公司法廢止之情況下有效。本公司於本年內維持董事及高級職員責任保險。

銀行貸款及其他借貸

本集團於2018年12月31日之銀行貸款及其他借貸分析載於綜合財務報表附註26。

董事及行政總裁於本公司及其相聯法團的股份、相關股份及債券中擁有之權益及淡倉

截至2018年12月31日，本公司董事或行政總裁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權益及淡倉而須：(a) 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（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及淡倉）；或(b) 根據證券及期貨條例第352條須記錄於該條所指之登記冊內；或(c) 根據上市規則附錄10所載之標準守則須知會本公司及聯交所。

SHARE OPTION SCHEME

At the 2013 AGM, the shareholders approved the adoption of a new share option scheme (the "Share Option Scheme"). Details of the Share Option Scheme as required to be disclosed under Chapter 17 of the Listing Rules are set out below:

(1) Summary of the Share Option Scheme

(a) Purpose of the Share Option Scheme

The Share Option Scheme is set up for the purpose of recognising and motivating the contribution of the Eligible Persons (as defined below) to the Company and/or any of its subsidiaries and/or any Invested Entity (as defined below).

(b) Participants of the Share Option Scheme

Eligible persons entitled to participate in the Share Option Scheme (the "Eligible Persons") include:

- (i) any employee (whether full time or part time) of the Company, any of its subsidiaries, or any entity in which the Company or any of its subsidiaries holds an equity interest (the "Invested Entity"); including any executive director of the Company, any of its subsidiaries or any Invested Entity and any employee employed or to be employed by the Company, any of its subsidiaries or any Invested Entity, whether in Hong Kong or in The People's Republic of China;
- (ii) any non-executive director (including any independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- (iii) any shareholder of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity;

購股權計劃

在2013年股東周年大會上，股東批准採納新購股權計劃（「購股權計劃」）。根據上市規則第17章規定須予披露有關購股權計劃之詳情載列如下：

(1) 購股權計劃之摘要

(a) 購股權計劃之目的

購股權計劃旨在表彰及激勵合資格人士（定義見下文）為本公司及／或其任何附屬公司及／或任何投資實體（定義見下文）作出貢獻。

(b) 購股權計劃之參與人士

可參與購股權計劃之合資格人士（「合資格人士」）包括：

- (i) 本公司、其任何附屬公司、或本公司或其任何附屬公司持有股本權益之任何實體（「投資實體」）之任何僱員（不論全職或兼職），包括本公司、其任何附屬公司或任何投資實體之任何執行董事，及本公司、其任何附屬公司或任何投資實體（不論於香港或中華人民共和國）僱用或將僱用之任何僱員；
- (ii) 本公司、其任何附屬公司或任何投資實體之任何非執行董事（包括任何獨立非執行董事）；
- (iii) 本公司、其任何附屬公司或任何投資實體之任何股東或本公司、其任何附屬公司或任何投資實體所發行任何證券之持有人，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；

DIRECTORS' REPORT

董事會報告

- (iv) any person or entity that provides research, development or other technological support to the Company, any of its subsidiaries or any Invested Entity;
 - (v) any supplier of goods and/or services to the Company, any of its subsidiaries or any Invested Entity;
 - (vi) any business collaborator, business consultant, joint venture or business partner, or technical, financial, legal and other professional advisers engaged by the Company, any of its subsidiaries or any Invested Entity;
 - (vii) any associate (as defined under the Listing Rules) of the directors or the substantial shareholders of the Company, any of its subsidiaries or any Invested Entity who has, in the opinion of the Board, made contribution to the business growth of the Company, any of its subsidiaries or any Invested Entity; or
 - (viii) the trustee of any trust pre-approved by the Board, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the above-mentioned persons,
- (iv) 向本公司、其任何附屬公司或任何投資實體提供研究、開發或其他技術支援之任何人士或實體；
- (v) 本公司、其任何附屬公司或任何投資實體的任何貨品及／或服務供應商；
- (vi) 與本公司、其任何附屬公司或任何投資實體已訂約之任何業務合作方、業務顧問、合資公司或業務夥伴、或技術、財務、法律及其他專業顧問；
- (vii) 本公司、其任何附屬公司或任何投資實體之董事或主要股東之任何聯繫人(定義見上市規則)，而董事會認為其對本公司、其任何附屬公司或任何投資實體之業務發展有所貢獻者；或
- (viii) 經董事會預先批准之任何信託之受託人，其受益人(或倘為全權信託，則為受益對象)包括任何上述人士，

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more of the above Eligible Persons.

及就購股權計劃而言，購股權可授予任何一名或以上之上述合資格人士全資擁有之任何公司。

(c) Maximum Number of shares available for issue under the Share Option Scheme

At 2013 AGM, the scheme mandate limit for the Share Option Scheme to allow the Company to issue a maximum of 33,200,000 options under the Share Option Scheme, representing approximately 7.81% of the total number of issued shares of the Company (i.e. 424,850,000 ordinary shares) as at 26 March 2019.

As at 31 December 2018, there were no outstanding share options and there were not any share options granted, exercised, cancelled and lapsed under the Share Option Scheme. As at the date of this report, the maximum number of shares available for issue under the Share Option Scheme is 29,600,000, representing approximately 6.97% of the total number of issued shares of the Company (i.e. 424,850,000 ordinary shares) as at 26 March 2019.

(d) Maximum entitlement of each Eligible Person under the Share Option Scheme

No option may be granted to any one Eligible Person in any 12-month period which, if exercised in full, would result in the total number of shares already issued to such Eligible Person under all the options previously granted to him/her which have been exercised and, issuable to him/her under all the options previously granted to him/her which are for the time being subsisting and unexercised, exceeding 1% of the share capital of the Company in issue on the last date of such 12-month period unless being approved by the shareholders of the Company in a general meeting.

(c) 根據購股權計劃可發行之股份數目上限

在2013年股東周年大會上，購股權計劃之計劃授權限額允許本公司根據購股權計劃最多發行33,200,000份購股權，佔本公司於2019年3月26日已發行股份總數(即424,850,000股普通股股份)約7.81%。

於2018年12月31日，概無任何購股權未行使及概無任何購股權根據購股權計劃授出、行使、註銷及失效。於本報告日期，根據購股權計劃可發行之股份數目上限為29,600,000股，佔本公司於2019年3月26日已發行股份總數(即424,850,000股普通股股份)約6.97%。

(d) 購股權計劃項下每位合資格人士可獲授購股權之上限

倘於任何12個月期間內向任何一位合資格人士授出之購股權獲悉數行使時，會導致該合資格人士因過往獲授及已行使之所有購股權而獲發行的股份，及過往獲授仍有效且未行使之所有購股權而須予發行之股份，合計總數超過於該12個月期間最後一日之本公司已發行股本之1%，則不可向該合資格人士授出有關購股權，惟經本公司股東於股東大會上批准則除外。

Where any proposed grant of option to a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates (as defined in the Listing Rules), would result in the shares issued and to be issued upon exercise of all options already granted (including options exercised, cancelled and outstanding) and to be granted to such person in the 12-month period up to and including the date of the proposed grant:

- (i) representing in aggregate over 0.1% of the total number of shares in issue for the time being; and
- (ii) the aggregate value of which, based on the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the proposed grant, is in excess of HK\$5.0 million, such proposed grant of option shall be subject to the prior approval of the shareholders of the Company at a general meeting in which all connected persons for the time being of the Company (if any) (except where any connected person intends to vote against the proposed grant of option and his/her intention to do so has been stated in the circular) shall abstain from voting at such general meeting and at which any vote taken shall be taken on a poll.

(e) Period for and payment on acceptance of an option

An offer for grant of an option must be accepted by an Eligible Person (and by no other person) in respect of all the shares for which the offer is made. Acceptance shall be made by such Eligible Person by signing and returning the duplicate of the offer letter together with the payment of a consideration of HK\$1.00 for such grant to the Company within the time period specified in the offer letter.

倘向本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人(定義見上市規則)建議授出購股權,而將會導致於截至(及包括)建議授出日期止12個月期間向該人士已授出(包括已行使、註銷及未行使之購股權)及將授出之所有購股權獲行使而已發行及將予發行之股份:

- (i) 合共超過當時已發行股份總數之0.1%;及
- (ii) 根據於建議授出日期聯交所發出之每日報價表所載股份之收市價計算,總值超過港幣5,000,000元,則授出購股權的建議須事先獲得本公司股東於股東大會上批准,而本公司當時的所有關連人士(如有)不得於該股東大會上投票(惟擬投票反對該項授出購股權建議並已在通函中表明其意向的任何關連人士除外),及該股東大會須以投票表決方式進行表決。

(e) 接納購股權之期限及付款

合資格人士(及並無其他人士)可就其獲授之購股權下全部股份接納有關授出購股權的要約。接納要約須於要約函件指定時限內,由該合資格人士將要約函件副本正式簽妥並連同港幣1.00元作為有關授出之代價交回本公司。

(f) The basis of determining the subscription price

The subscription price in respect of any option granted under the Share Option Scheme shall be a price determined by the Board and notified to each grantee and shall not be less than the highest of (i) the nominal value of a share; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date on which an offer for grant of an option (the "New Offer Date") is made to an Eligible Person; and (iii) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the New Offer Date which must be a business day, provided that the subscription price shall be rounded upwards to the nearest whole cent.

(g) Minimum period for holding an option before exercise

There is no minimum holding period for which an option must be held before exercise pursuant to the Share Option Scheme. The commencement date of the period during which an option may be exercised shall be specified by the Board in the relevant offer letter.

(h) Remaining life

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 17 June 2013, the date of adoption of the Share Option Scheme, unless otherwise terminated in accordance with the rules of the Share Option Scheme.

(f) 釐定認購價之基準

根據購股權計劃所授出任何購股權的認購價須由董事會釐定及通知各承授人，惟不得低於下列三者中的最高者：(i) 股份之面值；(ii) 於緊接授出購股權要約予合資格人士日期（「新要約日期」）前5個營業日股份在聯交所每日報價表所載之平均收市價；及(iii) 於新要約日期（必須為營業日）股份在聯交所每日報價表所載之收市價，惟認購價不足1仙的金額亦作1仙計算。

(g) 購股權行使前須持有之最短期限

根據購股權計劃，購股權於行使前並無須持有之最短期限。購股權可獲行使之期間的開始日期應由董事會於有關要約函件內訂明。

(h) 餘下期限

除根據購股權計劃之規則予以終止外，購股權計劃由2013年6月17日（即採納購股權計劃之日期）起計十年期間內生效及維持有效。

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

During the year, the Company has the Share Option Scheme pursuant to which options may be granted, inter alia, to the Directors.

Save as disclosed in "Share Option Scheme" above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

As at 26 March 2019, a Director had the following interests in business which competed or were likely to compete, either directly or indirectly, with the Group's business:

Name of Director 董事姓名	Name of company 公司名稱	Nature of business 業務性質	Nature of interests 權益性質
Terence Leung Siu Cheong 梁兆昌	Hsin Chong Construction Co. Ltd* and its branches (a wholly foreign owned enterprise in the PRC) 新昌營造建築有限公司及其分公司 (中國外商獨資企業)	Building construction and civil engineering 樓宇建造及土木工程	Being the legal representative and a director, and person in charge of the branches 為法定代表人及董事， 及分公司負責人
	Zhuhai Hengqin New Area HCCG Construction Management Co., Ltd.* (a wholly foreign owned enterprise in the PRC) 珠海橫琴新區新昌建設管理有限公司 (中國外商獨資企業)	Building construction and civil engineering 樓宇建造及土木工程	Being a director 為董事

Note: Although Mr. Terence Leung Siu Cheong has competing interests in above mentioned companies by virtue of his common directorship, the Directors consider that such competition, if any, is neither significant nor material to the Group as a whole. Furthermore, Mr. Terence Leung Siu Cheong will fulfil his fiduciary duties in order to ensure that he will act in the best interest of the Shareholders and the Company as a whole at all times. Hence, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies.

Save as disclosed above, none of the Directors (excluding Independent Non-executive Directors) nor their respective associates had any interest in business which competes or is likely to compete, either directly or indirectly, with the business of the Group for the year ended 31 December 2018.

* for identification purposes only

董事認購股份或債券之權利

本年內，本公司擁有購股權計劃，據此，本公司可授出購股權予(其中包括)董事。

除上文「購股權計劃」所披露者外，本公司、其控股公司或其任何附屬公司於本年內任何時間概無訂立任何安排，致使董事或彼等的配偶或18歲以下的子女可透過購買本公司或任何其他法人團體之股份或債券而從中獲取利益。

董事於競爭業務之權益

截至2019年3月26日，一名董事於以下與本集團業務直接或間接構成競爭或可能構成競爭之業務中擁有權益：

附註：雖然梁兆昌先生因共同董事職務而與上述公司擁有競爭權益，董事認為有關競爭(如有)整體上對本集團而言並不重要或重大。此外，梁兆昌先生將履行其受信責任，以確保其於任何時間均以股東及本公司的整體最佳利益行事。因此，本集團能夠獨立於上述公司的業務而公平地經營業務。

除上文披露者外，董事(不包括獨立非執行董事)或其各自的聯繫人於截至2018年12月31日止年度概無擁有與本集團業務直接或間接構成競爭或可能構成競爭的業務之權益。

DIRECTORS' REPORT

董事會報告

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company issued and allotted 80,000,000 convertible preference shares ("CPSs"), as part of the consideration for the acquisition of ISP Business in late 2012. The CPSs are convertible into the ordinary shares at HK\$0.75 per share subject to satisfaction of the minimum public float requirements under the Listing Rules. As at 31 December 2018, none of the CPSs was converted nor redeemed.

Save as above and other than the share option scheme described in the paragraph titled "Share Option Scheme" above and in note 10 to the financial statements, the Company had no outstanding convertible securities, options, warrants or similar rights at 31 December 2018. There was no issue or exercise of any convertible securities, options, warrants or similar rights during the year.

MANAGEMENT CONTRACTS

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

RETIREMENT SCHEMES

The Group participated in mandatory provident fund schemes in Hong Kong and in the municipal government contribution scheme in China. Particulars of the retirement schemes are set out in note 2.15(c) to the financial statements.

可換股證券、購股權、認股權證或類似權利

本公司發行及配發80,000,000股可轉換優先股（「可轉換優先股」）股份，作為於2012年年末收購室內裝飾及特殊項目業務之部份代價。可轉換優先股可按每股港幣0.75元轉換為普通股，惟須符合上市規則規定之最低公眾持股量。截至2018年12月31日，概無轉換或贖回可轉換優先股。

除上文及上述「購股權計劃」一段及財務報表附註10所述之購股權計劃外，於2018年12月31日，本公司概無任何尚未發行之可換股證券、購股權、認股權證或類似權利。本年內，概無任何可換股證券、購股權、認股權證或類似權利獲發行或行使。

管理合約

本年內，概無就本公司全部或任何主要業務部份訂立或訂有任何管理及行政合約。

退休計劃

本集團參與香港強制性公積金計劃及中國市級政府供款計劃。該等退休計劃詳情載於財務報表附註2.15(c)。

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

As at 31 December 2018, the following person/entities (other than Directors or chief executive of the Company) had or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company as recorded in the register of interests and short positions of substantial shareholders (the "Register of Substantial Shareholders") required to be kept by the Company pursuant to section 336 of the SFO:

Long Positions in the Shares and Underlying Shares of the Company

(a) Ordinary Shares

Name of Shareholders	Capacity	Number of ordinary shares held	Approximate percentage of interests in the total number of issued shares
股東名稱	身份	持有之普通股股份數目	佔已發行股份總數之概約權益百分比 (Note (ii)) (附註(ii))
Chu Yuet Wah ("Mrs. Chu") 李月華 (「李女士」)	Interests of controlled corporation(s) 受控法團權益	225,518,633 (Note (i)) (附註 (i))	53.08%
Champ Key Holdings Limited ("Champ Key")	Beneficial owner 實益擁有人	225,518,633	53.08%

Notes:

- (i) Champ Key being a company wholly-owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.
- (ii) There were 424,850,000 ordinary shares of the Company in issue as at 31 December 2018.

附註：

- (i) 根據證券及期貨條例，Champ Key (李女士全資擁有之公司) 被視為李女士之受控法團。
- (ii) 本公司截至2018年12月31日之已發行普通股股份為424,850,000股。

主要股東於本公司股份及相關股份中擁有之權益及淡倉

截至2018年12月31日，根據證券及期貨條例第336條本公司須予存置之主要股東權益及淡倉登記冊(「主要股東登記冊」)所記錄，下列人士／實體(本公司董事或行政總裁除外)於本公司股份及相關股份中擁有或被視為擁有權益或淡倉：

於本公司股份及相關股份之好倉

(a) 普通股股份

DIRECTORS' REPORT

董事會報告

(b) Convertible Preference Shares

(b) 可轉換優先股

Name of Shareholders	Capacity	Number of convertible preference shares held	Approximate percentage of interests in the total number of issued shares
股東名稱	身份	持有之可轉換優先股數目	佔已發行股份總數之概約權益百分比 (Note (ii)) (附註 (ii))
Mrs. Chu 李女士	Interests of controlled corporation(s) 受控法團權益	80,000,000 (Note (i)) (附註 (i))	100%
Champ Key	Beneficial owner 實益擁有人	80,000,000	100%

Notes:

- (i) The Company issued and allotted 80,000,000 CPSs to Smart Lane Holdings Limited ("Smart Lane"), as part of the consideration for the acquisition of ISP Business in late 2012. As disclosed in the joint announcement of Champ Key and the Company dated 30 November 2016, Champ Key (a company wholly-owned by Mrs. Chu) as the offeror entered into the sale and purchase agreement with Smart Lane as the vendor of the sale and purchase of 169,116,777 ordinary shares and the 80,000,000 CPSs. Champ Key being a company wholly-owned by Mrs. Chu is deemed to be a controlled corporation of Mrs. Chu under the SFO.
- (ii) There were 80,000,000 CPSs of the Company in issue as at 31 December 2018.

附註：

- (i) 本公司向Smart Lane Holdings Limited(「Smart Lane」)發行及配發80,000,000股可轉換優先股股份，作為於2012年年末收購室內裝飾及特殊項目業務之部份代價。誠如Champ Key及本公司日期為2016年11月30日之聯合公告所披露，由李女士全資擁有之公司Champ Key(作為要約人)與Smart Lane(作為買賣169,116,777股普通股及80,000,000可轉換優先股之賣方)訂立買賣協議。根據證券及期貨條例，Champ Key(李女士全資擁有之公司)被視為李女士之受控制法團。
- (ii) 本公司截至2018年12月31日之已發行可轉換優先股股份為80,000,000股。

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any persons/entities (other than Directors or chief executive of the Company) who/which had or were deemed or taken to have any other interests or short position in the shares or underlying shares of the Company as recorded in the Register of Substantial Shareholders required to be kept by the Company pursuant to section 336 of the SFO.

除上文所披露者外，於2018年12月31日，董事並無獲悉任何人士／實體(本公司董事或行政總裁除外)於本公司股份及相關股份中擁有或被視為擁有記錄於本公司根據證券及期貨條例第336條須予存置之主要股東登記冊之任何其他權益或淡倉。

CONTINUING CONNECTED TRANSACTIONS

During the year, the Company and/or its subsidiaries had entered into the following continuing connected transactions which are subject to annual review and reporting requirements under Chapter 14A of the Listing Rules:

(a) General Business Services Master Agreement

The Company entered into a General Business Services Master Agreement on 8 September 2017 with Mrs. Chu, pursuant to which Mrs. Chu and/or her associates may engage the Group to provide general business services. The annual cap for the General Business Services Master Agreement for the year ended 31 December 2018 was HK\$11,800,000. Details of the transaction were summarised below and disclosed in the announcement of the Company dated 8 September 2017.

持續關連交易

本年內，本公司及／或其附屬公司已訂立下列須遵守上市規則第14A章之年度審核及申報規定的持續關連交易：

(a) 一般業務服務總協議

於2017年9月8日，本公司與李女士訂立一般業務服務總協議，據此李女士及／或其聯繫人可委聘本集團提供一般業務服務。截至2018年12月31日止年度，一般業務服務總協議的年度上限為港幣11,800,000元。交易詳情於下表總結及本公司日期為2017年9月8日的公告內披露。

Connected person(s) 關連人士	Date of agreement(s) 協議日期	Terms 期限	Particulars 詳情	Annual cap 年度上限 (HK\$) (港幣元)	Annual consideration 年度代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest 關連人士權益性質及範圍
Mrs. Chu	General Business Services Master Agreement dated 8 September 2017	The period from 8 September 2017 to 31 December 2019 (both days inclusive)	Mrs. Chu and/or her associates to engage the Group for providing the general business services, including but not limited to, the property and assets management, real estate advisory services, fitting-out works, renovation works, general consultancy and other ancillary services	11,800,000	7,511,691	Mrs. Chu is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules.
李女士	日期為2017年9月8日之一般業務服務總協議	自2017年9月8日起至2019年12月31日止期間(包括首尾兩日)	李女士及／或其聯繫人可委聘本集團提供一般業務服務，包括但不限於物業及資產管理、房地產諮詢服務、裝修工程、翻新工程、一般諮詢及其他輔助服務			李女士為本公司之主要股東及控股股東，因而為上市規則下之關連人士。

DIRECTORS' REPORT

董事會報告

(b) ISP Works Master Agreement

The Company entered into an ISP Works Master Agreement on 29 March 2018 with Mrs. Chu, pursuant to which Mrs. Chu and/or her associates may engage the Group for providing ISP Works on a non-exclusive basis. The annual cap for the ISP Works Master Agreement for the year ended 31 December 2018 was HK\$350,000,000. Details of the transaction were summarised below and disclosed in the announcement of the Company dated 29 March 2018 and its circular dated 24 April 2018.

Connected person(s) 關連人士	Date of agreement(s) 協議日期	Terms 期限	Particulars 詳情	Annual cap 年度上限 (HK\$) (港幣元)	Annual consideration 年度代價 (HK\$) (港幣元)	Nature and extent of the connected person's interest 關連人士權益性質及範圍
Mrs. Chu	ISP Works Master Agreement dated 29 March 2018	The period from 1 June 2018 to 31 December 2019 (both days inclusive)	Mrs. Chu and/or her associates to engage the Group for providing ISP Works	350,000,000	141,738,760	Mrs. Chu is a substantial shareholder and controlling shareholder of the Company and hence, a connected person under the Listing Rules. 李女士為本公司之主要股東及控股股東，因而為上市規則下之關連人士。
李女士	日期為2018年3月29日之室內裝飾及特殊項目工程總協議	自2018年6月1日起至2019年12月31日止期間(包括首尾兩日)	李女士及/或其聯繫人委聘本集團提供室內裝飾及特殊項目工程			

The Directors (including the Independent Non-executive Directors) have reviewed and confirmed that all the continuing connected transactions mentioned above conducted in the year were entered into on the following basis:

- in the ordinary and usual course of the business of the Group;
- on normal commercial terms or better; and
- according to the relevant agreements governing these transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(b) 室內裝飾及特殊項目工程總協議

於2018年3月29日，本公司與李女士訂立室內裝飾及特殊項目工程總協議，據此李女士及/或其聯繫人可委聘本集團按非獨家基準提供室內裝飾及特殊項目工程。截至2018年12月31日止年度，室內裝飾及特殊項目工程總協議的年度上限為港幣350,000,000元。交易詳情於下表總結及本公司日期為2018年3月29日的公告及日期為2018年4月24日的通函內披露。

董事(包括獨立非執行董事)已審閱並確認上文所述本年度進行的所有持續關連交易乃按照下列原則進行：

- 於本集團日常及一般業務範圍內進行；
- 按照一般商業條款或更好的條款；及
- 根據監管該等交易的相關協議按公平合理並符合本公司股東整體利益的條款訂立。

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing the findings and conclusions in respect of the continuing connected transactions disclosed by the Group as above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

In addition, the auditor of the Company has confirmed to the Board that nothing has come to their attention that causes them to believe that the above continuing connected transactions for the year ended 31 December 2018:

- (a) have not been approved by the Board;
- (b) were not, in all material respects, in accordance with the pricing policies of the Group where the transactions involve the provision of services by the Group;
- (c) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (d) have not exceeded the relevant annual caps as disclosed in the respective previous announcements of the Company.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the continuing connected transactions mentioned above.

根據香港會計師公會發佈的香港鑒證業務準則 3000 號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明 740 號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第 14A.56 條，核數師已就本集團披露的上述持續關連交易，發出無保留意見的函件，並載有其發現和結論。本公司已將核數師函件副本向聯交所提供。

此外，本公司之核數師已向董事會確認，彼等並不知悉任何事項使彼等相信上述截至 2018 年 12 月 31 日止年度之持續關連交易：

- (a) 並無獲董事會批准；
- (b) 於所有重大方面並不符合本集團有關涉及本集團提供服務之交易之定價政策；
- (c) 於所有重大方面並無根據規管該等交易之相關協議訂立；及
- (d) 並無超過本公司先前公告所披露之相關年度上限。

本公司就上文所述有關的持續關連交易，已遵守上市規則第 14A 章所載之披露規定。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's five largest customers accounted for approximately 30.5% (31 December 2017: 44.8%) of the Group's total revenue and the revenue attributable to the Group's largest customer accounted for approximately 8.8% (31 December 2017: 16.3%) of the Group's total revenue for the year.

The aggregate purchases attributable to the Group's five largest suppliers were less than 30 % of the Group's total purchases for the year (2017: less than 30%).

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

BANK BORROWINGS

The particulars of bank borrowings of the Group as at 31 December 2018 are set out in note 26 to the financial statements.

DONATIONS

The Group donated HK\$22,000 (2017: HK\$12,000) for charitable and other purposes during the year.

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

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

RELATED PARTY TRANSACTIONS

Related party transactions of the Group are set out in note 31 to the financial statements. In relation to those related party transactions that also constituted connected transactions or continuing connected transactions of the Group as defined in the Listing Rules, the relevant disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

主要客戶及供應商

於本年度，本集團最大5位客戶佔本集團總收益約30.5% (2017年12月31日：44.8%)，而本集團最大客戶則佔本集團總收益約8.8% (2017年12月31日：16.3%)。

於本年度，本集團最大5位供應商佔本集團之總採購額少於30% (2017年：少於30%)。

董事、任何彼等之聯繫人或股東 (據董事所知擁有本公司已發行股本超過5%者) 概無在本集團之最大5位客戶中擁有任何實益權益。

銀行貸款

本集團於2018年12月31日的銀行貸款詳情載於財務報表附註26。

捐款

本年內，本集團作出慈善及其他捐款港幣22,000元 (2017年：港幣12,000元)。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本年內概無購買、出售或贖回本公司之任何上市證券。

關連人士交易

本集團之關連人士交易載於財務報表附註31。就該等亦構成本集團關連交易或持續關連交易 (定義見上市規則) 之關聯方交易而言，本集團已遵守根據上市規則第14A章之相關披露規定。

PUBLIC FLOAT

At the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and to the best of knowledge of its Directors.

AUDITOR

The retiring auditor, Messrs. PricewaterhouseCoopers, has expressed its willingness to offer for re-appointment. A resolution will be proposed at the forthcoming AGM of the Company to re-appoint Messrs. PricewaterhouseCoopers as the auditor of the Company for the ensuing year and to authorise the Directors to fix its remuneration.

On behalf of the Board

Kingston Chu Chun Ho

Chairman

Hong Kong, 26 March 2019

公眾持股量

於本報告日期，據本公司所獲之公眾資料及董事所知悉，本公司已維持上市規則所指定之公眾持股量。

核數師

即將退任之核數師羅兵咸永道會計師事務所已表明彼等願意接受續聘。本公司擬於即將舉行之股東周年大會上提呈一項決議案，重新委聘羅兵咸永道會計師事務所為本公司來年度之核數師，並授權董事釐定其酬金。

代表董事會

主席

朱俊浩

香港，2019年3月26日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

TO THE SHAREHOLDERS OF SYNERGIS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Synergis Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 91 to 176, which comprise:

- the consolidated balance sheet as at 31 December 2018;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致昇捷控股有限公司之股東
(於百慕達註冊成立之有限公司)

意見

我們已審計的內容

昇捷控股有限公司(「貴公司」)及其附屬公司(「貴集團」)列載於第91頁至第176頁的綜合財務報表，包括：

- 於2018年12月31日的綜合資產負債表；
- 截至該日止年度的綜合損益表；
- 截至該日止年度的綜合全面收入報表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於2018年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

Key audit matters identified in our audit are summarised as follows:

- Accounting for construction contracts — including profit recognition, and contract assets/liabilities;
- Impairment assessment on contract assets and receivables; and
- Impairment assessment on goodwill.

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及且適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 建築合約之會計處理 — 包括確認溢利及合約資產／負債；
- 合約資產及應收賬款之減值評估；及
- 商譽之減值評估。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Accounting for construction contracts — including profit recognition, and contract assets/liabilities

建築合約之會計處理 — 包括確認溢利及合約資產／負債

Refer to note 2(c)(iv), note 4(c), note 5 and note 17 to the consolidated financial statements

請參閱綜合財務報表附註2(c)(iv)、附註4(c)、附註5及附註17

For the year ended 31 December 2018, the Group recognised revenue from construction contracts relating to the interiors and special projects which totalled approximately HK\$839.5 million. The contract assets and liabilities amounted to approximately HK\$293.1 million and approximately HK\$6.8 million respectively as at 31 December 2018.

截至2018年12月31日止年度，貴集團確認來自室內裝飾及特殊項目建築合約的收益合共約港幣839,500,000元。於2018年12月31日，合約資產及負債分別為約港幣293,100,000元及約港幣6,800,000元。

The recognition of revenue and cost of sales for the Group's construction contracts is based on the progress towards complete satisfaction of the performance obligation.

貴集團建築合約之收益及銷售成本乃根據履約責任完全達成的進度予以確認。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We tested the key controls on how management measure the progress towards complete satisfaction of the performance obligation, including controls on estimated total contract revenue and costs, budgeted margins, progress billings and progress payments of contracts.

我們已就管理層如何計量履約責任完全達成的進度的主要監控進行測試，包括就估計合約總收益及成本、預算利潤、合約進度發票及進度付款的監控。

Our work in relation to management's estimated total contract revenue and costs, and budgeted margins focused on the following procedures in relation to material construction contracts within the Group:

我們對管理層於貴集團的重大建築合約所估計的合約總收益及成本及預算利潤集中進行以下程序：

- Discussing with the Group's quantity surveyors and project managers for the status of the projects, identifying any variations, claims and provision on loss-making contracts, and obtaining explanations for fluctuations in margins and the expected recovery of variations.
- 與貴集團工料測量師及項目經理討論有關項目之狀況，以識別是否存在任何變更、申索及因虧蝕合約而產生的撥備，並取得有關利潤波動及預期變更回收的解釋。
- Obtaining corroborative evidence, in relation to the above points, by reviewing the project budgets, external architect's instructions, external architect's certificates of work performed and minutes of management's regular internal meetings, on a sample basis.
- 對項目預算、外部建築師指示、外部建築師已進行工程的證書及管理層進行的定期內部會議之會議紀錄進行抽樣審閱，就上述觀點取得證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Progress towards complete satisfaction of the performance obligation is determined by reference to work performed up to the end of the reporting period. Recognition of profit on contracts requires significant judgement and estimates of the total contract revenue and costs by management.

履約責任完全達成的進度乃參考報告期末所執行的工作釐定。確認合約溢利需要管理層就合約收益及成本總額行使重大判斷和估計。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Inspecting signed contracts to identify the total contract sum and terms.
- 檢查已簽署合約，以識別合約總金額及條款。
- Agreeing the progress towards complete satisfaction of the performance obligation to the surveyors' latest valuation and/or external architects certificates.
- 核對履約責任完全達成的進度符合測量師之最近估值及／或外部建築師之證書。
- Testing the calculations of contract revenue, costs, and construction contracts assets/liabilities.
- 對合約收益、成本及建築合約資產／負債的計算進行測試。
- Where applicable, inspecting correspondence with the customers and sub-contractors to obtain audit evidence on variations from customers, claims from customers and sub-contractors.
- 在適當情況下，檢查與客戶及分包商的來往資料，以就對客戶的變更指令、客戶及分包商所提出之索償取得審計證據。

We found the assumptions made by management in relation to construction contracts (including profit recognition and contract assets and liabilities) are supported by the audit evidence available.

根據可得之證據，我們認為管理層就建築合約作出之假設（包括確認溢利及合約資產及負債）獲可得審核證據支持。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment on contract assets and receivables

合約資產及應收賬款之減值評估

Refer to note 2.10, note 4(b), note 17 and note 18 to the consolidated financial statements

請參閱綜合財務報表附註2.10、附註4(b)、附註17及附註18

The Group had contract assets of approximately HK\$293.1 million (after provision for impairment of approximately HK\$53.3 million) and receivables of approximately HK\$380.0 million (after provision for impairment of approximately HK\$94.8 million) as at 31 December 2018.

於2018年12月31日，貴集團擁有合約資產約港幣293,100,000元（已扣除減值撥備約港幣53,300,000元）及應收賬款約港幣380,000,000元（已扣除減值撥備約港幣94,800,000元）。

Contract assets are in relation to the Group's business of interiors and special projects, and receivables of the Group comprise mainly receivables in relation to the Group's business of (i) property and facility management services, and (ii) interiors and special projects.

合約資產與本集團室內裝飾及特殊項目業務有關，而貴集團之應收賬款則主要包括與貴集團(i)物業及設施管理服務；及(ii)室內裝飾及特殊項目業務有關之應收賬款。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

We performed the following procedures in relation to the recoverability of contract assets and receivables:

我們已就合約資產及應收賬款之可收回性進行以下程序：

- Testing the accuracy of aging of accounts receivable at year end on a sample basis.
- 對年末貿易應收賬款的賬齡之準確性進行抽樣測試。
- Obtaining lists of outstanding contract assets and receivables, and identifying any counterparty with potential financial difficulty through discussion with management as well as conducting market research on the industry.
- 獲取合約資產及應收賬款的清單，通過與管理層討論從而識別是否存在有潛在財政困難的應付方，並對行業進行市場研究。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

The recoverable amount is estimated by management based on their specific recoverability assessment on individual counterparties with reference to the aging profile, historical payment pattern, the past record of default and assessment of their financial position. Management would make specific provision against individual balances with reference to the estimated recoverable amount.

可回收金額乃管理層根據其個別應付方的可回收性評估而估算得出，當中參考賬齡組合、以往付款習慣、以往拖欠紀錄及評估其財務狀況。管理層會參考估算可收回金額，對個別結餘作出特定撥備。

For the purpose of impairment assessment, significant judgements and assumptions include identification of impairment indicators, the credit risks of counterparty, the estimated timing and amount of future cash flows for the determination of the impairment charge.

就減值評估而言，重大判斷及假設包括識別減值跡象、應付方之信貸風險、估計時間及未來現金流量金額，以識別減值金額。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Assessing the recoverability of the contract assets and receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the counterparties, historical payment pattern of the counterparties, publicly available information and latest correspondence with the counterparties and to consider if any additional provision should be made.
- 根據管理層對合約資產及應收賬款可回收性的評估，我們參照應付方的信貸組合、應付方以往付款習慣、公開資訊及與應付方的近期通信，以抽樣方式評估應收賬款之可回收性，並考慮應否作出額外撥備。
- Testing subsequent contract work certification and settlement of contract assets and receivables respectively after the balance sheet date on a sample basis.
- 分別對結算日後的合約資產及應收賬款之期後合約工程認證及結算進行抽樣測試。

We found the key judgements and assumptions used by management in the recoverability assessment of contract assets and receivables to be supportable based on the available evidence.

根據可得之憑證，我們認為管理層用於合約資產及應收賬款的可回收評估之關鍵判斷及假設是有理據支持的。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment assessment on goodwill

商譽之減值評估

Refer to note 2.5, note 2.9, note 4(d) and note 16 to the consolidated financial statements.

請參閱綜合財務報表附註2.5、附註2.9、附註4(d)及附註16

As at 31 December 2018, the Group has significant balance of goodwill of approximately HK\$116.8 million (before the impairment charge for the year) relating to the acquisition of the Interiors and Special Projects business and ISP Curtain Wall and Aluminum Products Limited (then known as Hsin Chong abp Company Limited) in 2012 and 2015 respectively. The increasing industry competition and upward pressure on cost of sales increase the risk that these businesses may not perform in line with initial expectations and forecasts and therefore the carrying values of goodwill may be impaired.

於2018年12月31日，貴集團擁有的重大商譽總額約港幣116,800,000元(扣除年內減值金額前)，此額與2012年及2015年分別收購室內裝飾及特殊項目業務及昇柏幕牆及鋁質製品有限公司(當時稱為新昌華德有限公司)有關。行業競爭加劇及銷售成本上漲的壓力增加了該等業務的表現或未能切合初期估計及預測的風險，因此商譽的賬面值可能出現減值。

For the purpose of assessing impairment, the goodwill balances are allocated to separate cash-generating units ("CGUs"), and the recoverable amount of each CGU is determined by management based on value-in-use calculations using cash flow projections.

就評估減值而言，商譽結餘被分配至獨立現金產生單位(「現金產生單位」)。管理層採用現金流量預測及根據使用價值計算來釐定現金產生單位的可收回金額。

Management has concluded a full impairment provision of approximately HK\$116.8 million in respect of the goodwill for the year ended 31 December 2018. This conclusion is based on significant management judgment with respect to the key assumptions, including revenue growth, gross profit margin, terminal growth rates and discount rates.

管理層的結論為於截至2018年12月31日止年度就商譽的全面減值撥備為約港幣116,800,000元。此結論乃根據對關鍵假設包括收益增長、毛利率、最終增長率及折現率行使重大管理判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our work in relation to management's impairment assessment included:

我們對管理層的減值評估進行之工作包括：

- Assessing management's identification of CGUs based on the Group's accounting policies and our understanding of the Group's business.
- 根據貴集團之會計政策及我們對貴集團業務之了解，評估管理層就現金產生單位之識別。
- Assessing the value-in-use calculations methodology adopted by management.
- 評估管理層所採用之使用價值計算方法。
- Assessing the reasonableness of key assumptions (including revenue growth, gross profit margin, terminal growth rates and discount rates) based on our knowledge of the business and industry.
- 根據我們對業務及行業的認識，評估關鍵假設(包括收益增長、毛利率、終端增長率及折現率)之合理性。

We found the management's assumptions used in the impairment assessment to be reasonable based on available evidence.

根據可得之憑證，我們認為管理層於減值評估中所用的假設是合理的。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS 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.

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

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈的《香港財務報告準則》以及香港《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 AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不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，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴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《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 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，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。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。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，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。如果我們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。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價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、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

The engagement partner on the audit resulting in this independent auditor's report is Chu Ho Kwan Raphael.

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們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計項目合夥人是朱皓琨。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 March 2019

羅兵咸永道會計師事務所
執業會計師

香港，2019年3月26日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2018
截至2018年12月31日止年度

		Note	2018	2017
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Revenue	收益	5	1,532,986	2,083,300
Cost of sales	銷售成本		(1,382,846)	(1,916,456)
Gross profit	毛利		150,140	166,844
Other income	其他收入	7	4,952	9,801
General and administrative expenses	一般及行政開支		(123,466)	(148,505)
Impairment loss on goodwill	商譽之減值虧損	16	(116,794)	(55,000)
Impairment of contract assets	合約資產之減值	17	(47,162)	(2,723)
Impairment of receivables	應收賬款之減值	18	(23,271)	(3,160)
Doubtful debt recovery	收回壞賬	7	339	19,818
Gain on disposal of a subsidiary	出售一間附屬公司之收益	30	183	–
Loss on disposal of subsidiaries	出售附屬公司之虧損	29	(623)	–
Interest expenses	利息開支	6	(6,235)	(5,291)
Amortisation of intangible asset	無形資產攤銷	16	–	(1,628)
Intangible asset write off	撇銷無形資產	16	–	(33,907)
Loss before taxation	除稅前虧損	7	(161,937)	(53,751)
Taxation	稅項	11	1,673	(1,770)
Loss for the year	年內虧損		(160,264)	(55,521)
Loss attributable to:	應佔虧損：			
Equity holders of the Company	本公司股權持有人		(160,018)	(54,377)
Non-controlling interests	非控股權益		(246)	(1,144)
			(160,264)	(55,521)
Losses per share for loss attributable to the equity holders of the Company	本公司股權持有人應佔虧損之每股虧損			
– basic (HK cents)	— 基本(港幣仙)	13	(37.7)	(13.8)
– diluted (HK cents)	— 攤薄(港幣仙)	13	(37.7)	(13.8)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入報表

For the year ended 31 December 2018
截至2018年12月31日止年度

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Loss for the year	年內虧損	(160,264)	(55,521)
Other comprehensive (loss)/income: Items that will not be reclassified to profit or loss:	其他全面(虧損)/收入： 其後將不會重新分類至損益之 項目：		
Actuarial (loss)/gain on long service payment liabilities	長期服務金負債之精算 (虧損)/收益	(1,055)	505
Items that may be subsequently reclassified to profit or loss:	可其後重新分類至損益之項目：		
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	(1,249)	1,696
Realisation of exchange reserve upon disposal of subsidiaries	出售附屬公司時變現匯兌儲備	152	-
Other comprehensive (loss)/income for the year	年內其他全面(虧損)/收入	(2,152)	2,201
Total comprehensive loss for the year	年內全面虧損總額	(162,416)	(53,320)
Total comprehensive loss attributable to:	年內全面應佔虧損總額：		
Equity holders of the Company	本公司股權持有人	(162,170)	(52,176)
Non-controlling interests	非控股權益	(246)	(1,144)
		(162,416)	(53,320)

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2018

於2018年12月31日

		Note	2018	2017
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	14	10,960	15,263
Investment properties	投資物業	15	7,000	5,600
Deferred tax assets	遞延稅項資產	25	6,528	41
Prepayment	預付款項		2,331	2,080
Goodwill	商譽	16	–	116,794
Total non-current assets	非流動資產總額		26,819	139,778
Current assets	流動資產			
Contracting work-in-progress	興建中的工程	17	–	349,294
Contract assets	合約資產	17	293,143	–
Receivables	應收賬款	18	379,983	490,604
Deposits and prepayments	按金及預付款項	18	22,188	22,429
Taxation recoverable	可收回稅項		2,791	2,594
Cash and cash equivalents	現金及現金等值	20	103,084	112,532
Time deposits with original maturities over three months	原到期日超過三個月之定期存款	20	10,866	3,666
Total current assets	流動資產總額		812,055	981,119
Current liabilities	流動負債			
Payables and accruals	應付賬款及應計費用	21	569,783	704,154
Contract liabilities	合約負債	17	10,953	–
Bank loans	銀行貸款	26	166,000	162,402
Taxation payable	應付稅項		464	565
Amount due to non-controlling interests	應付非控股權益款項	19	–	1,306
Amount due to other partner of joint operation	應付其他共同經營夥伴款項		–	15
Total current liabilities	流動負債總額		747,200	868,442
Net current assets	流動資產淨值		64,855	112,677
Total assets less current liabilities	資產總額減流動負債		91,674	252,455

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 December 2018
於2018年12月31日

		Note 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Non-current liabilities	非流動負債			
Long service payment liabilities	長期服務金負債	24	1,963	1,380
Deferred tax liabilities	遞延稅項負債	25	189	248
Total non-current liabilities	非流動負債總額		2,152	1,628
Net assets	資產淨值		89,522	250,827
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益			
Share capital	股本	22	50,486	50,486
Retained profits/accumulated losses and other reserves	保留溢利／累積虧損及其他儲備	23	39,036	201,499
Non-controlling interests	非控股權益		89,522	251,985
			-	(1,158)
Total equity	權益總額		89,522	250,827

The notes on pages 97 to 176 are an integral part of these consolidated financial statements.

第97至第176頁之附註為該等綜合財務報表之組成部分。

The financial statements were approved by the Board of Directors on 26 March 2019 and were signed on its behalf.

財務報表經董事會於2019年3月26日批准，並由以下人士代表簽署。

Kingston Chu Chun Ho
朱俊浩
Chairman
主席

Terence Leung Siu Cheong
梁兆昌
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018
截至2018年12月31日止年度

		Attributable to equity holders of the Company 歸屬於本公司股權持有人								
		Share capital	Share premium	Merger reserve	Employee share option reserve	Exchange reserve	Retained profits/accumulated losses	Total	Non-controlling interests	Total Equity
		股本	股份溢價	合併儲備	購股權儲備	匯兌儲備	保留溢利/累計虧損	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2018	於2018年1月1日	50,486	185,420	1,513	-	(850)	15,416	251,985	(1,158)	250,827
Change in accounting policy	會計政策變動	-	-	-	-	-	(293)	(293)	-	(293)
Restated total equity at 1 January 2018	於2018年1月1日的經重列總權益	50,486	185,420	1,513	-	(850)	15,123	251,692	(1,158)	250,534
Loss for the year	年內虧損	-	-	-	-	-	(160,018)	(160,018)	(246)	(160,264)
Other comprehensive (loss)/income:	其他全面(虧損)/收入:									
Actuarial loss on long service payment liabilities	長期服務金負債之精算虧損	-	-	-	-	-	(1,055)	(1,055)	-	(1,055)
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(1,249)	-	(1,249)	-	(1,249)
Realisation of exchange reserve upon disposal of subsidiaries	出售附屬公司時變現匯兌儲備	-	-	-	-	152	-	152	-	152
Total other comprehensive loss	其他全面虧損總額	-	-	-	-	(1,097)	(1,055)	(2,152)	-	(2,152)
Total comprehensive loss	全面虧損總額	-	-	-	-	(1,097)	(161,073)	(162,170)	(246)	(162,416)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	1,404	1,404
At 31 December 2018	於2018年12月31日	50,486	185,420	1,513	-	(1,947)	(145,950)	89,522	-	89,522
At 1 January 2017	於2017年1月1日	43,055	114,143	1,513	255	(2,546)	69,144	225,564	(14)	225,550
Loss for the year	年內虧損	-	-	-	-	-	(54,377)	(54,377)	(1,144)	(55,521)
Other comprehensive income:	其他全面收入:									
Actuarial gain on long service payment liabilities	長期服務金負債之精算收益	-	-	-	-	-	505	505	-	505
Exchange differences on translating foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	1,696	-	1,696	-	1,696
Total other comprehensive income	其他全面收入總額	-	-	-	-	1,696	505	2,201	-	2,201
Total comprehensive income/(loss)	全面收入/(虧損)總額	-	-	-	-	1,696	(53,872)	(52,176)	(1,144)	(53,320)
Placing of new shares	配售新股份	6,952	66,777	-	-	-	-	73,729	-	73,729
Share option scheme	購股權計劃	-	-	-	195	-	144	339	-	339
Issue of shares upon exercise of share options	因行使購股權而發行股份	479	4,500	-	(450)	-	-	4,529	-	4,529
At 31 December 2017	於2017年12月31日	50,486	185,420	1,513	-	(850)	15,416	251,985	(1,158)	250,827

The note on pages 97 to 176 are an integral part of these consolidated financial statements.

第97至第176頁之附註為該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至2018年12月31日止年度

		Note 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Operating activities	經營業務			
Cash generated from/ (used in) operations	經營業務產生/ (耗用)之現金	28	10,866	(32,902)
Interest received	已收利息		243	3,737
Interest paid	已付利息		(6,279)	(5,267)
Income taxes paid	已付所得稅		(5,041)	(8,972)
Net cash used in operating activities	經營業務耗用之現金淨額		(211)	(43,404)
Investing activities	投資業務			
Purchase of property, plant and equipment	購買物業、機器及設備		(3,565)	(8,588)
Proceeds from disposal of property, plant and equipment	出售物業、機器及 設備所得款項		346	213
Disposal of subsidiaries, net of cash disposed of	出售附屬公司，扣除 已出售現金	29 & 30	(1,583)	-
(Increase)/decrease in time deposits over three months	(增加)/減少超過 三個月之定期存款		(7,200)	13,895
Net cash (used in)/generated from investing activities	投資業務(耗用)/產生 之現金淨額		(12,002)	5,520
Financing activities	融資業務			
Drawdown of bank loans	動用銀行貸款		65,000	233,138
Repayment of bank loans	償還銀行貸款		(61,402)	(274,736)
Placing of new shares	配售新股份		-	73,729
Proceeds from issuance of shares by exercise of share options	因行使購股權而發行 股份之所得款項		-	4,529
Net cash generated from financing activities	融資業務產生之現金淨額		3,598	36,660
Net decrease in cash and cash equivalents	現金及現金等值減少之 淨額		(8,615)	(1,224)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值		112,532	111,723
Exchange (loss)/gain on cash and cash equivalents	現金及現金等值之匯兌 (虧損)/收益		(833)	2,033
Cash and cash equivalents at the end of the year	年末之現金及現金等值		103,084	112,532

The note on pages 97 to 176 are an integral part of these consolidated financial statements.

第97至第176頁之附註為該等綜合財務報表之組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

The Company was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company on 4 August 2003. The address of its registered office is Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda. The Company's shares were listed on the Stock Exchange on 9 October 2003.

The principal business of the Group is principally engaged in the provision of PFM Business and ISP Business in Hong Kong, China and Macau.

The consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$), unless otherwise stated, and were approved for issue by the Board on 26 March 2019.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of Synergis Holdings Limited have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") and requirements of the Hong Kong Companies Ordinance (Cap. 622). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties which are carried at fair value.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

(a) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

The impact of the adoption of these standards and the new accounting policies are disclosed in note 2(c) below. The other new and amended standards which had become effective did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

1 一般資料

本公司於2003年8月4日根據1981年百慕達公司法在百慕達註冊成立為獲豁免公司。註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda。本公司股份於2003年10月9日在聯交所上市。

本集團之主要業務為於香港、中國及澳門主要從事提供物業及設施管理業務及室內裝飾及特殊項目業務。

除另有列明者外，本綜合財務報表以港幣千元列示，並已於2019年3月26日經董事會批准刊發。

2 編製基準及會計政策

昇捷控股有限公司之綜合財務報表乃根據所有適用香港財務報告準則（「香港財務報告準則」）及香港公司條例（622章）之規定而編製。本綜合財務報表按歷史成本慣例編製，並已就按公允值列賬之投資物業重估作出修訂。

在遵照香港財務報告準則編製財務報表時，須採用若干關鍵會計估算，管理層亦須在應用本集團會計政策之過程中作出判斷。

涉及較高程度的判斷或較為複雜之範疇，或對綜合財務報表而言屬重大之假設及估計範疇於附註4披露。

(a) 本集團採納之新訂及經修訂準則

本集團已於2018年1月1日開始之財政年度首次採納以下準則之修訂：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約之收益

採納該等準則及新訂會計政策的影響於下文附註2(c)披露。已生效之其他新訂及經修訂準則並無對本集團的會計政策產生影響，亦無須作出追溯調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Standards and amendments to existing standards which are not yet effective

The following standards and amendments are effective after 2018 and have not been early adopted by the Group:

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
HKFRSs Amendments	Annual Improvements to HKFRS Standards 2015-2017 Cycle ¹
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 1 and HKAS 8	Definition of Material ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after 1 January 2020

³ Effective for annual periods beginning on or after 1 January 2021

⁴ Effective for annual periods to be determined

(b) 尚未生效之準則及現有準則之修訂

以下準則及修訂乃於2018年之後生效，亦並無獲本集團提早採納：

香港財務報告準則第16號	租賃 ¹
香港財務報告準則第17號	保險合約 ³
香港(國際財務報告詮釋委員會)－詮釋第23號	有關所得稅處理方法之不明朗因素 ¹
香港財務報告準則第9號之修訂	具有負補償的提前還款特性 ¹
香港會計準則第28號之修訂	於聯營公司及合營企業之長期利益 ¹
香港財務報告準則之修訂	2015年至2017年週期之年度改進 ¹
香港會計準則第19號(修訂)	計劃修訂、縮減或支付 ¹
香港財務報告準則第3號(修訂)	企業定義 ²
香港財務報告準則第1號及香港會計準則第8號(修訂)	重要性定義 ²
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴

¹ 於2019年1月1日開始或之後開始之年度期間生效

² 於2020年1月1日開始或之後開始之年度期間生效

³ 於2021年1月1日開始或之後開始之年度期間生效

⁴ 生效的年度期間有待確定

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The Group will adopt the above standards and amendments to existing standards as and when they become effective. None of the above is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 16, “Leases”

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for asset leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The standard will affect primarily the accounting for the Group’s operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of approximately HK\$14,283,000. Based on the preliminary assessment undertaken to date, it is estimated that the adoption of HKFRS 16 would result in recognition of right-of-use assets and financial liabilities in the consolidated balance sheet primarily arising from leases of land and buildings. The interest expenses on the lease liabilities and the depreciation expenses on the right-of-use assets under HKFRS 16 will replace the rental charge under HKAS 17 in the consolidated income statement.

The Group has already commenced the assessment of the impact to the Group and the impact of adoption will be disclosed in the interim report 2019.

本集團將於彼等生效時採納上述準則及現有準則之修訂。以上各項預期將不對本集團之綜合財務報表產生重大影響，惟以下所述者除外：

香港財務報告準則第16號「租賃」

香港財務報告準則第16號將導致差不多所有租賃在資產負債表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產（該租賃項目的使用權）與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。對出租人的會計處理將不會有重大變動。

本集團將於2019年1月1日強制採納日期起應用該準則。本集團擬採用簡化過渡法且將不會就首次採納前年度重列比較金額。物業租賃的使用權資產將於過渡時計量，猶如新準則一直應用。所有其他使用權資產將於採納時按租賃負債金額計量（已就任何預付或累計租賃開支作出調整）。

此準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團有不可撤銷的經營租賃承擔約港幣14,283,000元。根據迄今初步評估，估計採納香港財務報告準則第16號將導致於綜合資產負債表確認主要源於土地及樓宇租賃的使用權資產及金融負債。根據香港財務報告準則第16號，租賃負債利息開支及使用權資產折舊開支將代替香港會計準則第17號項下的綜合損益表租賃費用。

本集團已開始評估彼等對本集團之影響，採納之影響將於2019年中期報告中披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(c) Changes in accounting policies

This note explains the impact of the adoption of HKFRS 9 Financial Instruments and HKFRS 15 Revenue from Contracts with Customers on the Group's consolidated financial statements and also discloses the new accounting policies that have been applied from 1 January 2018, where they are different to those applied in prior years.

(i) HKFRS 9 Financial Instruments – Impact of adoption

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. In accordance with the transitional provisions in HKFRS 9, comparative figures have not been restated.

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. The new accounting policies are set out in note (ii) below.

The total impact on the Group's retained earnings as at 1 January 2018 is as follows:

		HK\$'000 港幣千元
Closing retained earnings as at 31 December 2017 – HKAS 39	於2017年12月31日的期末保留 盈利 – 香港會計準則第39號	15,416
Increase in provision for accounts receivable	應收賬款撥備增加	(293)
Opening retained earnings as at 1 January 2018 – HKFRS 9	於2018年1月1日的期初保留 盈利 – 香港財務報告準則第9號	15,123

(c) 會計政策變動

本附註解釋採納香港財務報告準則第9號金融工具及香港財務報告準則第15號來自客戶合約之收益對本集團綜合財務報表的影響及披露自2018年1月1日起適用的新會計政策，該新會計政策與以往年度採納的會計政策不同。

(i) 香港財務報告準則第9號金融工具 – 採納影響

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債確認、分類及計量、金融工具終止確認、金融資產減值及對沖會計。根據香港財務報告準則第9號的過渡性豁免，比較資料並未被重列。

自2018年1月1日起採納香港財務報告準則第9號金融工具導致會計政策變動及綜合財務報表所確認金額須予調整。新會計政策載於下文附註(ii)。

對本集團於2018年1月1日的保留盈利的總影響列載如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Impairment of financial assets

The Group has contract assets and receivables that are subject to HKFRS 9's new expected credit loss model.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained earnings and equity is disclosed in the table above.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Contract assets and receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables (including accounts receivable and retention receivables) and contract assets. This resulted in an increase of impairment provision for receivables on 1 January 2018 by approximately HK\$293,000.

ISP Business

To measure the expected credit losses, contract assets, accounts receivable and retention receivables have been grouped based on shared credit risk characteristics and the days invoiced.

The contract assets related to unbilled work in progress substantially share the same risk characteristics as the accounts receivable and retention receivables for the same types of contracts generated from ISP Business. The Group has assessed that the expected loss rate for contract assets, accounts receivable and retention receivables from ISP Business was immaterial. Except for the specific impairment provisions made against on the respective balances, no additional impairment provision for contract assets, accounts receivable and retention receivables from ISP Business was recognised during the year due to expected credit loss.

金融資產減值

本集團有應收賬款及合約資產須遵守香港財務報告準則第9號之新預期信貸虧損模式。

本集團須根據香港財務報告準則第9號就該等類別資產修訂其減值方法。本集團保留盈利及權益之減值法變動之影響於上表披露。

儘管現金及現金等值亦須遵守香港財務報告準則第9號的減值規定，已識別的減值虧損並不重大。

合約資產及應收賬款

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，為所有合約資產及應收賬款（包括應收賬款和應收保固金）撥備整個存續期內的預期虧損。這導致2018年1月1日的應收賬款減值撥備增加約港幣293,000元。

室內裝飾及特殊項目業務

為計量預期信貸虧損，合約資產、應收賬款及應收保固金已根據攤佔信貸風險特點及發票日數分組。

與未開賬單在建工程有關的合約資產與室內裝飾及特殊項目業務所得相似類型合約的應收賬款及應收保固金具有大致相同的風險特性。本集團評定室內裝飾及特殊項目業務所得合約資產、應收賬款及應收保固金的預期虧損率並不重大。除針對個別餘額的指定減值撥備外，並無於年內因預期審計虧損就室內裝飾及特殊項目業務所得合約資產、應收賬款及應收保固金確認額外減值虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

PFM Business

To measure the expected credit losses of accounts receivable from PFM Business, accounts receivable have been grouped on shared credit risk characteristics and the days invoiced. On that basis, additional impairment provision of approximately HK\$293,000 as at 1 January 2018 was determined.

The provision for impairment for accounts receivable as at 31 December 2017 reconcile to the opening provision for impairment on 1 January 2018 as follows:

		HK\$'000 港幣千元
Opening provision as at 31 December 2017 — HKAS 39	於2017年12月31日之期初撥備 — 根據香港會計準則第39號	70,577
Amounts restated through opening retained earnings	透過期初保留盈利重列	293
Opening provision as at 1 January 2018 — HKFRS 9	於2018年1月1日之期初撥備 — 根據香港財務報告準則第9號	70,870

物業及設施管理業務

為計量物業及設施管理業務應收賬款的預期信貸虧損，應收賬款已按共同信貸風險特點及發票日數分組。據此，已釐定於2018年1月1日的額外減值撥備為約港幣293,000元。

於2017年12月31日的應收賬款減值撥備與於2018年1月1日的期初減值撥備的對賬列載如下：

(ii) HKFRS 9 Financial Instruments — Accounting policies applied from 1 January 2018

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income (“FVOCI”);
- those to be measured subsequently at fair value through profit or loss (“FVPL”); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

(ii) 香港財務報告準則第9號金融工具 — 自2018年1月1日起應用的會計政策

自2018年1月1日起，本集團將金融資產分類為以下計量類別：

- 其後按公平值計入其他全面收入（「按公平值計入其他全面收入」）；
- 其後按公平值計入損益（「按公平值計入損益」）；及
- 按攤餘成本計量。

該分類取決於實體管理金融資產及現金流合約條款之業務模式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows; and
- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group classifies its financial assets as at FVOCI only if both of the following criteria are met:

- the objective of the Group's business model is to hold the asset to collect the contractual cash flows and to sell financial assets; and
- the contractual terms of the debt instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL.

(a) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in the consolidated income statement.

當同時符合以下兩個條件時，本集團將其金融資產分類為按攤餘成本：

- 業務模式以持有資產收取合約現金流量為目的；及
- 債務工具合約條款訂明於指定日期的現金流量僅可用於支付未償還本金及利息。

當同時符合以下兩個條件時，本集團將其金融資產分類為按公平值計入其他全面收入：

- 本集團的業務模式以持有資產收取合約現金流量及出售金融資產為目的；及
- 債務工具合約條款訂明於指定日期的現金流量僅可用於支付未償還本金及利息。

不符合攤餘成本或按公平值計入其他全面收益標準的金融資產乃按公平值計入損益計量。

(a) *計量*

於初步確認時，本集團按金融資產公平值計量，若金融資產並非按公平值計入損益，則需加上收購該金融資產直接產生的交易成本。按公平值計入損益列賬之金融資產之交易成本於綜合損益表列作開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

(b) *債務工具*

債務工具的後續計量取決於本集團管理該項資產時商業模式和該項資產的現金流量特點。本集團按照以下三種計量方式對債務工具進行分類：

- 以攤餘成本計量：為收取合同現金流而持有，且其現金流僅為支付本金和利息的資產被分類成以攤餘成本計量的金融資產。這些金融資產的利息收入按實際利率法計算並計入財務收益。終止確認產生的任何收益或虧損直接連同外匯收益及虧損於綜合損益表確認。減值虧損於綜合損益表呈列為獨立項目。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the consolidated income statement. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised directly in the consolidated income statement and impairment expenses are presented as separate line item in the consolidated income statement.
- 按公平值計入其他全面收入：以收取合同現金流及出售該金融資產為目的而持有，且其現金流僅支付本金和利息的資產，乃按公平值計入其他全面收入計量。除於綜合損益表確認的減值收益或虧損、利息收入及匯兌損益，賬面值變動乃計入其他全面收入（「其他全面收入」）。當金融資產終止確認時，以前在計入其他全面收入從權益重新分類至綜合損益表。這些金融資產的利息收入按實際利率法計算並計入財務收益。匯兌損益於綜合收益表直接確認及減值開支於綜合損益表呈列為獨立項目。
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in consolidated income instatement and presented in the period in which it arises.
- 按公平值計入損益：不符合以攤餘成本計量或按公平值計入其他全面收益的資產，乃按公平值計入損益計量。後續按公平值計入損益計量的債務投資產生的收益或損失，需在綜合損益表中確認，並於產生期間列示。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(c) *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the consolidated income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the consolidated income statement when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(c) 權益工具

本集團其後按公平值計量所有股權投資。倘本集團管理層已選擇就其他全面收入的股權投資呈列公平值收益及虧損，則於終止確認投資後，不會將公平值收益及虧損於綜合損益表內重新分類。當本集團收取付款的權利確立時，該等投資的股息繼續在綜合損益表中獲確認。

按公平值計入其他全面收入之金融資產公允價值變動於綜合損益表中獲確認(如適用)。按公平值計入損益之股權投資的減值虧損(以及減值損失的轉回)不會與其他公允價值變動分開報告。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(d) *Impairment*

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For contract assets and receivables (including accounts receivable and retention receivables), the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the assets.

For other financial assets originally categorised as loans and receivables under HKAS 39 which all have been classified as financial assets at amortised cost under HKFRS 9 from 1 January 2018, the Group has determined that reliably assessing the probability of default of the counterparties at the initial recognition of each financial asset would result in undue cost and effort. As permitted by a transition provision in HKFRS 9, provision for impairment for these financial assets will be determined based on whether their credit risk are low at each reporting date, and if so by recognising a 12 months expected losses amount until the financial asset is derecognised. If the financial asset is not of a low credit risk, the corresponding provision for impairment will be recognised as equal to lifetime expected losses.

(d) *減值*

由2018年1月1日起，本集團以前瞻性原則，對按攤銷成本列賬及按公平值計入其他全面收益的債務工具相關的預期信貸虧損進行評估。所採納的減值方法取決於信貸風險是否大幅增加。

就合約資產及應收賬款（包括應收賬款和應收保固金）而言，本集團採納香港財務報告準則第9號允許的簡化方法，該方法要求預期的全期虧損撥備須於首次確認應收賬款時確認。

就原本分類為香港會計準則第39號的貸款及應收賬款的其他金融資產而言，所有金融資產均自2018年1月1日起按香港財務報告準則第9號分類為攤餘成本的金融資產，本集團已釐定在初步確認每項金融資產時可靠地評估交易對方違約的可能性，都會導致不必要的成本和工作。在香港財務報告準則第9號的過渡性豁免准許下，該等金融資產的減值撥備將根據其於各報告日期的信貸風險是否較低而確定，如是者，確認十二個月的預期虧損金額，直到金融資產被終止確認。如果金融資產的信貸風險不是很低，相應的減值撥備將確認為相等於整個存續期的預期虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(iii) HKFRS 15 Revenue from Contracts with Customers – Impact of adoption

The Group has adopted HKFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the consolidated financial statements. In accordance with the modified retrospective approach in HKFRS 15, comparative figures have not been restated.

The accounting policies were changed to comply with HKFRS 15, which replaces both the provisions of HKAS 18 Revenue and HKAS 11 Construction Contracts and the related interpretations that relate to the recognition, classification and measurement of revenue and costs.

Reclassifications were made as at 1 January 2018 to reflect the terminology used under HKFRS 15:

- contract assets recognised in relation to construction contracts were previously presented as amounts due from customers for contract work
- contract liabilities recognised in relation to construction contracts were previously presented as amounts due to customers for contract work
- contract liabilities recognised in relation to property management contracts were previously presented as amounts due to customers for property and facility management services

(iii) 香港財務報告準則第15號來自客戶合約之收益 – 採納影響

本集團自2018年1月1日起，已採納香港財務報告準則第15號來自客戶合約之收益，導致會計政策及已於綜合財務報表中確認的調整金額變更。根據香港財務報告準則第15號的修訂追溯方式，比較資料並未重列。

為符合香港財務報告準則第15號，會計政策已更改。其取代了香港會計準則第18號收入及香港會計準則第11號建築合約的條文，以及收入及成本的確認、分類及計量的相關詮釋。

已於2018年1月1日重新分類以與香港財務報告準則第15號項下所用詞彙貫徹一致：

- 就建築合約確認的合約資產以往以應收客戶之工程費用列報
- 就建築合約確認的合約負債以往以應付客戶之工程費用列報
- 就物業管理合約確認的合約負債以往以應付客戶之物業及設施服務費用列報

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The following adjustments were made to the amounts recognised in the consolidated balance sheet on 1 January 2018:

對2018年1月1日綜合資產負債表確認的金額作出如下調整：

		At 31 December 2017 (as originally presented) 於2017年 12月31日 (原列) HK\$'000 港幣千元	Effects of adoption of HKFRS 15 採納香港 財務報告準則 第15號之影響 HK\$'000 港幣千元	At 1 January 2018 (as restated) 於2018年 1月1日 (重列) HK\$'000 港幣千元
<u>Consolidated balance sheet (extract)</u>	<u>綜合資產負債表(摘錄)</u>			
Contracting work-in-progress	興建中的工程	349,294	(349,294)	-
Contract assets	合約資產	-	349,294	349,294
Payables and accruals	應付賬款及應計費用	704,154	(25,097)	679,057
Contract liabilities	合約負債	-	25,097	25,097

Other than the above reclassifications, the adoption of HKFRS 15 has no material impact to the consolidated income statement and balance sheet, and has no impact to the net cash flow from operating, investing and financing activities on the consolidated statement of cash flows.

採納香港財務報告準則第15號對綜合損益表及綜合資產負債表，綜合現金表中的經營、投資及融資業務的淨現金流並無重大影響。

(iv) HKFRS 15 Revenue from Contracts with Customers – Accounting policies

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of returns and discounts and after eliminating sales within the Group.

(iv) 香港財務報告準則第15號來自客戶合約之收益 – 會計政策

收益包括於本集團活動的一般過程中銷售貨品及服務的已收或應收代價公平值。收益按扣除退貨及折扣和撇銷本集團內銷售後列示。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Revenue are recognised when or as the control of the services or goods is transferred to the purchaser. Depending on the terms of the contract and the laws that apply to the contract, control of the services or goods may transfer over time or at a point in time. Control of the services or goods is transferred over time if the Group's performance:

- provides all the benefits received and consumed simultaneously by the purchaser; or
- creates and enhances an asset that the purchaser controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the services or goods transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the purchaser obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on output method that best depict the Group's performance in satisfying the performance obligation. The output method is made reference to the gross value of contracting work to date as compared to the total contract sum receivable under the contracts.

收益於或隨著服務或貨品控制權轉移予買方而確認。視乎合約條款及適用於合約的法律、服務或貨品的控制權可能於一段時間或某一時間點轉移。倘本集團的履約屬以下所述，則服務或貨品的控制於一段時間內轉移：

- 提供客戶同時收到且消耗所有利益；或
- 在本集團履約時創建和增強資產並由客戶控制該資產；或
- 並未產生讓本集團有替代用途之資產，且本集團對至今已完成履約之付款具有可強制執行之權利。

如果服務或貨品之控制權在一段時間內轉移，即參考完成履約責任之進度在整個合約期間內確認收益。否則，收益於買方獲得資產控制權之時間點確認。

完成履約責任之進度乃按最貼切描述本集團完成履約責任之表現之輸出方法計量。輸出方法乃參考迄今合約工程總價值對比根據合約應收總合約金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

An entity is a principal if it controls the promised good or service before transferring it to the customer. An entity is an agent if its role is to arrange for another entity to provide the good or service.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant.

(a) *Provision of services of property and facility management*

Property and facility management fees and other supporting service fees are recognised when the services are rendered and in accordance with the terms of agreements. There are two types of agreement, namely management remuneration contracts (“MR Contracts”) and lump sum contracts (“LS Contracts”). Under a MR Contract, the Group is remunerated based on a fixed percentage of the costs involved in the management of the property or facility, and only such fee is recognised as the Group’s revenue. Under a LS Contract, the Group is paid a lump sum fee which normally covers the costs involved, thus the whole of lump sum fee is recognised as the Group’s revenue.

倘實體於轉移予客戶前控制貨品或服務，則其為主事人。倘實體的責任為安排另一實體提供貨品或服務，則其為代理。

釐定交易價時，倘融資部份重大，本集團將根據合約之融資部份調整合約之承諾代價。

(a) *提供物業及設施管理服務*

物業及設施管理費及其他支援服務費於根據協議條款提供服務時確認。協議分為經理人酬金合約（「經理人酬金合約」）及全包賬式合約（「全包賬式合約」）兩種。根據經理人酬金合約，本集團將按於管理物業或設施所涉成本之固定百分比收取費用，只有該等費用會確認為本集團之收益。根據全包賬式合約，本集團獲付一筆款項，該等款項一般足以支付所涉成本，故此整筆款項會確認為本集團之收益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) *Provision of construction services*

Under HKFRS 15, revenue from construction contracts is recognised when or as the construction projects are transferred to the customer. Depending on the terms of the contracts and the laws that are applicable to the contracts, control of the construction projects may transfer over time or at a point in time. If construction projects create or enhance an asset that the customer controls as the asset is created or enhanced, the Group satisfies the performance obligation over time and therefore, recognises revenue over time in accordance with the output method for measuring progress.

The excess of cumulative revenue recognised in consolidated income statement over the cumulative billings to customers is recognised as contract assets. The excess of cumulative billings to customers over the cumulative revenue recognised in consolidated income statement is recognised as contract liabilities.

(c) *Sale of goods*

Revenue from the sale of goods is recognised when control of the goods has transferred, being when the products are delivered to the customer. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) *提供建築服務*

根據香港財務報告準則第15號，建築合約收入於建築項目轉讓予客戶時確認。根據合同條款和適用於合同的法律，建築項目的控制權可能會隨著時間或在某一時點轉移。倘建築項目創造或改良於資產被創造或改良時由客戶所控制的資產，本集團將根據滿足在一段時間內履行責任的條件，按照輸出法確認收入。

計入綜合損益表的累計確認收入超過累計客戶開單的款項的差額確認為合約資產。累計客戶開單的款項超過計入綜合收益表的累計確認收入的差額確認為合約負債。

(c) *貨品銷售*

銷售貨品的收益於貨品之控制權轉移(即當產品交付至客戶)時予以確認。應收賬款於交付貨品時確認，因為為此時乃代價成為無條件的時間點，僅須隨時間流逝即可收取付款。

2.1 Basis of Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet, the investments in subsidiaries are accounted for at cost less impairment (note 2.9). Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

2.1 綜合賬目基準

(a) 附屬公司

附屬公司指本集團擁有控制權之所有實體(包括特殊目的實體)。當本集團因為參與該實體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該實體活動的主導權影響此等回報時，本集團即控制該實體。附屬公司在控制權轉移至本集團之日起全面綜合入賬，並在控制權終止之日起停止綜合入賬。集團內公司間之收益、集團公司之間之交易結餘及未變現收益會予以對銷。未變現虧損亦予以對銷。附屬公司之會計政策已按需要作出修訂，確保與本集團所採納之會計政策一致。

在本公司之資產負債表內，於附屬公司之投資乃按成本值扣除減值(附註2.9)列賬。成本亦計入直接投資應佔成本。附屬公司之業績由本公司按已收及應收股息基準入賬。

(b) 與非控股權益交易

本集團將其與非控股權益的交易視為與本集團權益擁有人進行的交易。向非控股權益進行購置而言，相當於所支付的任何代價與相關應佔所收購附屬公司資產賬面淨值之差額已計入權益。向非控股權益出售之收益或虧損亦計入權益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the income statement.

2.2 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures; depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. For the joint arrangements that specify that the parties to the joint arrangements have rights to the assets and obligations to the liabilities relating to the joint arrangements, they are classified as joint operations. For the remaining joint arrangements, they are classified as joint ventures.

All joint arrangements under the Group are joint operations.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings. Details of the joint operation are set out in note 35.

(c) 出售附屬公司

本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公允值重新計量，有關賬面值變動在損益表中確認。就其後入賬列作合營企業或財務資產的保留權益，其公允值為初始賬面值。此外，先前於其他全面收入確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味著先前在其他全面收入確認的金額重新分類至損益表。

2.2 共同安排

於共同安排之投資分類為共同經營或合營企業，視乎各投資者於共同安排下之合約權利及責任，而非其法律架構。共同安排訂明訂約方對有關共同安排之資產擁有權利並對負債負有責任，共同安排應分類為共同經營。其他共同安排則分類為合營企業。

本集團的所有共同安排均為共同經營。

本集團確認共同經營之資產、負債、收益及開支及應佔任何共同持有或產生之資產、負債、收益及開支的直接權益。該等項目已納入財務報表合適標題下。共同經營詳情載於附註35。

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments and making strategic decisions.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

(c) Group companies

The results and financial position of all Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2.3 分部報告

營運分部之報告形式與向主要營運決策者提供之內部報告形式一致。主要營運決策者負責資源調配、為各營運分部評估表現及作策略性決定。

2.4 外幣匯兌

(a) 功能及列賬貨幣

本集團每個實體之財務報表所列項目均以該實體營運所在之主要經濟環境之貨幣（「功能貨幣」）計量。綜合財務報表以港幣呈報，港幣為本公司之功能及列賬貨幣。

(b) 交易及結餘

外幣交易採用交易日之匯率換算為功能貨幣。結算此等交易產生之匯兌盈虧以及將外幣計值之貨幣資產與負債以年終匯率換算產生之匯兌盈虧在綜合損益表確認。

(c) 集團公司

功能貨幣與列賬貨幣不同之所有集團實體（其中並無任何實體持有通脹嚴重之經濟體系之貨幣）之業績及財務狀況按如下方法換算為列賬貨幣：

- (i) 每份呈報之資產負債表所列資產與負債按該資產負債表日期之收市匯率換算；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

- (ii) income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings, are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the consolidated income statement as part of the gain or loss on sale.

2.5 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is tested for impairment annually or whenever there is an indication that it may be impaired and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

- (ii) 每份損益表及全面收入報表內之收入及開支按平均匯率換算(除非此平均匯率並非交易日期匯率之累計影響的合理約數, 收支項目則按交易日期之匯率換算); 及
- (iii) 所有由此產生之匯兌差額均於其他全面收入中確認為權益之獨立組成項目。

在綜合入賬時, 換算對海外業務的投資淨額所產生之匯兌差額, 以及借貸, 會計入其他全面收入。當出讓或出售部份海外業務時, 於權益入賬的匯兌差額會在綜合損益表確認為出售盈虧之一部份。

2.5 商譽

商譽指收購成本超過於收購日期本集團應佔所收購附屬公司的淨可識別資產的公允值之數額。商譽每年或當有跡象顯示可能減值時進行減值測試並按成本減累計減值虧損入賬。商譽減值虧損不作回撥。出售實體之收益及虧損包括與出售實體有關之商譽之賬面值。

商譽就減值測試獲分配至現金產生單位, 並獲分配至預期可按營運分部確認產生商譽的業務合併中得益的該等現金產生單位或多組現金產生單位。

2.6 Intangible assets

(a) Trademarks

Separately acquired trademarks and trade names are shown at historical cost. Trademarks and trade names acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks and trade names that have a definite useful life are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful lives of 15 years.

Trademarks that have indefinite useful lives are not amortised. They subject to impairment testing annually and whenever there is an indication that it may be impaired.

(b) Backlog orders

Backlog orders acquired in a business combination are recognised at fair value at the acquisition date. The secured contracts have a finite useful life and carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the contracts of 3 years.

2.7 Investment properties

Investment property is held for long-term rental yields or for capital appreciation or both, and is not occupied by the companies in the Group.

2.6 無形資產

(a) 商標

獨立購入之商標及商號按歷史成本列賬。在業務合併中購入之商標及商號按收購日之公允值確認。

有指定可使用年期之商標及商號具按成本減累計攤銷列賬。有關攤銷乃根據其估計十五年可使用年期以直線法攤銷。

有無限可使用年期之商標不會攤銷，惟須每年及當有跡象顯示可能減值時進行減值測試。

(b) 未完成訂單

在業務合併中購入之未完成訂單按收購日之公允值確認。已抵押合約有指定可使用年期且按成本減累計攤銷列賬。有關攤銷乃根據其預計三年合約使用年期以直線法攤銷。

2.7 投資物業

投資物業為獲得長期租金收益或資本增值或兩者兼備而持有，且並非由集團旗下公司佔用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is revaluated bi-annually based on active market prices, adjusted for any necessary difference in the nature, location or condition of the specific asset.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. Changes in fair values are recognised in the consolidated income statement.

2.8 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in each asset's carrying amount only when it is probable that there is future economic benefit to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method based on estimated useful lives, as follows:

Leasehold improvements	Over the lease period
Motor vehicles	25%–33% per annum
Furniture and equipment	10%–50% per annum

投資物業初步按成本(包括有關交易成本)計量。在首次確認後，投資物業按公允值列賬。公允值每年進行兩次重估，並根據活躍市場價格計算，如有需要會按個別資產的性質、地點或狀況之差異作出調整。

投資物業之公允值反映(其中包括)來自現有租賃之租金收入以及在現時市況下未來租賃之租金收入假設。公允值變動在綜合損益表確認。

2.8 物業、機器及設備

物業、機器及設備按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

其後成本僅在對本集團很可能有未來經濟利益，而該項目之成本能可靠計量時，方計入各項資產的賬面值。已更換項目部份的賬面值已被取消確認。所有其他維修及保養在所涉財政期間內於損益表支銷。

物業、機器及設備的折舊以直線法於預計可使用年期內計算如下：

租賃物業裝修	按租約年期
汽車	每年 25%–33%
傢俱及設備	每年 10%–50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2.9).

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated income statement.

2.9 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

資產餘值及可使用年期於各結算日檢討並按需要作出調整。倘資產的賬面值高於其估計可收回金額，則資產賬面值即時撇減至其可收回金額(附註2.9)。

出售之盈虧乃按所得款項與賬面值的差額而釐定，並在綜合損益表內中確認。

2.9 非財務資產之減值

商譽及具有無限使用年期的無形資產毋須進行分攤，但須每年就減值進行測試，倘有事件或情況變化顯示賬面值可能出現減值跡象，則進行更為頻密的測試。其他資產須於出現事件或情況變動顯示其賬面值可能無法收回時進行減值測試。減值虧損按資產賬面值超出其可收回金額之金額確認入賬。可收回金額指資產公允值減銷售成本及使用價值之較高者。就評估減值而言，資產按獨立可識別現金流量(即獨立於其他資產或一組資產的現金流量)(現金產生單位)之最低水平歸類。已減值之非財務資產(商譽除外)於各報告期末檢討是否可能撥回減值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.10 Receivables

Accounts receivable are unconditional amounts due from customers for goods sold or services performed in the ordinary course of business. Receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. They are classified as current assets if settlement is due within one year or the normal operating cycle (whichever is applicable) or else, they are presented as non-current assets.

2.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligations, and such amount can be reliably estimated. Where the Group expects a provision will be reimbursed, the reimbursement is recognised as a separate asset.

2.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.10 應收賬款

應收賬款為無條件代價就一般業務過程中所售貨品或所提供服務而應收客戶的款項。應收賬款按無條件代價金額初步確認，除非其包含重大融資部分，於此情況下則按公平值確認。本集團持有目標為收集合約現金流的應收賬款及據此於其後使用實際利率法按攤銷成本計量應收賬款。倘於一年內或一般營運週期中（如適用）結付，其分類為流動資產，否則呈列為非流動資產。

2.11 撥備

當本集團因過往事件需承擔法定或推定現有責任，可能須耗費資源以履行有關責任，且能夠可靠估計有關金額時確認撥備。凡本集團預期撥備可獲補償，則補償確認為個別資產。

2.12 借款

借款初期以公允值扣除所產生交易成本確認。借款其後按攤銷成本列賬，所得款項（扣除交易成本）與贖回價值之任何差額則於借款期內以實際利率法於綜合損益表內確認。除非本集團有權無條件於結算日後將負債之結算遞延至少十二個月，否則借款分類為流動負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.13 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

2.14 Payables

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or the normal operating cycle (whichever is applicable) or else, they are presented as non-current liabilities. Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. It is the Group's policy to forfeit any untaken annual leave with a specific time period. Subject to regular assessment of staff turnover rate, a provision will be made or reversed. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave. A provision is made for the estimated liability up to the balance sheet date.

2.13 現金及現金等值

為呈列現金流量表，現金及現金等值包括手頭現金、金融機構通知存款、其他短期、高流動性投資（原到期日為三個月或以內，可輕易轉換為已知金額的現金，所面對的價值變動風險極微）及銀行透支。銀行透支列入綜合資產負債表流動負債的借款。

2.14 應付賬款

應付賬款乃支付於日常業務中自供應商取得之貨品或服務之責任。倘有關賬款於一年以內或一般營運週期（視乎適用者而定）到期，應付賬款會入賬列為流動負債。否則，應付賬款會呈列為非流動負債。應付賬款初步按公允值確認，其後按實際利率法以攤銷成本計量。

2.15 僱員福利

(a) 僱員享有假期權益

僱員享有年假及長期服務假的權益於僱員應該享有時予以確認。根據本集團政策，於指定時間內未曾動用之年假將被註銷。本集團定期評估員工的流失率，將計提或撥回撥備。僱員之病假及產假在僱員正式休假時確認。按僱員截至結算日止估計之負債作出撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Profit sharing and bonus plans

Provisions for profit sharing and bonus are made for the estimated liability for incentive bonus as a result of services rendered by employees up to the balance sheet date, where there is a contractual obligation or past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

(c) Retirement benefit

The Group participates in mandatory provident fund schemes in Hong Kong which are defined contribution plan generally funded through payments to trustee – administered funds. The assets of the schemes is held separately from those of the Group in independently administered funds.

Pursuant to the relevant regulations of the government in the People's Republic of China ("PRC"), the subsidiaries in PRC participates in the municipal government contribution scheme whereby the subsidiaries are required to contribute to the scheme for the retirement benefit of eligible employees. The municipal government of the PRC is responsible for the entire benefit obligations payable to the retired employees. The only obligation of the Group with respect to the scheme is to pay the ongoing contributions required by the scheme. The Group's contributions to the scheme are expensed as incurred.

(b) 攤分溢利及花紅計劃

按僱員於截至結算日止所提供的服務，提供獎勵性花紅，並在有合約責任或因過往慣例而產生推定責任的情況下，及可就有關責任作出合理估計時按預計的有關負債，對攤分溢利及花紅作出撥備。

(c) 退休福利

本集團在香港參與強制性公積金計劃，該計劃為定額供款計劃，一般藉付款予受託人管理的基金以提供資金。該等計劃之資產由獨立管理的基金持有，並與本集團之資產分隔。

根據中華人民共和國（「中國」）政府之有關規例，中國國內的附屬公司須參與市政府的供款計劃，據此，附屬公司須為合資格僱員向該項計劃提供退休福利供款。中國市政府負責支付予退休僱員的所有福利承擔，本集團就該項計劃所承擔之唯一責任是根據該計劃規定持續作出供款。本集團對計劃之供款於產生時作開支支銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(d) Long service payment liabilities

The Group's net obligation in respect of long service accounts payable on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine the present value and reduced by entitlements accrued under the Group's retirement plans. The obligation is calculated using the projected unit credit method by a qualified actuary. Actuarial gains or losses was charged/credited to the other comprehensive income.

(e) Share option scheme

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the consolidated income statement for the year of the review. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(d) 長期服務金負債

本集團根據香港《僱傭條例》須在若干情況下於終止僱用時支付之長期服務賬款負債淨額，為僱員於本期間及以往期間因提供服務所賺取之未來利益金額，在釐定現值時，該項利益須予以貼現計算，並扣減根據本集團之退休計劃累計之權益。有關責任由合資格精算師採用預計單位信貸法計算。精算收益或虧損於其他全面收入扣除／計入。

(e) 購股權計劃

授予僱員之購股權公允值會確認為僱員成本，並會相應增加權益內之股本儲備。公允值於授出當日採用二項式期權定價模式釐定，並會考慮購股權之授出條款及條件。倘僱員須於無條件獲授購股權前達成歸屬條件，則購股權之估計公允總值會在歸屬期內攤分，並會考慮購股權歸屬的可能性。

於歸屬期內，需檢討預期歸屬之購股權數量。任何對過往年度已確認的累計公允值所作之調整會於回顧年度於綜合損益表扣除／計入。於歸屬日期，確認為開支之金額會調整以反映實際歸屬之購股權數目（亦相應調整股本儲備），惟僅因未能達到有關本公司股份市價之歸屬條件而沒收購股權則除外。股本金額於股本儲備確認，直至購股權獲行使（即轉撥至股份溢價賬時）或購股權到期（即直接撥至保留溢利時）為止。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.16 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. It can also be a present obligation arising from past events that is not recognised because outflow of economic resources is considered not probable or the amount cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability in that outflow becomes probable, it will then be recognised as a provision.

2.17 Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's entities operate and generate taxable income. Management periodically evaluates tax related situations and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.16 或然負債

或然負債指因過往事件而可能引起之責任，此等責任需視乎日後不確定事件會否發生才能確定，而有關事件會否發生並非完全受本集團控制。或然負債亦可以是因過往事件引致之現有責任，但由於可能毋須耗用經濟資源，或有關金額未能可靠地計量而未有確認。

或然負債不予確認入賬，惟會於綜合財務報表附註披露。當可能性有變而導致有可能耗用資源，則此等負債會確認為撥備。

2.17 當期及遞延所得稅

當期所得稅支出根據本集團營運所在及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅法計算。管理層就與稅項有關的情況作定期評估，並在適用情況下根據預期須向稅務機關支付的稅款計提撥備。

遞延所得稅按資產及負債之稅基與其在綜合財務報表之賬面值兩者間之暫時差額以負債法全數撥備。然而，若遞延所得稅來自在交易（不包括業務合併）中初步確認資產或負債，而在交易時不會影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前已頒佈或實質頒佈並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期適用之稅率及法例釐定。

遞延所得稅資產於有可能出現未來應課稅溢利以抵銷暫時差額時予以確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred tax is recognised in consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.19 Revenue and income recognition

Except for the operating lease rental income and interest income below, the policy of revenue recognition under HKFRS 15 is set out in note 2(c)(iv).

Operating lease rental income is recognised on a straight-line basis over the term of the lease.

Interest income is recognised on a time proportion basis, taking into account the principal amounts or refundable deposits outstanding and the effective interest rates applicable.

遞延所得稅按於附屬公司之投資所產生之暫時差額作出撥備，惟倘本集團可以控制暫時差額之回撥時間，且暫時差額在可見未來將不會回撥之情況則除外。

當有法定可執行權利將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體所徵所得稅但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

即期及遞延稅項於綜合損益表確認，除非其涉及於其他全面收益或直接於權益確認的項目。於此情況下，稅項亦分別於其他全面收益或直接於權益確認。

2.18 經營租賃

凡由出租人保留資產擁有權的絕大部份風險及回報的租賃，均歸類為經營租賃。經營租賃的租金減去任何收取自出租人的租金優惠後，以直線法按租期自綜合損益表扣除。

2.19 收益及收入確認

除下述經營租賃租金收入及利息收入外，根據香港財務報告準則第15號的收益確認政策載於附註2(c)(iv)。

經營租賃租金收入以直線法於租賃期間確認。

利息收入按未償還本金或可退回按金及適用實際利率根據時間比例基準確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2.20 Dividend distribution

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Risk management seeks to minimise any potential material effects on the Group's financial performance from the following factors.

(a) Market risk

(i) Foreign exchange risk

The Group's operation in the China and Macau are monitored by proper synchronisation of receipt and payment in different operating currencies. Hedging has not been effected due to immateriality of the working capital balances.

(ii) Interest rate risk

If interest rates during 2018 on Hong Kong dollar denominated borrowings had been 50 basis points (2017: 50 basis points) higher or lower with all other variables held constant, the Group's loss for the year would have increased/decreased by approximately HK\$852,000 (2017: HK\$996,000) as a result of higher or lower interest expenses on floating rate bank borrowings respectively.

2.20 股息分派

就於報告期末或之前已宣派但於報告期末並未分派之任何股息金額(已經適當授權及再不由實體酌情決定)作出撥備。

3 財務風險管理

3.1 財務風險因素

風險管理旨在減低對本集團財務表現潛在之重大影響，當中包括以下風險。

(a) 市場風險

(i) 外匯風險

本集團在中國及澳門的營運透過妥善同步處理不同經營貨幣的收款及付款管控。由於營運資金結餘的外匯風險極低，故並無實施對沖。

(ii) 利率風險

於2018年，倘港幣計值借款之利率增加或減少50基點(2017年：50基點)，而所有其他可變因素維持不變，本集團之年內虧損將因浮息銀行借貸利息開支的增加或減少而分別增加／減少約港幣852,000元(2017年：港幣996,000元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Credit risk

The Group's credit risk mainly arises from deposits, cash and bank balances, contract assets and receivables. Current policies ensure that sales and services are made to customers with an appropriate credit history and subject to periodic credit evaluations. Collection of outstanding receivables is closely monitored on an ongoing basis.

As at 31 December 2018, a provision of approximately HK\$47,135,000 (2017: HK\$7,324,000) and approximately HK\$92,481,000 (2017: HK\$69,600,000) against contract assets and receivables respectively was made based on the impairment assessment on the respective balances with Hsin Chong Group.

Certain customers have exceeded their respective credit terms during the reporting period. However, management does not expect any significant losses from non-performance by these counterparties because of their satisfactory repayment history.

The credit risk associated with deposits and cash and bank balances is limited because the counterparties are bank with high credit rating.

(c) Liquidity risk

The Group adopts prudent liquidity risk management which includes maintaining sufficient bank balances and cash, and having available funding through an adequate amount of committed credit facilities.

(b) 信貸風險

本集團的信貸風險主要來自按金、現金及銀行結餘、合約資產及應收賬款。目前，本集團已安排政策以確保服務及銷售乃售予具有合適信貸記錄的客戶，並會定期評估的信貸狀況。未收回應收賬款催繳持續受到緊密監控。

於2018年12月31日，分別約港幣47,135,000元(2017年：港幣7,324,000元)及約港幣92,481,000元(2017年：港幣69,600,000元)合約資產及應收賬款之撥備，乃根據新昌集團相關結餘之減值評估作出。

若干客戶於報告期間已超逾彼等各自的信貸期。然而，由於該等交易對手有良好還款記錄，管理層預計不會因該等交易對手拖欠付款而引致任何重大損失。

與存款及現金及銀行結餘有關之信貸風險有限，因為交易應付方為具有高信貸評級之銀行。

(c) 流動資金風險

本集團採取審慎流動風險管理，包括維持充足之銀行結餘及現金，並擁有可供動用之充足金額已承諾信貸融資。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For bank loans containing a repayment on demand clause, if the lenders were to invoke their unconditional rights to call the loans with immediate effect, including short term revolving loans of HK\$90,000,000 which is subject to annual review by lenders, term loans of HK\$40,000,000 with scheduled repayment dates and bank loans of HK\$36,000,000 with scheduled repayment dates, will be on demand for repayment immediately.

As at 31 December 2018, financial ratio requirements of bank loans of HK\$126,000,000 were not met which might cause these borrowings to become immediately repayable. Such condition indicates the existence of certain uncertainties over the Group's liquidity position. In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain measures have been taken to mitigate the liquidity pressure and to improve the Group's financial position which include, but are not limited to, the following:

- (i) The Group has communicated with the bank over the non-fulfilment of the aforesaid financial ratios and for the renewal of the respective bank facility, and the lender has not indicated for withdrawal of the bank facility and has not requested for immediate repayment;
- (ii) The Group will continue to seek for settlement of the overdue receivables from Hsin Chong Group pursuant to the settlement agreements;
- (iii) The Group will closely monitor the cash flow requirement before submitting new tenders to ensure any additional working capital commitment will not cast doubt on the Group's ability to continue as a going concern;

就包含按要求償還條款之銀行貸款而言，倘貸方使用其無條件權利即時召回貸款，包括貸方每年批核之短期周轉貸款港幣90,000,000元、附有預先安排還款期之有期貨款港幣40,000,000元及附有預先安排還款期之銀行貸款港幣36,000,000元將須按要求立即償還。

於2018年12月31日，本集團未符合銀行貸款港幣126,000,000元之財務比率規定，其可能導致該等借貸須即時償還。有關情況顯示本集團的流動資金狀況可能存在若干不確定性。鑑於有關情況，於評估本集團是否擁有充足財務資源繼續以持續基準經營時，本公司董事已審慎考慮本集團的未來流動資金及表現以及可動用的資金來源。本集團已採取若干措施減輕流動資金壓力及改善其財務狀況，包括但不限於以下各項：

- (i) 本集團已就上述未符合財務比率及重續相關銀行融資與銀行溝通，而貸方並無表示撤回銀行融資，且並無要求立即還款；
- (ii) 本集團將繼續尋求新昌集團根據和解協議結付逾期應收賬款；
- (iii) 本集團於提交新標書前將密切監察現金流量需要，確保任何額外營運資金承擔將不會令本集團按持續經營基準營運的能力存疑；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

- (iv) The Group will continue to take active measures to control administrative costs through various channels; and
- (v) The Group will seek for new credit facilities from other commercial banks and financial institutions, if necessary.

The directors of the Company have reviewed the Group's cash flow projections prepared by management. The cash flow projections cover a period of not less than 12 months from 31 December 2018. They are of the opinion that, taking into account the above mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within 12 months from 31 December 2018. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. Taking into account the Group's financial position and loan balances of HK\$126 million are guaranteed by an indirect controlling shareholder, the directors of the Company do not consider that the bank will exercise its discretion to demand immediate payment, and believe that the bank loan will be repaid in accordance with the scheduled repayment dates set out in note 26. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payment.

- (iv) 本集團將繼續採取積極措施，透過不同渠道控制行政成本；及
- (v) 本集團將於有需要時向其他商業銀行及金融機構尋求新信貸融資。

本公司董事已審閱管理層編製之本集團現金流量預測。現金流量預測覆蓋由2018年12月31日起不少於12個月之期間。彼等認為，經計及上述計劃及措施，本集團將有充足營運資金撥付營運及應付由2018年12月31日起12個月內到期的財務負債。因此，董事信納按持續經營基準編製綜合財務報表屬合適。

下表顯示本集團之財務負債，按照相關之到期組別，根據由結算日至合約到期日之剩餘期間進行分析。經考慮本集團之財務狀況及間接的控股股東個人作出擔保之貸款結餘港幣126,000,000元，本公司董事會認為銀行不會行使其權利要求即時償還款項，並相信本集團將根據載列於附註26中之還款時間表償還銀行貸款。表內所披露之金額乃合約性未貼現之現金流量，包括利息付款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Financial risk factors

Liquidity risk (in HK\$'000)

財務風險因素

流動資金風險(港幣千元)

At 31 December 2018	於2018年12月31日	Less than 1 year 一年內	Between 1 and 2 year 一至兩年	Between 2 and 5 year 兩至五年	Total 總計
Term loan subject to a repayment on demand clause	訂有須按要求還款的 有期貸款	25,693	12,282	-	37,975
Revolving loans	循環貸款	90,217	-	-	90,217
Term loan with repayment schedule	附有預先安排還款期的 有期貸款	31,713	10,107	-	41,820
Payables and accruals	應付賬款及應計費用	531,283	13,516	24,984	569,783
Total	總計	678,906	35,905	24,984	739,795

At 31 December 2017	於2017年12月31日	Less than 1 year 一年內	Between 1 and 2 year 一至兩年	Between 2 and 5 year 兩至五年	Total 總計
Term loan subject to a repayment on demand clause	訂有須按要求還款的 有期貸款	26,817	25,690	12,563	65,070
Revolving loans	循環貸款	90,089	-	-	90,089
Payables and accruals	應付賬款及應計費用	684,231	19,096	827	704,154
Amount due to non-controlling interests	應付非控股權益款項	1,306	-	-	1,306
Amount due to other partner of joint operation	應付其他共同經營夥伴款項	15	-	-	15
Total	總計	802,458	44,786	13,390	860,634

3.2 Capital risk management

In managing its capital, the Group's objectives are to safeguard its ability to continue operation as a going concern while keeping an optimal capital level to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares to reduce debt.

3.3 Fair value estimation

The carrying amounts of the Group's current assets and liabilities approximate their fair values due to their short term maturities.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates may not, by definition, equal the related actual results. Those estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of each of the assets and liabilities are discussed below.

(a) Useful lives of property, plant and equipment and intangible assets

Management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets. Such estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions.

3.2 資本風險管理

本集團的資本管理旨在保障本集團能繼續營運，並維持最佳的資本結構而減低資金成本。為維持或調整資本結構，本集團或會調整支付予股東的股息數額、向股東返還資本或發行新股以減低債務。

3.3 公允值估計

由於本集團之流動資產及負債屬短期性質，因此其賬面值均與公允值相若。

4 關鍵會計估算及判斷

本集團不斷根據過往經驗及其他因素(包括對在有關情況下視為合理的未來事件預期)對其估算及判斷予以評估。所得之會計估算定義上可能不會與實際結果相同。很大風險導致各項資產與負債賬面值重大調整之估算及假設討論如下。

(a) 物業、機器及設備及無形資產之可使用年期

管理層會釐定物業、機器及設備及無形資產之估計可使用年期及有關折舊及攤銷支出。該估計乃根據同類性質及功能之物業、機器及設備及無形資產的實際可使用年期之過往記錄釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Impairment of contract assets, receivables, deposits and prepayment

Management determines the specific provision for impairment of contract assets, receivables and deposits and prepayment based on assessment of the recoverability of the balances. The assessment is based on the specific recoverability assessment and ageing profile of the balances, which requires the use of judgements and estimates. A considerable amount of judgement is required in assessing the ultimate realisation of the balance, including the financial position and the historical payment pattern of each counterparty. The Group has set out policies to ensure follow-up action is taken to recover overdue receivables and deposits. As at 31 December 2018, the Group has made impairment provision of receivables approximately HK\$94,812,000 and impairment provision of contract assets of approximately HK\$53,273,000 mainly with regard to balances with Hsin Chong Group, based on the impairment assessment. The Group has been negotiating with the counterparties for the payment of settlement. The determination of the provision involved significant management estimation.

(c) Construction contracts

As explained in note 2(c)(iv), revenue recognition on a project is dependent on management's estimation of the total outcome of the construction contract, as well as the work done to date. The Group reviews and revises the estimates of contract revenue, contract costs, variation orders and contract claims prepared for each construction contract as the contract progresses. Budgeted construction income is measured in accordance with progress towards complete satisfaction of the performance obligations. Budgeted construction costs are prepared by the management on the basis of quotations from time to time provided by the major contractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management conducts periodic reviews of the management budgets by comparing the budgeted amounts to the actual amounts incurred. A considerable amount of judgement is required in estimating the contract revenue, contract costs, variation works and contract claims which may have an impact in terms of progress towards complete satisfaction of the performance obligations and recognition of profit.

(b) 合約資產、應收賬款、按金及預付款項減值

管理層根據對結餘可收回性的評估釐定合約資產、應收賬款及按金及預付款項之特定減值撥備。根據其個別可收回性評估及賬齡組合，並需要利用判斷及估算作出評估。評估結餘的最終變現時需要作出大量判斷，包括各應付方的財務狀況及以往的付款習慣。本集團已制定政策，確保採取跟進行動，收回逾期應收賬款及按金。於2018年12月31日，本集團根據減值評估，計提減值撥備應收賬款約港幣94,812,000元及合約資產減值撥備約港幣53,273,000元（主要為與新昌集團的結餘）。本集團一直與應付方就結算付款進行磋商。管理層作出重大估算來釐定撥備。

(c) 建造合約

如在附註2(c)(iv)中說明，工程收益確認取決於管理層就建造合約總結果之估計，以及迄今已完成之工程額。隨著合約工程進度，本集團審閱及修訂每一份建造合約之合約收益、合約成本、工程變更通知單及合約索償之估計。建造收益預算是根據履約責任完全達成的進展計量。建造成本預算由管理層不時根據合約所涉及之主要承包商、供應商或售賣方提供之報價單加上管理層之經驗而釐定。為確保預算準確及更新，管理層對企業預算進行定期審閱，比較預算金額及實際金額之差別。由於估計合約收益、合約成本、修訂工程及合約索償需運用大量判斷，因而或會影響履約責任完全達成的進展釐定及溢利之確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

As at 31 December 2018, the Group had certain claims over its contract assets and receivables in respect of disputes or prolonged negotiation between the Group and the employers in certain building construction contracts. The Group is closely monitoring the development of these contracts and has been negotiating with the employers. The directors of the Company are of the view that the carrying value of the balances as at 31 December 2018 would be fully recoverable. The determination of the recoverability involved significant management estimation.

(d) Impairment of goodwill

The Group tests whether goodwill have suffered any impairment in accordance with the accounting policy stated in note 2.9. The recoverable amount of goodwill is the higher of the assets' fair value less costs to sell and value in use.

Impairment provision of approximately HK\$116,794,000 was provided on the goodwill for the year ended 31 December 2018 (2017: HK\$55,000,000) recognised upon the Group's acquisition of the ISP business. Major assumptions of the impairment of goodwill are set out in note 16.

A considerable amount of judgement and assumptions are required in estimating the recoverable amount of goodwill, including revenue growth, gross margin, terminal growth rate and discount rate applied to the cashflows.

於2018年12月31日，本集團就本集團與僱主在若干建築物建造合約的糾紛或長時間磋商而對合約資產及應收賬款作出若干申索。本集團密切監察該等合約的發展並一直與僱主進行磋商。本公司董事認為，該等結餘於2018年12月31日之賬面值將可全數收回。釐定可收回性時涉及重大管理層估計。

(d) 商譽減值

根據附註2.9所述的會計政策，本集團測試商譽是否出現減值。商譽之可收回金額以資產之公允值扣除銷售成本及使用價值兩者之間較高者為準。

截至2018年12月31日止年度，本集團已就收購室內裝飾及特殊項目業務時確認的商譽計提減值撥備約港幣116,794,000元(2017年：港幣55,000,000元)。商譽減值之主要假設載於附註16。

在評估商譽的可收回金額時均須作出大量判斷及假設，包括收益增長、毛利率、終端增長率及應用於現金流量之折現率。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(e) Income tax

The Group is subject to income taxes in Hong Kong, Macau and the PRC. Significant judgment is required in determining the provision for PRC income taxes. There are a number of transactions and calculations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures 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 affect the income tax and deferred tax provision in the period in which such determination is made.

5 SEGMENT INFORMATION

In accordance with the Group's internal financial reporting provided to the chief operating decision-maker, identified as the Executive Committee, who is responsible for allocating resources, assessing performance of the operating segments and making strategic decisions, the reportable operating segments are:

- property and facility management services in Hong Kong;
- property and facility management services in China;
- ancillary business including security, cleaning, laundry, procurement and maintenance contracting services; and
- interiors and special projects.

(e) 所得稅

本集團須繳納香港、澳門及中國之所得稅。於釐定中國所得稅撥備時須作出重大判斷。在日常業務中有大量交易及計算的最終稅項釐定不能確定。本集團根據是否須繳納附加稅項之估計而確認潛在稅項風險之負債。倘若最終評稅結果與初步列賬之數額不同，則有關差額會影響釐定期間所得稅及遞延稅項之撥備。

5 分部資料

根據提呈予本集團主要業務決策者即本公司執行委員會(其負責調配資源、為各營運分部評估表現及作策略性決定)之內部財務報告，本集團須予呈報之營運分部包括：

- 香港之物業及設施管理服務；
- 中國之物業及設施管理服務；
- 輔助業務包括保安、清潔、洗衣、採購及保養承包服務等；及
- 室內裝飾及特殊項目。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(a) Segment Results

(a) 分部業績

		PFM 物業及設施管理			Corporate Overhead (Note I)			Total
		Hong Kong	China	Ancillary Business	PFM Business	ISP Business	(Note I)	Total
		香港	中國	輔助業務	物業及設施 管理業務	室內裝飾及 特殊項目業務	(附註1)	總計
2018 (in HK\$'000)	2018年(港幣千元)							
Revenue	收益							
– At a point in time	– 於某一時間點	-	-	20,268	20,268	-	-	20,268
– Over time	– 一段時間	548,454	28,135	96,618	673,207	839,511	-	1,512,718
		548,454	28,135	116,886	693,475	839,511	-	1,532,986
Gross profit	毛利	64,181	10,100	21,682	95,963	54,177	-	150,140
Operating expenses	經營開支	(37,685)	(18,442)	(16,601)	(72,728)	(41,443)	(9,295)	(123,466)
Operating profit/(loss) before exceptional items	除特殊項目前之經營溢利/(虧損)	26,496	(8,342)	5,081	23,235	12,734	(9,295)	26,674
Doubtful debt recovery (Note II)	收回壞賬(附註II)	-	-	339	339	-	-	339
Impairment of contract assets and receivables (note 5 (b))	合約資產及應收賬款之減值(附註5(b))	(26)	(3,206)	(853)	(4,085)	(66,348)	-	(70,433)
Operating profit/(loss)	經營溢利/(虧損)	26,470	(11,548)	4,567	19,489	(53,614)	(9,295)	(43,420)
Impairment loss on goodwill	商譽之減值虧損				-	-	(116,794)	(116,794)
Acquisition loan interest expenses	收購貸款之利息開支				-	-	(2,360)	(2,360)
Other interest expenses	其他利息開支				-	(3,875)	-	(3,875)
Gain on disposal of a subsidiary	出售一間附屬公司之收益				-	183	-	183
Loss on disposal of subsidiaries	出售附屬公司之虧損				-	(623)	-	(623)
Other income	其他收入				4,840	112	-	4,952
Profit/(loss) before taxation	除稅前溢利/(虧損)				24,329	(57,817)	(128,449)	(161,937)
Taxation	稅項				(4,271)	5,944	-	1,673
Profit/(loss) for the year	年內溢利/(虧損)				20,058	(51,873)	(128,449)	(160,264)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

		PFM 物業及設施管理			PFM Business 物業及設施 管理業務	ISP Business 室內裝飾及 特殊項目業務	Corporate Overhead (Note I) 行政費用 (附註I)	Total 總計
		Hong Kong 香港	China 中國	Ancillary Business 輔助業務				
2017 (in HK\$'000)	2017年(港幣千元)							
Revenue	收益	538,592	67,228	91,731	697,551	1,385,749	-	2,083,300
Gross profit	毛利	67,729	15,469	18,776	101,974	64,870	-	166,844
Operating expenses	經營開支	(36,600)	(16,759)	(18,364)	(71,723)	(59,208)	(15,495)	(146,426)
Operating profit/(loss) before exceptional items	除特殊項目前之經營 溢利/(虧損)	31,129	(1,290)	412	30,251	5,662	(15,495)	20,418
Doubtful debt recovery (Note II)	收回壞賬(附註II)	-	12,698	349	13,047	6,771	-	19,818
Impairment of contract assets and receivables (note 5(b))	合約資產及應收賬款之 減值(附註5(b))	-	(2,463)	(697)	(3,160)	(2,723)	-	(5,883)
Operating profit/(loss)	經營溢利/(虧損)	31,129	8,945	64	40,138	9,710	(15,495)	34,353
Impairment loss on goodwill	商譽之減值虧損	-	-	-	-	-	(55,000)	(55,000)
Amortisation of intangible asset	無形資產攤銷	-	-	-	-	-	(1,628)	(1,628)
Intangible asset write off	撤銷無形資產	-	-	-	-	-	(33,907)	(33,907)
Acquisition loan interest expenses	收購貸款之利息開支	-	-	-	-	-	(2,925)	(2,925)
Other interest expenses	其他利息開支	-	-	-	(162)	(2,204)	-	(2,366)
Other expenses	其他開支	-	-	-	(840)	(900)	(339)	(2,079)
Other income	其他收入	-	-	-	6,377	5	-	6,382
Interest income from former ultimate holding company	來自前最終控股公司之 利息收入	-	-	-	294	3,125	-	3,419
Profit/(loss) before taxation	除稅前溢利/(虧損)	-	-	-	45,807	9,736	(109,294)	(53,751)
Taxation	稅項	-	-	-	(4,236)	(3,397)	5,863	(1,770)
Profit/(loss) for the year	年內溢利/(虧損)	-	-	-	41,571	6,339	(103,431)	(55,521)

Note I: Corporate overhead mainly represents corporate and administrative activities, and shared services.

附註I: 行政費用主要為公司及行政活動，以及共享服務。

Note II: The amount represents settlement of receivables which were previously impaired.

附註II: 該金額代表收回以前發生減值的應收賬款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Impairment of Contract Assets and Receivables

A provision of approximately HK\$70,433,000 (2017: HK\$5,883,000) was included based on the impairment assessment on the balances mainly including the remaining contract assets and receivables related to Hsin Chong Group, after consideration of the further deterioration of the financial situation of Hsin Chong Group as indicated by (i) loss of a major contract during 2018; (ii) no materialisation of the re-financing and restructuring plan based on the latest public information; (iii) appointment of joint liquidators on Hsin Chong, and receivers on certain of its operating subsidiaries; and (iv) certain winding up petitions filed against Hsin Chong and certain of its subsidiaries including that by the Group (more details are set out in note 17 and 18 below).

6 INTEREST EXPENSES

The entire amount was attributable to the bank loans for the current and last year.

(b) 合約資產及應收賬款之減值

根據餘額的減值評估計入撥備約港幣70,433,000元(2017年：港幣5,883,000元)，主要包括與新昌集團，有關的其餘合約資產及應收賬款，彼乃計及下列情況所反映新昌集團財務狀況進一步惡化後作出：(i) 2018年期間重大合同的損失；(ii) 根據最新公開資訊並未實現再融資和重組計劃；(iii) 委任新昌聯合清盤人及其若干營運附屬公司的接收人；及(iv) 針對新昌及其若干附屬公司提出的若干清盤呈請包括本集團提出的清盤呈請(更多詳情於下文附註17及18列載)。

6 利息開支

於本年度及去年度，全部金額已歸類為銀行貸款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 LOSS BEFORE TAXATION

7 除稅前虧損

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Loss before taxation is arrived after charging/(crediting):	除稅前虧損已扣除／(計入)下列各項：		
Staff costs, including directors' emoluments (note 8)	員工成本(包括董事酬金)(附註8)	672,963	700,780
Impairment loss on goodwill	商譽之減值虧損	116,794	55,000
Impairment of contract assets	合約資產之減值	47,162	2,723
Impairment of receivables	應收賬款之減值	23,271	3,160
Depreciation	折舊	7,303	6,806
Auditor's remuneration	核數師酬金		
— Audit	— 審核	1,856	1,520
— Non-audit	— 非審核	232	223
Operating lease rental on land, buildings and office equipment	土地、樓宇及辦公室設備之經營租賃租金	12,515	12,380
Fair value gain on investment properties	投資物業之公允值收益	(1,400)	(2,000)
Doubtful debt recovery	收回壞賬	(339)	(19,818)
Bank interest income	銀行利息收入	(238)	(292)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(183)	—
Loss on disposal of subsidiaries	出售附屬公司之虧損	623	—
Intangible asset write off	撇銷無形資產	—	33,907
Interest income from former ultimate holding company	來自前最終控股公司之利息收入	—	(3,419)

8 STAFF COSTS, INCLUDING DIRECTORS' EMOLUMENTS

8 員工成本(包括董事酬金)

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Wages and salaries	工資及薪金		
— included in cost of sales	— 計入銷售成本	568,462	582,590
— included in general and administrative expenses	— 計入一般及行政開支	82,364	95,492
Pension — defined contribution scheme	退休金 — 界定供款計劃		
— included in cost of sales	— 計入銷售成本	19,707	19,540
— included in general and administrative expenses	— 計入一般及行政開支	2,430	2,819
Share option expenses	購股權開支	—	339
		672,963	700,780

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

9 BENEFITS AND INTEREST OF DIRECTORS

(a) Directors' Emoluments (in HK\$'000)

The remuneration of every directors is set out below:

For the year ended 31 December 2018

Name of Directors	董事姓名	Fees	Salary*	Employer's contribution to a retirement benefit scheme* 僱主對退休福利計劃之供款*	Total
		袍金	薪金*	僱主對退休福利計劃之供款*	總計
Executive Directors					
Kingston Chu Chun Ho	朱俊浩	150	1,200	60	1,410
Terence Leung Siu Cheong	梁兆昌	150	2,239	18	2,407
Independent Non-executive Directors					
Lau Man Tak	劉文德	240	-	-	240
Eric Lee Hon Man	李翰文	240	-	-	240
Wong Yun Kuen	黃潤權	240	-	-	240
Kan Fook Yee ¹	簡福飴 ¹	91	-	-	91
		1,111	3,439	78	4,628

* Except for the Independent Non-Executive Directors, the amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

¹ Retired as an Independent Non-Executive Director with effect from 18 May 2018

9 董事福利及權益

(a) 董事酬金(港幣千元)

各董事之薪酬載列如下：

截至2018年12月31日止年度

Name of Directors	董事姓名	Fees	Salary*	Employer's contribution to a retirement benefit scheme* 僱主對退休福利計劃之供款*	Total
		袍金	薪金*	僱主對退休福利計劃之供款*	總計
Executive Directors					
Kingston Chu Chun Ho	朱俊浩	150	1,200	60	1,410
Terence Leung Siu Cheong	梁兆昌	150	2,239	18	2,407
Independent Non-executive Directors					
Lau Man Tak	劉文德	240	-	-	240
Eric Lee Hon Man	李翰文	240	-	-	240
Wong Yun Kuen	黃潤權	240	-	-	240
Kan Fook Yee ¹	簡福飴 ¹	91	-	-	91
		1,111	3,439	78	4,628

* 除獨立非執行董事外，該等金額指就提供有關管理本公司或其附屬公司所進行之事務之服務收取之酬金。

¹ 由2018年5月18日起退任獨立非執行董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2017

截至2017年12月31日止年度

Name of Directors	董事姓名	Fees 袍金	Salary* 薪金*	Estimated money value of	Employer's contribution to a retirement benefit scheme*	Total 總計
				other benefits* 其他福利之 估計貨幣價值*	僱主對退休 福利計劃 之供款*	
Executive Directors		執行董事				
Kingston Chu Chun Ho ¹	朱俊浩 ¹	122	974	–	40	1,136
Terence Leung Siu Cheong	梁兆昌	150	2,420	52	18	2,640
Joseph Choi Kin Hung ²	蔡健鴻 ²	28	250	–	–	278
Lui Chun Pong ²	呂振邦 ²	28	45	–	2	75
Independent Non-executive Directors		獨立非執行董事				
Lau Man Tak ³	劉文德 ³	62	–	–	–	62
Eric Lee Hon Man ³	李翰文 ³	62	–	–	–	62
Wong Yun Kuen ⁴	黃潤權 ⁴	20	–	–	–	20
Stephen Ip Shu Kwan ⁵	葉澍堃 ⁵	220	–	–	–	220
Kan Fook Yee	簡福飴	240	–	–	–	240
Wong Tsan Kwong ⁶	黃燦光 ⁶	240	–	–	–	240
David Yu Hon To ⁶	俞漢度 ⁶	240	–	–	–	240
		1,412	3,689	52	60	5,213

* Except for the Independent Non-Executive Directors, the amounts represented emoluments in respect of services provided in connection with the management of the affairs of the Company or its subsidiaries undertaking.

* 除獨立非執行董事外，該等金額指就提供有關管理本公司或其附屬公司所進行之事務之服務收取之酬金。

¹ Appointed as an Executive Director with effect from 9 March 2017

¹ 由2017年3月9日起獲委任為執行董事

² Resigned as Executive Directors with effect from 9 March 2017

² 由2017年3月9日起辭任執行董事

³ Appointed as Independent Non-Executive Directors with effect from 28 September 2017

³ 由2017年9月28日起獲委任為獨立非執行董事

⁴ Appointed as an Independent Non-Executive Director with effect from 1 December 2017

⁴ 由2017年12月1日起獲委任為獨立非執行董事

⁵ Resigned as an Independent Non-Executive Director with effect from 1 December 2017

⁵ 由2017年12月1日起辭任獨立非執行董事

⁶ Resigned as an Independent Non-Executive Directors with effect from 1 January 2018

⁶ 由2018年1月1日起辭任獨立非執行董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Interest of Directors

- (i) During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2017: Nil). No consideration was provided to or receivable by third parties for making available directors' services (2017: Nil).
- (ii) There are no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities (2017: Nil).
- (iii) No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2017: Nil).

(c) Five highest paid individuals

During the year, the five individuals whose emoluments were the highest in the Group include one director (2017: one) whose emoluments are included in note 9(a). The emoluments payable to the other four (2017: four) highest paid individuals during the year are as follows:

(b) 董事權益

- (i) 於本年度，並無向董事直接或間接支付或作出退休福利、有關終止董事服務之付款或福利，亦無任何就此應付之款項(2017年：無)。並無就獲得董事服務而撥備或第三方就此應收之代價(2017年：無)。
- (ii) 並無貸款、準貸款或其他以董事、彼等之控權實體法團及關連實體為受益人之交易(2017年：無)。
- (iii) 於本年度末或於本年度任何時間並無存續本公司訂立之有關本公司業務之重大交易、安排及合約，而本公司董事直接或間接於其中擁有重大權益(2017年：無)。

(c) 五位最高薪人士

本年內，本集團五位最高薪人士包括一名(2017年：一名)董事，彼等之酬金已載於附註9(a)。本年內，應付予其他四名(2017年：四名)最高薪人士之酬金詳情如下：

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	5,838	7,257
Pension — defined contribution scheme	退休金 — 界定供款計劃	278	272
Share options expense	購股權開支	-	84
		6,116	7,613

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The emoluments of the above individuals fell within the following bands:

上述人士的酬金介乎以下範圍：

		Number of individuals 人數	
		2018	2017
Emolument band	酬金範圍		
HK\$1,000,001 to HK\$2,000,000	港幣 1,000,001 元至 港幣 2,000,000 元	4	3
HK\$2,000,001 to HK\$3,000,000	港幣 2,000,001 元至 港幣 3,000,000 元	—	1
		4	4

During the year, no emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

本年內，本集團並無向任何五位最高薪人士支付任何酬金，作為促使加入或加入本集團時的酬金或作為離職補償。

10 SHARE OPTION SCHEME

The Company had the Share Option Scheme (details of which have been set out on pages 66 to 70 of this report). Under the Share Option Scheme, the directors may at their absolute discretion grant options to eligible persons who are employee or directors of the Company or its subsidiaries. No share options were outstanding as at 31 December 2017 and 2018.

Movements in the share options under the share option scheme during the last 2 years are shown as follows:

10 購股權計劃

本公司設有購股權計劃（有關詳情載於本報告第66至70頁）。根據購股權計劃，董事會可按其絕對酌情權向合資格人士（為本公司或其附屬公司之僱員或董事）授出購股權。截至2017年及2018年12月31日止，並無尚未行使之購股權。

過往兩年，根據購股權計劃之購股權之變動列示如下：

		Average exercise price 平均行使價 (HK\$ per share) (每股港幣元)	Number of share options 購股權數目 '000 千股
As at 1 January 2017	於 2017 年 1 月 1 日	0.95	4,786
Exercised	已行使	0.95	(4,786)
As at 31 December 2017, 1 January 2018 and 31 December 2018	於 2017 年 12 月 31 日、 2018 年 1 月 1 日及 2018 年 12 月 31 日	—	—

As at 31 December 2017, the weighted average closing price of the share of the Company immediately before the dates on which no share options were exercised was HK\$1.56.

於 2017 年 12 月 31 日，本公司股份於緊接概無購股權獲行使前日期之加權平均收市價為港幣 1.56 元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 TAXATION

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits/(losses) for the year after application of available tax losses brought forward for both years. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of tax (credited)/charged to the consolidated income statement represents:

		Note	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
		附註		
Current taxation	當期稅項			
Hong Kong profits tax	香港利得稅			
— provision for the year	— 一年內撥備		4,975	7,768
— over provision in prior years	— 過往年度超額撥備		(102)	(35)
Overseas tax	海外稅項			
— provision for the year	— 一年內撥備		-	108
Deferred taxation	遞延稅項	25	(6,546)	(6,071)
			(1,673)	1,770

The taxation on the Group's loss before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Loss before taxation	除稅前虧損	(161,937)	(53,751)
Calculated at a taxation rate of 16.5% (2017: 16.5%)	按稅率 16.5% 計算 (2017 年: 16.5%)	(26,719)	(8,869)
Effect of different taxation rates in other tax jurisdictions	其他稅務司法權區不同稅率 之影響	(134)	2,761
Over provision in prior years	過往年度超額撥備	(131)	(113)
Income not subject to taxation	毋須課稅收入	(1,217)	(339)
Expenses not deductible for taxation purposes	不可扣稅開支	19,714	10,427
Unrecognised tax losses/(utilisation of previously unrecognised tax losses)	未獲確認之稅項虧損/(動用 過往未獲確認之稅項虧損)	6,814	(2,097)
		(1,673)	1,770

11 稅項

兩個年度的香港利得稅乃按有關年度之估計應課稅溢利/(虧損)扣除自往年結轉之可動用稅損後以稅率 16.5% 撥備。本集團之海外溢利稅項乃按本年度估計應課稅溢利以其經營所在國家之現行稅率計算。

綜合損益表(計入)/扣除之稅項金額如下:

本集團除稅前虧損之稅項與按本公司所在國家之稅率應產生之理論稅款之差額如下:

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12 DIVIDEND

At a meeting held on 26 March 2019, the Board resolved not to declare final dividend for year ended 31 December 2018 (2017: Nil).

13 LOSSES PER SHARE

(a) Basic losses per share is calculated by dividing the Group's loss attributable to the equity holders by the weighted average number of ordinary shares in issue during the year.

		2018	2017
Loss attributable to equity holders (HK\$'000)	股權持有人應佔虧損 (港幣千元)	(160,018)	(54,377)
Weighted-average ordinary shares issued ('000)	已發行普通股加權平均數 (千股)	424,850	393,376
Basic losses per share (HK cents)	每股基本虧損 (港幣仙)	(37.7)	(13.8)

(b) The diluted losses per share for the year ended 31 December 2018 and 2017 is the same as the basic losses per share because the exercise of the Group's share options and convertible preference shares would result in a decrease in losses per share for the year.

12 股息

於2019年3月26日舉行之會議上，董事會議決不就截至2018年12月31日止年度宣派末期股息(2017年：無)。

13 每股虧損

(a) 每股基本虧損乃根據股權持有人應佔本集團虧損除以本年內已發行普通股加權平均數計算。

(b) 截至2018年及2017年12月31日止年度之每股攤薄虧損與每股基本虧損相同，原因為行使本集團購股權及可轉換優先股將導致年內每股虧損減少。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、機器及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Furniture and equipment 傢俱及設備 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本				
At 1 January 2017	於2017年1月1日	12,356	5,001	54,323	71,680
Exchange differences	匯兌差額	24	134	251	409
Additions	添置	1,311	748	6,529	8,588
Disposals	出售	(128)	(962)	(1,965)	(3,055)
At 31 December 2017	於2017年12月31日	13,563	4,921	59,138	77,622
Exchange differences	匯兌差額	(12)	(77)	(136)	(225)
Additions	添置	1,072	58	2,435	3,565
Disposals	出售	(827)	(231)	(1,598)	(2,656)
Disposal of subsidiaries	出售附屬公司	–	–	(177)	(177)
At 31 December 2018	於2018年12月31日	13,796	4,671	59,662	78,129
Accumulated depreciation	累計折舊				
At 1 January 2017	於2017年1月1日	(6,139)	(3,452)	(48,654)	(58,245)
Exchange differences	匯兌差額	(24)	(65)	(211)	(300)
Additions	添置	(2,430)	(600)	(3,776)	(6,806)
Disposals	出售	128	950	1,914	2,992
At 31 December 2017	於2017年12月31日	(8,465)	(3,167)	(50,727)	(62,359)
Exchange differences	匯兌差額	13	51	125	189
Additions	添置	(2,683)	(624)	(3,996)	(7,303)
Disposals	出售	826	182	1,283	2,291
Disposal of subsidiaries	出售附屬公司	–	–	13	13
At 31 December 2018	於2018年12月31日	(10,309)	(3,558)	(53,302)	(67,169)
Closing net book value	年終賬面淨值				
At 31 December 2018	於2018年12月31日	3,487	1,113	6,360	10,960
At 31 December 2017	於2017年12月31日	5,098	1,754	8,411	15,263

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

15 INVESTMENT PROPERTIES

15 投資物業

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
At 1 January	於1月1日	5,600	3,600
Unrealised gain arising from change in fair value	公允值變動產生之未變現收益	1,400	2,000
At 31 December	於12月31日	7,000	5,600
Properties in Hong Kong held under medium-term lease (more than ten years but less than fifty years)	根據中期租賃持有香港物業 (超過10年但少於50年)	7,000	5,600

Note: The investment properties were valued as of year-end date on the basis of their open market value by an independent professional property valuer, Savills Valuation and Professional Services Limited.

附註：投資物業於年末由獨立專業物業估值師第一太平戴維斯估值及專業顧問有限公司按公開市值基準估計。

(a) Valuation processes of the Group

The Group measures its investment properties at fair value. The fair value of the Group's investment properties at 31 December 2018 has been determined on the basis of valuations carried out by independent valuers. Discussion of valuation processes and results are held between the Group's senior management and valuers at least once every six months, in line with the Group's interim and annual reporting dates. At each reporting date the Group's senior management:

- verifies all major inputs to the independent valuation report;
- assess property valuations movement when compared to the prior period valuation report; and
- holds discussions with the independent valuers.

Change in Levels 2 and 3 fair values are also analysed at each reporting date during the bi-annual valuations discussions date between the Group's senior management.

(a) 本集團之估值程序

本集團按公允值計量其投資物業。本集團之投資物業於2018年12月31日之公允值乃按獨立估值師進行之估值釐定。本集團高層管理人員與估值師至少每六個月(與本集團之中期及年度報告日期一致)進行一次估值程序及結果討論。於各報告日期，本集團高層管理人員：

- 查核獨立估值報告內的所有重要輸入數據；
- 與上一期間的估值報告進行比較時評估物業估值變動；及
- 與獨立估值師進行討論。

本集團高層管理人員亦對第二級及第三級公允值之變動於各報告日期進行一年兩度之估值討論時進行分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Fair value hierarchy

The following tables analyses the fair value of investment properties at different levels defined as follows:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(b) 公允價值層級

下表載列不同層級之投資物業公允價值分析，有關層級之定義如下：

- 同類資產或負債於活躍市場上之報價（未經調整）（第一級）。
- 計入第一級內之報價以外之資產或負債之可觀察輸入數據，不論直接（即價格）或間接（衍生自價格）（第二級）。
- 並非基於可觀察市場數據之資產或負債輸入數據（不可觀察輸入數據）（第三級）。

		Quoted prices in active market for identical assets (Level 1) 同類資產 於活躍市場上 之報價 (第一級) HK\$'000 港幣千元	Significant other observable inputs (Level 2) 重大其他 可觀察 輸入數據 (第二級) HK\$'000 港幣千元	Significant unobservable inputs (Level 3) 重大 不可觀察 輸入數據 (第三級) HK\$'000 港幣千元
As at 31 December 2018	於2018年12月31日			
Recurring fair value measurements	經常性公允價值計量			
Investment properties	投資物業	—	7,000	—
As at 31 December 2017	於2017年12月31日			
Recurring fair value measurements	經常性公允價值計量			
Investment properties	投資物業	—	5,600	—

There were no transfers between Levels 1, 2 and 3 during the year.

本年內，第一級、第二級及第三級之間並無轉撥。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Fair value measurements using significant other observable inputs (Level 2)

Fair value of the investment properties are derived using the direct comparison method. This valuation method is based on comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of the properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration.

使用重大其他可觀察輸入數據之公允價值計量(第二級)

投資物業之公允價值使用直接比較法得出。此估值法乃以將予估值之物業與近期交易之其他可資比較物業進行之直接比較為基礎。然而，由於各物業之性質互不相同，通常須作出適當調整，而允許存在可能影響標的物業可能達致之價格之任何質化差異。

16 INTANGIBLE ASSETS AND GOODWILL

16 無形資產及商譽

		Goodwill 商譽 HK\$'000 港幣千元	Trademark 商標 HK\$'000 港幣千元	Backlog orders 未完成訂單 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Cost	成本				
At 1 January 2017	於2017年1月1日	171,794	48,826	15,934	64,760
Write off during the year	年內撇銷	-	(48,826)	-	(48,826)
At 31 December 2017 and 31 December 2018	於2017年12月31日及 2018年12月31日	171,794	-	15,934	15,934
Accumulated amortisation/ impairment	累計攤銷/減值				
At 1 January 2017	於2017年1月1日	-	(13,291)	(15,934)	(29,225)
Amortisation for the year	年內攤銷	-	(1,628)	-	(1,628)
Impairment charge for the year	年內減值金額	(55,000)	-	-	-
Write off during the year	年內撇銷	-	14,919	-	14,919
At 31 December 2017	於2017年12月31日	(55,000)	-	(15,934)	(15,934)
Impairment charge for the year	年內減值金額	(116,794)	-	-	-
At 31 December 2018	於2018年12月31日	(171,794)	-	(15,934)	(15,934)
Net Book Value	賬面淨值				
At 31 December 2018	於2018年12月31日	-	-	-	-
At 31 December 2017	於2017年12月31日	116,794	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The Company acquired the ISP business in late 2012 (the “Acquisition”), which are the provision of alteration and addition, demolition, renovation and conservation, fitting-out, maintenance and construction works in Hong Kong, China and Macau. The goodwill generated from the Acquisition was allocated to ISP Business. The Company is required to assess the carrying value of the goodwill annually or whenever there is an impairment indicator in accordance with HKAS 36.

In view that ISP Business faced a very challenging business environment recently and suffered reduction of the outstanding workload for contracts on hand, the business performance (including revenue and gross profit) of ISP Business is unlikely to be significantly improved in the near future and it is inevitable for the management to make a further provision in 2018 on all the remaining carrying value of the goodwill of approximately HK\$116,794,000 (almost all of which was arisen from the Acquisition), further to the provision of HK\$55,000,000 made in 2017.

本公司於2012年底收購室內裝飾及特殊項目業務(「收購事項」)，於香港、中國及澳門提供改建及加建、拆建、翻新及保育、裝修、保養及建築工程。收購事項所產生商譽分配至室內裝飾及特殊項目業務。本公司須每年或根據香港會計準則第36號有減值指標評估商譽的賬面值。

考慮到室內裝飾及特殊項目業務近期面臨極具挑戰的經營環境及手頭未完成合約工作量減少及其業務表現(包括收益及毛利)不大可能於不久將來有顯著改善，管理層難免要繼2017年撥備港幣55,000,000元後，於2018年就商譽(其中接近全部由收購事項產生)之所有餘下賬面值約港幣116,794,000元作出撥備。

		2016	2017	2017 vs 2016	2018 vs 2017
		HK\$'000	HK\$'000	% change	2018 HK\$'000
		港幣千元	港幣千元	變動百分比	港幣千元
Revenue	收益	1,716,973	1,385,749	-19.3%	839,511
Gross Profit	毛利	86,304	64,870	-24.8%	54,177
Gross Margin	毛利率	5.0%	4.7%	-0.3%	6.5%
Goodwill Impairment	商譽減值	-	(55,000)	-100%	(116,794)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The revenue and gross profits of ISP Business have decreased since 2017. The total outstanding workload for contracts on hand as of 31 December 2018 was exceeded HK\$1.0 billion, about two-third of which is expected to be completed in 2019. The outstanding workload for contracts on hand as of 31 December 2018 was around HK\$0.4 billion less than that of last year (2017: HK\$1.4 billion). Besides, management expects a lower gross profit margin at approximately 4% from 2019 after considering the cost pressure of staff, subcontractors cost and material costs in view of competitive environment.

Goodwill is allocated to the Group's cash-generating units that are expected to benefit from the business combination. Assessment of any impairment of goodwill is based on the recoverable amount of ISP Business derived from cash flow projections with reference to approved management budget over a three-year period. Cash flows beyond the three-year period are extrapolated with terminal growth rate of 3%. A post-tax discount rate of 13% is adopted to reflect specific risk relating to the segment. The key assumptions adopted are the revenue growth, gross profit margin, terminal growth rate and discount rate, which are determined based on past performance and management's expectations for the market and industry development.

Management is of the view that the assumptions used in the impairment assessment are reasonable after considering the value-in-use calculations methodology, and the key assumptions adopted based on the industry and business of ISP.

室內裝飾及特殊項目業務收益及毛利自2017年起下跌。截至2018年12月31日，手頭未完成合約工程總值超過港幣1,000,000,000元，約三分之二將預計於2019年完成。截至2018年12月31日的手頭未完成合約工程較去年減少港幣400,000,000元（2017年：港幣1,400,000,000元）。此外，管理層預期2019年的毛利率會下降至約4%，當中面對競爭環境下，已考慮員工成本壓力、分包商成本及物料成本。

商譽分配至本集團預期從業務合併中獲得利益之現金產生單位。任何商譽減值的評估乃參考已批准的三年期之財政預算的現金流預測計算的室內裝飾及特殊項目業務的可收回金額計算。所有三年期以上的現金流均按3%終端增長率推算，並採納除稅後折現率13%，以反映涉及此分類之特定風險。所用的主要假設與收益增長、毛利率、終端增長率及折現率有關，有關假設乃根據過往表現及管理層對市場及行業發展的期望釐定。

管理層認為減值評估使用的假設屬合理，當中已考慮到使用價值計算方法及所採用主要假設，其以室內裝飾及特殊項目業務的行業及業務為根據。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Pursuant to the requirements of HKAS 36 – Impairment of Assets, the assets has to be carried at no more than their recoverable amounts. The goodwill impairment was calculated by reference to value-in-use model based on a three-year cash flow projection with the assumptions as set out in the table below.

Inherent in the development of the present value of future cash flow forecast are assumptions and estimates derived from a review of the expected average revenue growth rates, gross and net profit margins, business plans, future market conditions and inflation rates.

The Company determined the financial forecast based on the past performance and its expectations for the market development. The key assumptions and parameters used for determination of the recoverable amount of the ISP Business are as follows:

根據香港會計準則第36號 – 資產減值的規定，有關資產的賬面值不可高於其可收回金額。商譽減值乃參考使用價值範本而根據三年期現金流預測計算，連同下表所載的假設。

未來現金流預測現值發展中固有因素為審閱預期平均收益增長率、毛利率及純利率、業務規劃、未來市場狀況及通脹率所得出的假設及估計。

本公司根據過往表現及其對市場發展的預期作出財務預測。釐定室內裝飾及特殊項目業務可收回金額所使用的關鍵假設及參數如下：

		Note 附註	2018	2017
Average annual revenue growth	平均年度收益增長率	(i)	1.9%	1.3%
Average gross profit margin	平均毛利率	(ii)	4%	4.4%
Terminal growth rate	終端增長率	(iii)	3%	3%
Discount rate	折現率	(iv)	13%	13%
Recoverable amount (HK\$'000)	可收回金額(千港元)		4,545	117,000

Notes:

- (i) Average annual revenue growth rates cover the three-year forecast period which is estimated based on the business past performance, outstanding workloads as at year end and management's expectations on the market and industry development for each annual impairment assessment exercise.
- (ii) Lower forecasted average gross profit margin is expected relating to the outstanding workload in light of the increasing market competition and cost pressure over the ISP Business. The higher GP margin in 2018 mainly resulted from key higher gross profit margin actual projects obtained in past years.
- (iii) The terminal growth rates do not exceed the long-term average growth rate of the relevant industry.
- (iv) Post-tax discount rate applied to the post-tax cash flow forecast and reflects specific risks relating to ISP Business segments.

附註：

- (i) 平均年度收益增長率覆蓋三年預測期間。每年減值測試活動根據過往業務表現、年末尚未完成工程及管理層於每個年度減值評估工作對市場及行業的預期而估算得出。
- (ii) 有鑒於室內裝飾及特殊項目業務的市場競爭日趨激烈及成本壓力加大，預測尚未完成工程的平均毛利率較預期低。2018年的毛利率較高主要由於過往年度獲得幾個毛利較高的關鍵實際項目。
- (iii) 終端增長率不會超過相關業務的長期平均增長率。
- (iv) 稅後折現率應用於稅後現金流預測並反映了室內裝飾及特殊項目業務分部涉及的特定風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 CONTRACT ASSETS AND LIABILITIES/ CONTRACTING WORK-IN-PROGRESS

17 合約資產及負債／興建中的工程

		Note	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
		附註		
Contract assets	合約資產			
— contract work of ISP business	— 室內裝飾及特殊項目業務	(i)	346,416	356,618
Impairment	減值	3.1(b)	(53,273)	(7,324)
Total contract assets	合約資產總值		293,143	349,294
Contract liabilities*	合約負債*			
— contract work of ISP business	— 室內裝飾及特殊項目業務	(iii)	(6,804)	(14,142)
— property and facility service	— 物業和設施服務		(4,149)	(10,955)
Total contract liabilities	合約負債總額		(10,953)	(25,097)

* As at 31 December 2017 prior to the adoption of HKFRS 15, these balances were classified as amounts due to customers included in the Group's payables and accruals (note 21).

As at 31 December 2017, the net amount due from customers for contract work of HK\$335.2 million recognised under HKAS 11 represented contract costs incurred plus attributable profits less foreseeable losses amounted to HK\$1,140.8 million, netted off with progress payments received and receivables amounted to HK\$798.3 million and impairment of HK\$7.3 million.

(i) Significant changes in contract assets and liabilities

Contract assets have decreased as the Group has fewer outstanding workload as at 31 December 2018 together with the impact of the progress of contract works and timing of work certification as at year end.

* 於二零一七年十二月三十一日採納香港財務報告準則第15號前，該等結餘已分類為應付客戶款項，計入本集團的應付款項及應計款項(附註21)。

於2017年12月31日，香港會計準則第11號下已確認就合約工程應收客戶款項淨額為港幣335,200,000元，指已產生的合約成本加應佔溢利減可預見虧損港幣1,140,800,000元，扣除已收進度付款及應收賬款港幣798,300,000元及減值港幣7,300,000元。

(i) 合約資產及負債的重大變動

合約資產減少，因為本集團於2018年12月31日的未完成工程較少，連同年底合約工程進度及工程認證時機的影響所致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current year related to carried-forward contract liabilities and how much related to performance obligations that were satisfied in a prior year.

(ii) 就合約負債確認的收益

下表列載與結轉自前期合約負債有關的於本年確認收益金額及與於過往年度履行的履約責任有關的金額。

		2018 HK\$'000 港幣千元
Revenue recognised that was included in the contract liabilities at the beginning of the period	於期初計入合約負債結餘的已確認收益	
Contract work of ISP business	室內裝飾及特殊項目業務的合約工程	14,142
Property and facility services	物業及設施服務	10,955

(iii) Unsatisfied long-term contract work of ISP business

The following table shows unsatisfied performance obligations resulting from long-term contract work of ISP business.

(iii) 室內裝飾及特殊項目業務的未完成長期合約工程

下表列載源於室內裝飾及特殊項目業務的長期合約工程的未完成履約責任。

		2018 HK\$'000 港幣千元
Aggregate amount of the transaction price allocated to long-term contract work of ISP business that are partially or fully unsatisfied as at 31 December 2018	分配至於2018年12月31日部分或全部未完成室內裝飾及特殊項目業務的長期合約的交易價總額	1,068,400

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Management expects approximately that HK\$756,100,000 to the unsatisfied contracts as of 31 December 2018 will be recognised as revenue during the next reporting period. The remaining approximately HK\$312,300,000 will be recognised in the 2020 financial year. The amount disclosed above does not include variable consideration which is constrained.

The Group made a provision for amounts of contract assets of approximately HK\$7,324,000 based on the impairment assessment for the year ended 31 December 2017 which is related to Hsin Chong Group. During the year, approximately HK\$1,213,000 of contract assets that previously impaired, were reallocated to receivables. Based on the impairment assessment for the year ended 31 December 2018, an addition provision of approximately HK\$47,162,000 was made in relation to the balances of several key projects mainly with Hsin Chong Group. As a result, the total contract assets with provision for impairment as at 31 December 2018 was approximately HK\$53,273,000. The management considered that there are no further material balances with Hsin Chong Group under coming impairment assessment.

Movements in the provision for impairment of contract assets that are assessed for impairment collectively are as follows:

管理層概約預計於2018年12月31日未完成合約的港幣756,100,000元將重新確認為下一報告期間的收益。餘下港幣約312,300,000元將於2020年財政年度重新確認。上文所披露的金額並未計入受限制可變代價。

根據對於截至2017年12月31日止年度就新昌集團作出的減值評估，本集團就合約資產款項約港幣7,324,000元。本年內，先前已減值之合約資產約港幣1,213,000元已重新分配至應收賬款。根據截至2018年12月31日止年度之減值評估，已就主要與新昌集團數份主要項目之結餘作出約港幣47,162,000元的額外撥備。因此，於2018年12月31日，擁有減值撥備之合約資產總值約港幣53,273,000元。管理層認為在未來減值測試中再沒有與新昌集團重要的結餘。

合約資產(集體評估減值)之減值撥備變動如下：

			2018	2017
		<i>Note</i>	HK\$'000	HK\$'000
		附註	港幣千元	港幣千元
Contract Assets	合約資產			
At 1 January	於1月1日		7,324	9,448
Provision for impairment transferred to receivables	已轉入應收賬款之減值撥備	18	(1,213)	(4,847)
Provision for impairment recognised during the year	年內已確認之減值撥備		47,162	2,723
At 31 December	於12月31日		53,273	7,324

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

18 RECEIVABLES, DEPOSITS AND PREPAYMENTS

The credit period of the Group's accounts receivable generally ranges from 30 to 60 days (2017: 30 to 60 days) and the majority of the Group's accounts receivable are denominated in Hong Kong dollars. The ageing analysis of accounts receivable by invoice date is as follows:

18 應收賬款、按金及預付款項

本集團應收賬款之信貸期一般介乎30至60日(2017年:30至60日)。本集團之大部分應收賬款乃按港幣計值。按發票日期分類之應收賬款之賬齡分析如下:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Accounts receivable	應收賬款		
0 to 30 days	0至30日	145,452	173,954
31 to 60 days	31至60日	41,098	43,424
61 to 90 days	61至90日	14,516	15,977
Over 90 days	90日以上	117,934	120,289
		319,000	353,644
Retention receivables and other receivables	應收保固金及其他應收款項	155,795	207,537
Receivables	應收賬款	474,795	561,181
Deposits and prepayments	按金及預付款項	22,188	22,429
		496,983	583,610
Impairment of accounts receivables, retention receivables and other receivables	應收賬款、應收保固金及其他應收款項之減值	(94,812)	(70,577)
		402,171	513,033

Retention receivables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 31 December 2018, retention receivables held by customers for contract works amounting to approximately HK\$19,028,000 (2017: HK\$39,409,000) are expected to be recovered or settled in more than 12 months from the end of the reporting period.

承建業務之應收保固金乃根據相關合約條款結付。於2018年12月31日，約港幣19,028,000元(2017年:港幣39,409,000元)之客戶就訂約工程持有的應收保固金預期於報告期末起計12個月後收回或結付。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

The Group made a provision for amounts of receivables of approximately HK\$70,870,000 (after restated as at 1 January 2018) based on the impairment assessment for the year ended 31 December 2017 which was almost all of which related to Hsin Chong Group. Approximately HK\$1,213,000 of contract assets that previously impaired were reallocated to receivables during the year. Further provision for amounts of receivables of approximately HK\$23,271,000 based on the impairment assessment for the year ended 31 December 2018 which mostly related to Hsin Chong Group has been made as well. During the year, approximately HK\$339,000 of receivables which were previously impaired has been recovered. As a result, the total receivables with provision for impairment as at 31 December 2018 were approximately HK\$94,812,000. Details movement of provision for impairment is as follows:

As of 31 December 2018, accounts receivable of HK\$94,663,000 (2017: HK\$111,892,000) were past due but not impaired. These related to a number of independent customers for whom there is no recent history of default. Accounts receivable of HK\$71,517,000 (2017: HK\$58,980,000) were past due and impaired which mainly related to Hsin Chong Group.

根據截至2017年12月31日止年度的減值評估，本集團計提應收賬款撥備約港幣70,870,000元(於2018年1月1日重列後)，其中接近全部與新昌集團有關。先前已減值之合約資產約港幣1,213,000元已於年內調整至應收賬款。根據截至2018年12月31日止年度的減值評估，本集團並已計提與新昌集團有關之應收賬款撥備約港幣23,271,000元。本年內，已計入收回早前已減值應收賬款約港幣339,000元。因此，於2018年12月31日，計提減值撥備的應收賬款總額為約港幣94,812,000元。減值撥備變動詳情如下：

於2018年12月31日，港幣94,663,000元(2017年：港幣111,892,000元)之應收賬款已逾期但未減值。該等款項與多名近期並無違約記錄的獨立客戶有關。已逾期及減值之港幣71,517,000元(2017年：港幣58,980,000元)之應收賬款主要與新昌集團有關。

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Accounts receivable	應收賬款		
1 to 30 days	1 至 30 日	35,447	44,256
31 to 60 days	31 至 60 日	10,590	16,667
61 to 90 days	61 至 90 日	3,378	20,553
Over 90 days	90 日以上	45,248	30,416
		94,663	111,892

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

		Note 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Impairment of receivables	減值之應收賬款			
At 1 January	於1月1日		70,577	82,304
Change in accounting policy — HKFRS 9	會計政策變動 - 香港財務 報告準則第9號		293	-
At 1 January (as restated)	於1月1日(經重列)		70,870	82,304
Provision for impairment transferred from contract assets	轉自合約資產之 減值撥備	17	1,213	4,847
Provision for impairment recognised	已確認之減值撥備	5(b)	23,271	3,160
Doubtful debts recovery	收回壞賬		(339)	(19,818)
Exchange differences	匯兌差異		(203)	84
At 31 December	於12月31日		94,812	70,577

A settlement agreement (“2018 Settlement Agreement”) was entered with Hsin Chong on 1 June 2018, which superseded the previous settlement agreement. This agreement requested for the repayment of the net receivables of approximately HK\$75,779,000 as of 30 April 2018 plus interest by five installments over the period from 1 June 2018 to 30 April 2019. As at 31 December 2018, the total amount of net receivables of approximately HK\$75,592,000 was outstanding and to be recovered with Hsin Chong Group under the 2018 Settlement Agreement. On the ground that Hsin Chong has repeatedly defaulted payments under the 2018 Settlement Agreement and the financial deterioration of Hsin Chong Group, the Company delivered a petition (the “Petition”) to the Court of First Instance of High Court of Hong Kong (the “High Court”) against Hsin Chong on 18 January 2019 that Hsin Chong be wound up by the High Court so as to recover the outstanding debts of approximately HK\$79,000,000 including interest under the 2018 Settlement Agreement. The hearing for the Petition was adjourned to May 2019. The Company has sought legal advice as to actions it may take to protect its rights, and will make further announcements as and when appropriate.

The maximum exposure to credit risk at the reporting date is the carrying value of the accounts receivable mentioned above. The Group does not hold any collateral as security.

本公司與新昌於2018年6月1日訂立還款協議(「2018年還款協議」)，此協議要求新昌由2018年6月1日起至2019年4月30日分五期償還截至2018年4月30日之淨應收賬款約港幣75,779,000元另加利息，並取代早前的還款協議。於2018年12月31日，新昌集團於2018年還款協議下之淨應收賬款總額約港幣75,592,000元。由於新昌屢次拖欠2018年還款協議項下的還款及新昌集團財政狀況惡化，本公司於2019年1月18日向香港高等法院原訟法庭(「高等法院」)提呈高等法院將新昌清盤的呈請(「呈請」)，以收回2018年還款協議下未償還債項港幣79,000,000元。呈請聆訊延期至2019年5月。本公司已就其可採取的行動尋求法律意見，以保護其權利，並將於適當時候刊發進一步公告。

於報告日期所面臨之最高信貸風險為上述應收賬款之賬面值。本集團並無持有任何抵押品作抵押。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 AMOUNT DUE TO NON-CONTROLLING INTERESTS

Amount due to non-controlling interests as at 31 December 2017 were unsecured, interest free, repayable on demand with no fixed terms of repayment and mainly denominated in Hong Kong dollars.

20 DEPOSITS, CASH AND CASH EQUIVALENTS

The majority of the Group's deposits, cash and cash equivalents are denominated in Hong Kong dollars.

The deposits, cash and cash equivalents disclosed above and in the consolidated statement of cash flows include HK\$17,934,000 (2017: HK\$32,760,000) which are held in the PRC. These deposits are subject to regulatory restrictions and are therefore not available for general use by the other entities within the Group.

19 應付非控股權益款項

於2017年12月31日的應付非控股權益款項乃無抵押、免息、須應要求償還而沒有固定還款期及主要以港幣為單位。

20 存款、現金及現金等值

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Cash and bank balance	現金及銀行結餘	89,871	92,038
Time deposits with original maturities less than three months	原到期日為三個月以下的定期銀行存款	13,213	20,494
Cash and cash equivalents	現金及現金等值	103,084	112,532
Time deposits with original maturities over three months	原到期日超過三個月的定期銀行存款	10,866	3,666
		113,950	116,198

本集團之存款、現金及現金等值大部份以港幣為單位。

上文披露的存款、現金及現金等值和計入綜合現金流量表港幣17,934,000元(2017年：港幣32,760,000元)均在中國存置。該等存款受監管限制，因此集團內其他實體不可將其用作為一般用途。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21 PAYABLES AND ACCRUALS

The credit period of the Group's accounts payable generally ranges from 30 to 60 days (2017: 30 to 60 days). The ageing analysis of accounts payable by invoice date is as follows:

21 應付賬款及應計費用

本集團應付賬款之信貸期一般介乎30至60日(2017年:30至60日)。按發票日期分類之應付賬款之賬齡分析如下:

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Accounts payable	應付賬款		
0 to 30 days	0至30日	323,386	375,704
31 to 60 days	31至60日	17,822	21,694
61 to 90 days	61至90日	5,727	16,286
Over 90 days	90日以上	34,011	38,879
		380,946	452,563
Retention payables, other payables and accruals	應付保固金、其他應付賬款及應計費用	188,837	226,494
Amounts due to customers for property and facility services	應付客戶之物業和設施服務費用	-	10,955
Amounts due to customers for contract work	應付客戶之工程費用	-	14,142
		569,783	704,154

Retention payables in respect of the contracting business are settled in accordance with the terms of the respective contracts. At 31 December 2018, retention payables held by the Group amounting to approximately HK\$22,250,000 (2017: HK\$19,924,000) are expected to be settled in more than 12 months from the end of the reporting periods.

承建業務之應收保固金乃根據相關合約條款結付。於2018年12月31日，本集團所持約港幣22,250,000元(2017年:港幣19,924,000元)之應付保固金預期於報告期末起計12個月後結付。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

22 SHARE CAPITAL

22 股本

		Number of shares 股份數目	Amount 金額
	Note 附註	'000 千股	HK\$'000 港幣千元
Ordinary shares:			
At 1 January 2017		350,544	35,055
Share issued upon exercise of options granted under the Share Option Scheme		4,786	479
Placing of new share	(i)	69,520	6,952
At 31 December 2017, 1 January 2018 and 31 December 2018		424,850	42,486
Convertible preference shares			
At 31 December 2017, 1 January 2018 and 31 December 2018	(ii)	80,000	8,000
Ordinary shares and convertible preference shares issued and fully paid			
At 31 December 2018		504,850	50,486
At 31 December 2017		504,850	50,486

Notes:

- (i) The Company entered into a placing agreement on 12 May 2017, pursuant to which 69,520,000 new shares of the Company were placed to independent investors at the placing price of HK\$1.09 per share. The completion of placing took place on 13 June 2017.

附註:

- (i) 本公司於2017年5月12日訂立配售協議，據此，本公司69,520,000股新股以每股港幣1.09元的配售價向獨立投資者配售。配售完成於2017年6月13日。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

- (ii) 800,000,000 CPSs of HK\$0.75 each were issued as part of the consideration paid for the acquisition of ISP business in late 2012. The rights, privileges and restrictions of the CPS are set out below:
- (a) Dividend
Holder of each CPS shall have the same entitlement to dividend and other income distribution as the holder of each ordinary share of the Company and shall rank pari passu with ordinary shares of the Company as to dividend payments.
- (b) Return on capital
On winding up of the Company, the holder of the CPSs shall be entitled to the return of capital on the basis of the issue price of the CPSs and in priority to ordinary shares of the Company.
- (c) Conversion rights
The CPSs is convertible at the option of the holder at any time after the issue date. Conversion of the CPSs shall subject to, among others, the minimum public float requirements stipulated under the Listing Rules or as required by the Stock Exchange being satisfied.
- (d) Conversion price
The conversion price is HK\$0.75, subject to adjustment in accordance with the terms of the CPSs. The adjustment event includes consolidation, sub-division, right issue, issue of the Company's shares for cash and grant of options or warrants to subscribe for new shares of the Company at a discount of more than 20% of the market price.
- (e) Redemption
The Company shall have the sole right to redeem the CPSs at any time after the issue at the issue price of the CPSs, i.e. HK\$0.75 per share.
- (ii) 於2012年底發行800,000,000股每股港幣0.75元的可換股優先股作為購買室內及特殊裝飾業務的代價的一部分。可換股優先股之權利、特權和限制如下：
- (a) 股息
每股可換股優先股之持有人與每股本公司普通股之持有人於股息及其他收入分派方面享有同等權利，且於派息方面與本公司普通股享有同等地位。
- (b) 資本退還
可換股優先股之持有人有權利於本公司清盤時優先於本公司普通股按可換股優先股之發行價基準獲資本退還。
- (c) 換股權
持有人可選擇於發行日期後任何時間轉換可換股優先股。轉換可換股優先股須待達到(其中包括)上市規則所規定或聯交所要求之最低公眾持股量後，方可進行。
- (d) 兌換價
兌換價港幣0.75元，可根據可換股優先股之條款予以調整。該等調整事件包括合併、拆細、供股及發行本公司股份以獲取現金，以及授出購股權或認股權證以按市價逾20%之折讓認購本公司新股份。
- (e) 贖回
本公司擁有獨有權利，可於發行日期後任何時間按發行價(即每股港幣0.75元)贖回可換股優先股。

23 CAPITAL AND RESERVES

Details of movement in the reserves of the Group are set out on page 95.

23 股本及儲備

本集團儲備變動詳情載於第95頁。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 LONG SERVICE PAYMENT LIABILITIES

Under the Hong Kong Employment Ordinance, the Group is obliged to make lump sum payments on cessation of employment in certain circumstances to certain employees who have completed at least five years of service with the Group. The amount payable is dependent on the employee's final salary and years of service, and is reduced by entitlements accrued under the Group's defined contribution retirement scheme that is attributable to contributions made by the Group. The Group does not set aside any assets to fund any remaining obligations.

The liability recognised in the consolidated balance sheet is present value of unfunded obligation and its movements are as follows:

24 長期服務金負債

根據香港《僱傭條例》，本集團有責任向於本集團服務年資達五年或以上而在若干情況下停止受僱的僱員付出一筆過的金額。所支付的金額乃根據僱員的最終薪金及服務年數而釐定，並扣除僱員在本集團界定供款退休計劃下應計權益中本集團所供之款項。本集團並無撥出任何資產以為任何剩餘的責任提供資金。

於綜合資產負債表內確認之負債乃為未撥付責任之現值及其變動如下：

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
At 1 January	於 1 月 1 日	1,380	2,378
Net charge to the income statement	於損益表中扣除淨額		
Current service cost	即期服務成本	115	165
Interest cost	利息成本	16	26
		131	191
Net credit to other comprehensive income	於其他全面收入中計入淨額		
Remeasurements:	重新計量：		
Actuarial loss/(gain) arising from:	自以下各項產生之精算		
	虧損／(收益)：		
Liability experience	經驗調整	1,076	(180)
Financial assumptions	財務假設	(19)	(7)
Demographic assumptions	人口分佈假設	(2)	(318)
		1,055	(505)
Other	其他		
Benefits paid	已付福利	(603)	(684)
At 31 December	於 12 月 31 日	1,963	1,380

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

The principal actuarial assumptions used for accounting purposes are as follows:

就會計目的採用之主要精算假設如下：

		2018 %	2017 %
Discount rate	貼現率	1.8	1.4
Long-term salary increase rate	長期薪金增長率	4.0	4.0
Long term average expected return on mandatory provident fund scheme assets	強制性公積金計劃資產之長期平均預期回報	3.5	3.5

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions are as follows.

界定福利責任對重大主要假設變動的敏感度載列如下。

		Impact on defined benefit obligation 界定福利責任之影響		
		Change in assumptions 假設變動	Increase in assumptions 假設增加	Decrease in assumptions 假設減少
Discount rate	貼現率	0.25%	Decrease by 0.6% 減少0.6%	Increase by 0.6% 增加0.6%
Long-term salary increase rate	長期薪金增長率	0.25%	Increase by 2.1% 增加2.1%	Decrease by 2.1% 減少2.1%
Long-term average expected return on mandatory provident fund scheme assets	強制性公積金計劃資產之長期平均預期回報	0.25%	Decrease by 1.7% 減少1.7%	Increase by 1.7% 增加1.7%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

以上敏感度分析是基於只有一個假設的改變，而其他假設則沒有變動。實際上，這是不太可能發生的，及某些假設之變動可能是互相關連的。當計算就重要的精算假設對該等界定福利責任的敏感度時，應用了相同方法（於報告期末以預計單位計入法計算該等界定福利責任的現值）。

The weighted average duration of the defined benefit obligation is 2.2 years as at 31 December 2018 (2017: 2.5 years).

於2018年12月31日界定福利責任的加權平均期限為2.2年（2017年：2.5年）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25 DEFERRED TAXATION

Deferred taxation is calculated in full on temporary differences under the liability method using tax rates substantively enacted as at the balance sheet date. The movement on the net deferred tax (assets)/liabilities account is as follows:

		Note 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
At 1 January	於1月1日		207	6,278
Deferred taxation recognised in consolidated income statement	於綜合損益表確認之遞延稅項	11	(6,546)	(6,071)
At 31 December	於12月31日		(6,339)	207

The movement on the deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

25 遞延稅項

遞延稅項採用於結算日實質頒佈之稅率按負債法就暫時差額悉數計算。遞延稅項(資產)/負債賬目淨額之變動如下：

遞延稅項資產及負債(於相同徵稅司法權區抵銷結餘前)於本年內之變動如下：

		Deferred tax liabilities 遞延稅項負債			Deferred tax assets 遞延稅項資產		
		Accelerated tax depreciation 加速稅項折舊 HK\$'000 港幣千元	Intangible assets 無形資產 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	Accounting tax depreciation 會計稅項折舊 HK\$'000 港幣千元	Tax losses 稅項虧損 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
At 1 January 2017	於2017年1月1日	494	5,862	6,356	(78)	-	(78)
Credited to consolidated income statement	於綜合損益表計入	(246)	(5,862)	(6,108)	-	-	-
Charged to consolidated income statement	於綜合損益表扣除	-	-	-	37	-	37
At 31 December 2017	於2017年12月31日	248	-	248	(41)	-	(41)
Credited to consolidated income statement	於綜合損益表計入	(59)	-	(59)	(443)	(6,044)	(6,487)
At 31 December 2018	於2018年12月31日	189	-	189	(484)	(6,044)	(6,528)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has unrecognised tax losses of HK\$117,160,000 (2017: HK\$88,944,000) to carry forward against future taxable income. Tax losses amounting to HK\$60,808,000 will expire at various dates up to and including 2023 (2017 up to and including 2022: HK\$53,230,000). The remaining tax losses do not have expiry dates.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

就結轉的稅項虧損而確認的遞延稅項資產僅限於有關之稅務利益很有可能透過未來應課稅溢利實現的部份。本集團之未確認稅項虧損，為數港幣117,160,000元(2017年：港幣88,944,000元)，可結轉以抵銷未來之應課稅收入。為數港幣60,808,000元之稅項虧損將於直至及包括2023年(2017年直至及包括2022年：港幣53,230,000元)的不同日期屆滿。餘下的稅項虧損並無屆滿日期。

當有法定可執行權利可將當期稅項資產與當期稅項負債抵銷，而遞延稅項涉及同一財政機關，則可將遞延稅項資產與遞延稅項負債互相抵銷。在計入適當抵銷後，下列金額在綜合資產負債表內列賬。

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Deferred tax assets	遞延稅項資產	(6,528)	(41)
Deferred tax liabilities	遞延稅項負債	189	248
		(6,339)	207

26 BANK LOANS

26 銀行貸款

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Portion due for repayment within one year	1年內到期償還部份	144,000	126,402
Portion due for repayment after one year, which contains a clause of repayment on demand	1年後到期償還部份，附帶按需求償還條款		
(i) in the second year	(i) 第2年	22,000	24,000
(ii) in the third to fifth years, inclusive	(ii) 第3至5年(包括首尾兩年)	-	12,000
		166,000	162,402

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Notes:

- (a) As at 31 December 2018, the Group had bank loans of HK\$166,000,000 (2017: HK\$162,402,000) denominated in Hong Kong dollars.
- (b) The bank loans of the Group carried weighted average interest rates of 4.5% (2017: 3.0%) per annum.
- (c) The Group's term loan of HK\$36,000,000 (2017: HK\$60,000,000) is subject to a floating charge over the assets of the Company and its subsidiaries.
- (d) The Group's revolving loans of HK\$90,000,000 (2017: HK\$90,000,000) is subject to a floating charge over the assets of the Company and its subsidiaries.
- (e) The Group's bank loan of HK\$126,000,000 (2017: HK\$150,000,000) is personally guaranteed by an indirect controlling shareholder.
- (f) The carrying amounts of loans approximate their fair values.

附註：

- (a) 於2018年12月31日，本集團有銀行貸款港幣166,000,000元(2017年：港幣162,402,000元)以港幣計值。
- (b) 本集團之銀行貸款之加權平均年利率為4.5%(2017年：3.0%)。
- (c) 本集團之有期貨款為港幣36,000,000元(2017年：港幣60,000,000元)，其乃將本公司及其附屬公司之資產作浮動押記。
- (d) 本集團之循環貸款為港幣90,000,000元(2017年：港幣90,000,000元)，其乃將本公司及其附屬公司之資產作浮動押記。
- (e) 本集團之銀行貸款為港幣126,000,000元(2017年：港幣150,000,000元)，其乃由間接的控股股東個人作出擔保。
- (f) 貸款的賬面值與其公允值相若。

27 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease rental expenses under non-cancellable operating leases are payable as follows:

27 經營租賃承擔

根據不可撤銷經營租賃須於日後支付的最低租金費用總額如下：

		Land and buildings 土地及樓宇		Office equipment 辦公室設備	
		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Within one year	一年內	9,553	11,027	366	395
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	3,667	7,825	697	918
		13,220	18,852	1,063	1,313

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

28 NOTES TO STATEMENT OF CASH FLOWS

Reconciliation of loss before taxation to cash generated from/ (used in) operations:

28 現金流量表附註

除稅前虧損與經營業務產生/(耗用)之現金對賬表：

		2018	2017
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Loss before taxation	除稅前虧損	(161,937)	(53,751)
Share option expenses	購股權開支	-	339
Depreciation	折舊	7,303	6,806
Amortisation of intangible assets	無形資產攤銷	-	1,628
Impairment loss on goodwill	商譽減值虧損	116,794	55,000
Impairment of contract assets	合約資產減值	47,162	2,723
Impairment of receivables	應收賬款減值	23,271	3,160
Interest income	利息收入	(238)	(3,712)
Interest expenses	利息開支	6,235	5,291
Fair value gain on investment properties	投資物業公允值收益	(1,400)	(2,000)
Loss/(gain) on disposal of property, plant and equipment	出售物業、機器及設備之虧損/(收益)	38	(184)
Loss on disposal of subsidiaries	出售附屬公司之虧損	623	-
Gain on disposal of a subsidiary	出售一間附屬公司之收益	(183)	-
Loss on write-off of intangible asset	撇銷無形資產之虧損	-	33,907
Operating profit before working capital changes	營運資金變動前之經營溢利	37,668	49,207
Decrease in contract assets	合約資產減少	8,989	59,395
Decrease/(increase) in receivables	應收賬款減少/(增加)	87,012	(95,791)
(Increase)/decrease in deposits and prepayments	按金及預付款項(增加)/減少	(4,187)	3,953
Decrease in amounts due to other partner of joint operation	應付其他共同經營夥伴款項減少	(15)	-
(Decrease)/increase in amount due to non-controlling interest	應付非控股權益款項(減少)/增加	(153)	66
Decrease in payables and accruals and long service payment liabilities	應付賬款、應計費用及長期服務金負債減少	(118,448)	(49,732)
Cash generated from/(used in) operations	經營業務產生/(耗用)之現金	10,866	(32,902)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the period presented.

淨債務對賬

本節列載各呈列期間之淨債務分析及淨債務變動。

Net debt 淨債務

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Cash and cash equivalents	現金及現金等值	103,084	112,532
Time deposits with original maturities over three months	原到期日超過三個月定期存款	10,866	3,666
Borrowings — repayable within one year	借款 — 於一年內償還	(144,000)	(126,402)
Borrowings — repayable after one year	借款 — 於一年後償還	(22,000)	(36,000)
		(52,050)	(46,204)
Cash and cash equivalents	現金及現金等值	103,084	112,532
Time deposits with original maturities over three months	原到期日超過三個月定期存款	10,866	3,666
Gross debt — variable interest rates	總債務 — 浮動利率	(166,000)	(162,402)
		(52,050)	(46,204)

		Other assets 其他資產		Liabilities from financing activities 融資業務產生之負債		Total 總計
		Cash and cash equivalents 現金及現金等值	Time deposits with original maturities over three months 原到期日超過三個月定期存款	Borrowings-due for repayment within one year 借款 — 於一年內到期償還	Borrowings-due for repayment after one year 借款 — 於一年後到期償還	
Net debt as at 1 January 2018	於2018年1月1日之淨債務	112,532	3,666	(126,402)	(36,000)	(46,204)
Cash flows	現金流量	(8,615)	7,200	(17,598)	14,000	(5,013)
Foreign exchange adjustments	匯兌調整	(833)	-	-	-	(833)
Net debt as at 31 December 2018	於2018年12月31日之淨債務	103,084	10,866	(144,000)	(22,000)	(52,050)
Net debt as at 1 January 2017	於2017年1月1日之淨債務	111,723	17,561	(204,000)	-	(74,716)
Cash flows	現金流量	(1,224)	(13,895)	77,598	(36,000)	26,479
Foreign exchange adjustments	匯兌調整	2,033	-	-	-	2,033
Net debt as at 31 December 2017	於2017年12月31日之淨債務	112,532	3,666	(126,402)	(36,000)	(46,204)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 LOSS ON DISPOSAL OF SUBSIDIARIES

Hsin Shun Metal Fabrication Company Limited and Hsin Shun (Dongguan) Metal Fabrication Company Limited*, which are 60% owned subsidiaries of the Company and engaged in provision of direct metal work and curtain wall fabrication, were disposed in June 2018.

29 出售附屬公司的虧損

新順金屬製品有限公司和新順(東莞)金屬製品有限公司為從事提供直接五金製品及幕牆製造且本公司擁有60%的附屬公司，於2018年6月被出售。

		Total
		總計
		HK\$'000
		港幣千元
Net assets disposed	已出售資產淨值	
Property, plant & equipment	物業、機器及設備	164
Receivables	應收賬款	1,490
Deposits and prepayments	按金及預付款項	4,177
Cash and cash equivalents	現金及現金等值	1,513
Payables and accruals	應付賬款及應計費用	(5,394)
Amount due to non-controlling interests	應付非控股權益款項	(1,153)
Taxation payable	應付稅項	(130)
		667
Non-controlling interests	非控股權益	1,404
Release of exchange reserve upon disposal	出售時變現匯兌儲備	152
Net assets disposed	已出售資產淨值	2,223
Consideration	代價	1,600
Net assets disposed	已出售資產淨值	(2,223)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(623)
Net cash inflow in respect of the disposal	出售之現金流入淨額	
Cash received (Note)	已收現金(附註)	-
Cash and cash equivalents disposed of	出售現金及現金等值	(1,513)
		(1,513)

Note: The cash consideration was not yet settled as at 31 December 2018, which was recognised as other receivables in the consolidated balance sheet.

附註：於2018年12月31日尚未結清的現金代價於綜合資產負債表確認為其他應收款項。

* For identification purposes only

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

30 GAIN ON DISPOSAL OF A SUBSIDIARY

ISP Project Services (Vietnam) Company Limited, a wholly owned subsidiary engaged in fitting-out work and construction services in Vietnam, was disposed in December 2018.

30 出售一間附屬公司之收益

越南從事裝修工程及建築服務的全資附屬公司ISP Project Services (Vietnam) Company Limited，於2018年12月被出售。

		Total
		總計
		HK\$'000
		港幣千元
Net assets disposed	已出售資產淨值	
Cash and cash equivalents	現金及現金等值	70
Payables and accruals	應付賬款及應計費用	(3)
Net assets disposed	已出售資產淨值	67
Consideration	代價	250
Net assets disposed	已出售資產淨值	(67)
Gain on disposal of a subsidiary	出售一間附屬公司之收益	183
Net cash inflow in respect of the disposal	出售之現金流入淨額	
Cash received (Note)	已收現金(附註)	-
Cash and cash equivalents disposed of	已出售現金及現金等值	(70)
		(70)

Note: The cash consideration was not yet settled as at 31 December 2018, which was recognised as other receivables in the consolidated balance sheet.

附註：於2018年12月31日尚未結清的現金代價於綜合資產負債表確認為其他應收款項。

31 RELATED PARTY TRANSACTIONS

(a) Key management personnel compensation

31 關連人士交易

(a) 主要管理人員薪酬

		2018	2017
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	33,725	40,263
Pension — defined contribution scheme	退休金 — 界定供款計劃	1,140	1,218
Share option expenses	購股權開支	-	266
		34,865	41,747

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(b) Related party transactions

Summary of the related party transactions carried out by the Group during the year are follows:

(b) 關連人士交易

於年內本集團進行之關連人士交易概要如下：

		Note 附註	2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Service charges paid to	向下列公司支付服務費			
— Company controlled by a director	— 由一名董事控制之公司	(i)	(202)	—
— Company with common controlling shareholder	— 有一間共同控股股東之公司	(ii)	—	(1,097)
Services income from	來自下列公司之服務收入			
— Company with common controlling shareholder	— 有一間共同控股股東之公司	(iii)	2,874	1,760
Repair and maintenance income from	來自下列公司之維修及保養收入			
— Company with common controlling shareholder	— 有一間共同控股股東之公司	(iv)	4,637	—
Contracting work's income from	來自下列公司之合約工程收入			
— Company with common controlling shareholder	— 有一間共同控股股東之公司	(v)	2,053	—

Notes:

- (i) Service charges paid in respect of typesetting, translation and printing services were mutually agreed by both parties.
- (ii) Service charges paid in respect of commission and documentation fee for placing were mutually agreed by both parties.
- (iii) Services income earned on services including property management, asset management services, consultancy fee, security, repair and maintenance, laundry, cleaning, etc. rendered was mutually agreed by both parties.
- (iv) Repair and maintenance income represents fees earned on repair and maintenance works. The prices and terms were mutually agreed by both parties.
- (v) Contracting work's earned from fitting-out projects, were mutually agreed by both parties.

附註：

- (i) 就排版、翻譯及印刷服務支付的服務開支金額乃由雙方互相協定。
- (ii) 就配售事項之佣金及文件費支付之服務費，乃按雙方協定而收取。
- (iii) 就提供服務(包括物業管理、資產管理服務、顧問費、保安、維修及保養、洗衣及清潔等服務)賺取之服務收入，乃按雙方協定而收取。
- (iv) 維修及保養收入指就維修及保養工程賺取之費用。價格及條款由雙方協定。
- (v) 就裝修項目賺取之合約工程費乃按雙方協定而收取。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

As at 31 December 2018

32 本公司資產負債表及儲備變動

本公司資產負債表

於2018年12月31日

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、機器及設備	36	63
Subsidiaries	附屬公司	89,204	89,204
Total non-current assets	非流動資產總額	89,240	89,267
Current assets	流動資產		
Deposits and prepayments	按金及預付款項	312	307
Amounts due from subsidiaries	應收附屬公司款項	8,608	193,009
Deposit, cash and cash equivalents	按金、現金及現金等值	29,264	24,178
Total current assets	流動資產總額	38,184	217,494
Current liabilities	流動負債		
Payables and accruals	應付賬款及應計費用	1,914	2,898
Bank loan	銀行貸款	36,000	60,000
Total current liabilities	流動負債總額	37,914	62,898
Net current assets	流動資產淨值	270	154,596
Total assets less current liabilities	資產總額減流動負債	89,510	243,863
Non-current liabilities	非流動負債		
Deferred tax liabilities	遞延稅項負債	6	10
Total non-current liabilities	非流動負債總額	6	10
Net assets	資產淨值	89,504	243,853
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益		
Share capital	股本	50,486	50,486
Retained profits/accumulated losses and other reserves	保留溢利／累積虧損及其他儲備	39,018	193,367
Total equity	權益總額	89,504	243,853

The balance sheet of the Company was approved by the Board of Directors on 26 March 2019 and was signed on its behalf.

本公司資產負債表經董事會於2019年3月26日批准，並由以下人士代表簽署。

Kingston Chu Chun Ho 朱俊浩
Chairman 主席

Terence Leung Siu Cheong 梁兆昌
Director 董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Reserve of the Company

本公司儲備

		Share capital	Share premium	Contributed surplus	Employee share option reserve 僱員 購股權儲備	((Accumulated share losses)/ retained profit 保留溢利 (累計虧損)/	Total equity 權益總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2017	於2017年1月1日	43,055	114,143	82,601	255	(16,154)	223,900
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	-	-	-	-	(58,500)	(58,500)
Placing of new shares	配售新股份	6,952	66,777	-	-	-	73,729
Share option scheme	購股權計劃	-	-	-	195	-	195
Issue of shares upon exercise of share options	因行使購股權而發行股份	479	4,500	-	(450)	-	4,529
At 31 December 2017	於2017年12月31日	50,486	185,420	82,601	-	(74,654)	243,853
Loss attributable to equity holders of the Company	本公司股權持有人應佔虧損	-	-	-	-	(154,349)	(154,349)
At 31 December 2018	於2018年12月31日	50,486	185,420	82,601	-	(229,003)	89,504

Note:

The contributed surplus represents the difference between the consolidated shareholders' funds of the subsidiaries and the nominal value of the Company's shares issued for the acquisition of these subsidiaries at the time of the Group's reorganisation in 2003. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its members out of the contributed surplus.

附註：

繳入盈餘指附屬公司綜合股東資金與本公司於2003年集團重組時收購該等附屬公司所發行之本公司股份面值兩者間差額。根據百慕達1981年公司法(經修訂)，本公司可自繳入盈餘向其股東作出分派。

33 HOLDING COMPANY

The directors regarded Champ Key Holdings Limited, a company incorporated in British Virgin Islands, as its ultimate holding company.

33 控股公司

董事視 Champ Key Holdings Limited (於英屬處女群島註冊成立的公司) 為其最終控股公司。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 PRINCIPAL SUBSIDIARIES

34 主要附屬公司

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/註冊股本	Effective percentage of interest held 所持實際權益百分比	
				2018	2017
Interest held directly: 直接持有權益：					
Synergis Holdings (BVI) Limited	British Virgin Islands ¹ 英屬處女群島 ¹	Investment holding 投資控股	100,000 ordinary shares of HK\$0.1 each 100,000 股每股面值 港幣 0.1 元之普通股	100%	100%
Driven Power Management Limited	British Virgin Islands ¹ 英屬處女群島 ¹	Investment holding 投資控股	100 ordinary shares of US\$1 each 100 股每股面值 1 美元 之普通股	100%	100%
Interest held indirectly: 間接持有權益：					
Synergis Management Services Limited 昇捷管理服務有限公司	Hong Kong 香港	Provision of property management services and investment holding 提供物業管理服務及投資控股	206,837 ordinary shares of HK\$1 each 206,837 股每股面值 港幣 1 元之普通股	100%	100%
Synergis Facility Management Limited 昇捷設施管理有限公司	Hong Kong 香港	Provision of facility management services 提供設施管理服務	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元 之普通股	100%	100%
Service Pro Limited 諾迅服務有限公司	Hong Kong 香港	Provision of maintenance contracting 提供保養承包	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元 之普通股	100%	100%
SecurExpert Solutions Limited 新盛保安服務有限公司	Hong Kong 香港	Provision of security and consultancy services 提供保安及顧問服務	2 ordinary shares of HK\$1 each 2 股每股面值港幣 1 元 之普通股	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/註冊股本	Effective percentage of interest held 所持實際權益百分比	
				2018	2017
Laundrimate Service Limited 洗衣樂服務有限公司	Hong Kong 香港	Provision of laundry services 提供洗衣服務	2 ordinary shares of HK\$1 each 2股每股面值港幣1元 之普通股	100%	100%
Master Clean Service Limited 宏潔服務有限公司	Hong Kong 香港	Provision of cleaning services 提供清潔服務	200,000 ordinary shares of HK\$1 each 200,000股每股面值 港幣1元之普通股	100%	100%
SynWave Services Limited 新浪潮服務有限公司	Hong Kong 香港	Sales of products, provision of copying services and property holding 銷售產品、提供複印服務及 持有物業	1 ordinary share of HK\$1 1股面值港幣1元之普通股	100%	100%
ISP Interiors Limited 昇柏室內裝飾有限公司	Hong Kong 香港	Provision of fitting-out, renovation and addition and alteration works 提供室內裝修、翻新與加建及 改建工程	5,000,000 ordinary share of HK\$1 each 5,000,000股每股面值 港幣1元之普通股	100%	100%
ISP Construction (Engineering) Limited 昇柏營造廠(工程)有限公司	Hong Kong 香港	Provision of demolition work, addition and alteration works and special construction projects 提供拆建工程與加建及改建工程 及特殊建造項目	22,000,000 ordinary share of HK\$1 each 22,000,000股每股面值 港幣1元之普通股	100%	100%
ISP Curtain Wall and Aluminum Products Limited 昇柏幕牆及鋁質制品有限公司	Hong Kong 香港	Provision of curtain walling, cladding & related products 提供幕牆、圍蔽及相關產品	100,000 ordinary shares of HK\$1 100,000股每股面值 港幣1元之普通股	100%	100%
ISP Sourcing Services Limited 昇柏採購服務有限公司	Hong Kong 香港	Provision of procurement and supply chain services and trading business 提供採購及供應鏈服務及 貿易業務	2 ordinary shares of HK\$1 2股每股面值港幣1元 之普通股	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

Name 名稱	Place of incorporation and operation 註冊成立及經營地點	Principal activities 主要業務	Issued and paid up/ registered capital 已發行及繳足/註冊股本	Effective percentage of interest held 所持實際權益百分比	
				2018	2017
Everich Construction (Macau) Limited 恒裕建築(澳門)有限公司	Macau 澳門	Provision of renovation and fitting-out works 提供翻新及室內裝飾工程	MOP\$25,000 25,000澳門幣	100%	100%
Synergis Property Management (Shenzhen) Co., Ltd. ² 昇捷物業管理(深圳)有限公司	PRC (wholly owned foreign enterprise) 中國(外資獨資企業)	Provision of property management, repair and maintenance of sophisticated equipment and indoor cleaning services, and property management consultancy services 提供物業管理、維修保養先進設備及室內清潔服務, 以及物業管理顧問服務	RMB31,000,000 人民幣31,000,000元	100%	100%
Synergis Property Services (Beijing) Co. Ltd. ² 昇捷物業服務(北京)有限公司	PRC (wholly owned foreign enterprise) 中國(外資獨資企業)	Provision of property and facility management services, property agent and property consultancy services 提供物業及設施管理服務、房地產經紀及房地產顧問服務	RMB32,000,000 人民幣32,000,000元	100%	100%

¹ This is an investment holding company with no specific place of operation.

¹ 該公司為一間投資控股公司, 並無具體經營地點。

² These are not registered company names but merely for identification purposes only.

² 該等並非註冊公司名稱, 僅供識別。

35 JOINT OPERATION

35 共同經營

Name 名稱	Place of operation 經營地點	Principal activities 主要業務	Participating shares 參股	
			2018	2017
Hsin Chong-Wah Cheong Joint Venture (02)	Hong Kong 香港	Construction 建造	50%	50%

FIVE YEAR FINANCIAL SUMMARY

五年財務摘要

		2018 HK\$'000 港幣千元	2017 HK\$'000 港幣千元	2016 HK\$'000 港幣千元	2015 HK\$'000 港幣千元	2014 HK\$'000 港幣千元
Operating Results	經營業績					
Revenue	收益	1,532,986	2,083,300	2,433,471	2,447,379	1,906,253
Operating profit/loss before exception items	除經營項目之經營溢利/虧損	26,674	20,418	63,718	81,593	69,569
Other (expenses)/income	其他(支出)/收入	(1,723)	803	(5,157)	(14,069)	(13,471)
Intangible asset write off	撇銷無形資產	-	(33,907)	(1,755)	-	-
Doubtful debt recovery	收回壞賬	339	19,818	-	-	-
Impairment of contract asset and receivables	合約資產及應收賬款之減值	(70,433)	(5,883)	(91,752)	-	-
Impairment loss on goodwill	商譽之減值虧損	(116,794)	(55,000)	-	-	-
(Loss)/profit before taxation	除稅前(虧損)/溢利	(161,937)	(53,751)	(34,946)	67,524	56,098
Taxation	稅項	1,673	(1,770)	(4,766)	(12,243)	(10,756)
(Loss)/profit for the year	年內(虧損)/溢利	(160,264)	(55,521)	(39,712)	55,281	45,342
Non-controlling interests	非控股權益	246	1,144	229	-	-
(Loss)/profit attributable to equity holders of the Company	(虧損)/溢利歸屬於本公司股權持有人	(160,018)	(54,377)	(39,483)	55,281	45,342
Assets and Liabilities	資產及負債					
Assets	資產					
Property, plant and equipment	物業、機器及設備	10,960	15,263	13,435	6,883	8,891
Investment properties	投資物業	7,000	5,600	3,600	3,040	2,800
Intangible assets	無形資產	-	-	35,535	40,691	48,974
Goodwill	商譽	-	116,794	171,794	171,794	168,968
Deferred tax assets	遞延稅項資產	6,528	41	78	91	144
Prepayment	預付款項	2,331	2,080	1,840	-	-
Current assets	流動資產	812,055	981,119	971,280	1,007,076	720,337
Total assets	資產總額	838,874	1,120,897	1,197,562	1,229,575	950,114
Liabilities	負債					
Current liabilities	流動負債	747,200	868,442	963,278	938,974	693,361
Long service payment liabilities	長期服務金負債	1,963	1,380	2,378	3,977	1,940
Deferred tax liabilities	遞延稅項負債	189	248	6,356	7,232	8,859
Total liabilities	負債總額	749,352	870,070	972,012	950,183	704,160
Non-controlling interests	非控股權益	-	(1,158)	(14)	(1,211)	-
Equity attributable to equity holders of the Company	本公司股權持有人應佔權益	89,522	251,985	225,564	280,603	245,954

MAJOR PROJECTS

主要工程項目

MAJOR PROJECTS IN-PROGRESS

現時進行之主要工程項目

Description 詳情	Group's Interest 本集團所佔權益	Commencement Date 開工日期	Anticipated Completion Date 預期竣工日期	Client/Ultimate Employer 客戶／最終僱主
INTERIORS AND SPECIAL PROJECTS				
室內裝修與特殊項目				
Facade Works of Kowloon East Regional Headquarters and Operational Base cum Ngau Tau Kok Divisional Police Station at 105 Concorde Road, Kai Tak 啟德協調道105號東九龍總區總部及行動基地暨牛頭角分區警署大樓外牆工程	100%	July 2016 2016年7月	June 2019 2019年6月	Build King Construction Limited
Builder Works for Automation of Arrival Bags Delivery at Hong Kong International Airport 香港國際機場入境行李提取處自動化的建築工程	100%	September 2017 2017年9月	August 2019 2019年8月	ATAL Engineering Limited 安樂工程有限公司
Commercial Building Development at 2C&2D Lau Li Street & 68-70 Electric Road, Hong Kong 香港琉璃街2C及2D號以及電氣道68-70號的商業大樓發展項目	100%	August 2018 2018年8月	November 2019 2019年11月	Success Seeker Limited 貳發有限公司
The Proposed Residential Development at No. 2 Headland Road, Replus Bay, Hong Kong, R.B.L. 676 Superstructure Works 香港淺水灣赫蘭道2號的建議住宅發展項目市郊建築物地段676號上蓋工程	100%	November 2018 2018年11月	November 2019 2019年11月	Design Corporation Limited
Architectural Builders Works and Finishes Management Services Trade Contract for M+ Museum Project at West Kowloon Cultural District 香港西九文化區之M+博物館項目的建築工程及裝修管理服務貿易合約	100%	October 2018 2018年10月	December 2019 2019年12月	Blue Poles Limited
Reprovision of an Indoor All-Weather Swimming Pool at Po Leung Kok Camoes Tan Siu Lin Primary School at 6 Hoi Ting Road, Tau Ma Tei, Kowloon 重置九龍油麻地海庭道6號的保良局陳守仁小學的室內全天候游泳池	100%	August 2017 2017年8月	April 2020 2020年4月	The Incorporated Management Committee of Po Leung Kok Camoes Tan Siu Lin Primary School 保良局陳守仁小學法團校董會

MAJOR PROPERTIES 主要物業

PROPERTIES HELD FOR INVESTMENT AT 31 DECEMBER 2018 於2018年12月31日持作投資之物業

Description 詳情	Use 用途	Status 狀況	Lease Term 租賃年期	Percentage of Group's Interest 本集團所佔 權益百分比
Car Park Nos. P250, P251, P252, P253, P254, P255, P256 and P257, Sun Hing Garden, No. 2 On Po Lane, Tai Po, New Territories. 24/64,299th shares of and in Tai Po Town Lot No. 26 新界大埔安埔里2號新興花園P250、P251、P252、P253、P254、P255、P256及P257號車位大埔市地段26號第64,299份之24份	Carpark 泊車位	Rental 出租	Medium 中期	100%

CORPORATE INFORMATION

公司資料

Board of Directors 董事會

Kingston Chu Chun Ho (*Chairman*)
朱俊浩 (主席)
Terence Leung Siu Cheong
(*Deputy Chairman and Managing
Director for ISP Business*)
梁兆昌
(*副主席及室內裝飾及特殊項目業務
董事總經理*)
Lau Man Tak*
劉文德*
Eric Lee Hon Man*
李翰文*
Wong Yun Kuen*
黃潤權*

* *Independent Non-executive Director*
* 獨立非執行董事

Audit Committee 審核委員會

Lau Man Tak (*Chairman*)
劉文德 (主席)
Eric Lee Hon Man
李翰文
Wong Yun Kuen
黃潤權

Nomination Committee 提名委員會

Eric Lee Hon Man (*Chairman*)
李翰文 (主席)
Kingston Chu Chun Ho
朱俊浩
Lau Man Tak
劉文德
Wong Yun Kuen
黃潤權

Remuneration Committee 薪酬委員會

Wong Yun Kuen (*Chairman*)
黃潤權 (主席)
Kingston Chu Chun Ho
朱俊浩
Lau Man Tak
劉文德
Eric Lee Hon Man
李翰文

Executive Committee 執行委員會

Kingston Chu Chun Ho
朱俊浩
Terence Leung Siu Cheong
梁兆昌
Mandy Hui Suk Man
許淑敏

Company Secretary 公司秘書

Eric Chan Kwong Leung
陳鄭良

Auditor 核數師

PricewaterhouseCoopers
羅兵咸永道會計師事務所

Principal Bankers 主要往來銀行

The Hongkong and Shanghai
Banking Corporation Limited
香港上海滙豐銀行有限公司
Chong Hing Bank Limited
創興銀行有限公司
O-Bank Co., Ltd
王道商業銀行股份有限公司

Registered Office 註冊辦事處

Clarendon House
2 Church Street
Hamilton, HM 11
Bermuda

Head office and Principal Place of Business in Hong Kong 總辦事處及香港 主要營業地點

7/F., Linkchart Centre
2 Tai Yip Street
Kwun Tong, Kowloon
Hong Kong
香港九龍觀塘
大業街2號
聯卓中心7樓

Principal Share Registrar and Transfer Agent 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

Hong Kong Branch Share Registrar and Transfer Office 香港股份過戶登記分處

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong
香港中央證券登記有限公司
香港灣仔皇后大道東183號
合和中心17樓1712-1716號舖

Stock Code 股份代號

02340

Board Lot 每手買賣單位

4,000 shares
4,000股

Website 網站

www.synergis.com.hk

E-mail Address 電郵地址

info@synergis.com.hk

Financial Calendar

Announcement of interim results	28 August 2018
Announcement of annual results	26 March 2019
Annual General Meeting for 2019	24 May 2019

財務日誌

公佈中期業績	2018年8月28日
公佈全年業績	2019年3月26日
2019年股東周年大會	2019年5月24日



SYNERGIS HOLDINGS LIMITED

昇捷控股有限公司

7/F., Linkchart Centre, 2 Tai Yip Street,
Kwun Tong, Kowloon, Hong Kong

Tel : (852) 3471 2340

Fax : (852) 2751 8784

香港九龍觀塘大業街2號聯卓中心7樓

電話 : (852) 3471 2340

傳真 : (852) 2751 8784

www.synergis.com.hk