



PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：03326



佛山机场 顺德伦教
SHUN DE

保发珠宝产业中心

广州南站

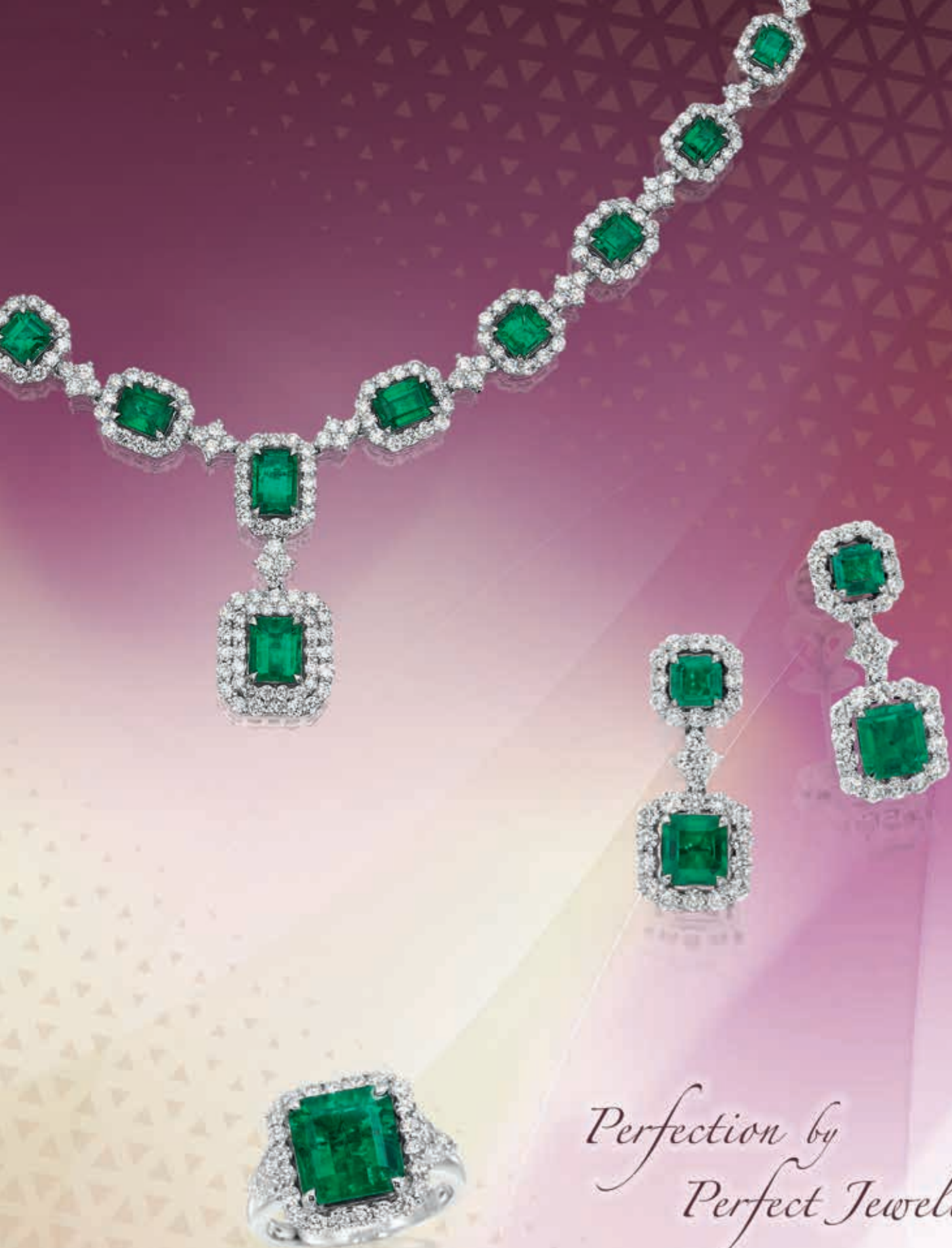
顺德港

江门

香港

澳门

ANNUAL REPORT 2018 年度報告



*Perfection by
Perfect Jewellery*

*Perfection by
Perfect Jewellery*





香港珠寶首飾展覽會
HONG KONG JEWELLERY & GEM FAIR

順德國際珠寶首飾展
SHUNDE INTERNATIONAL JEWELLERY & GEM FAIR



Perfection by Perfect Jewellery



保發珠寶產業中心
PERFECT GROUP JEWELLERY INDUSTRY PARK

保發集團大廈
PERFECT TOWER



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Executive Directors

Mr. Kan Kin Kwong (*Chairman and Chief Executive officer*)
Ms. Shek Mei Chun
Mr. Chung Chi Keung

Non-executive Director

Mr. He Dingding (appointed on 1 March 2017.
He resigned on 1 March 2018)

Independent Non-executive Directors

Mr. Fan Chor Ho
Mr. Li Cheuk Wai
Mr. Wong Wai Keung Frederick

Audit Committee

Mr. Wong Wai Keung Frederick (*Chairman*)
Mr. He Dingding (appointed on 1 March 2017.
He resigned on 1 March 2018)
Mr. Li Cheuk Wai
Mr. Fan Chor Ho (appointed on 1 March 2018)

Remuneration Committee

Mr. Li Cheuk Wai (*Chairman*)
Mr. Chung Chi Keung
Mr. Wong Wai Keung Frederick

Nomination Committee

Mr. Kan Kin Kwong (*Chairman*)
Mr. Fan Chor Ho
Mr. Li Cheuk Wai

Risk Management Committee

Mr. Kan Kin Kwong (*Chairman*)
Ms. Shek Mei Chun
Mr. Li Cheuk Wai

Company Secretary

Mr. Tam Chun Wa

執行董事

簡健光先生 (主席兼行政總裁)
石美珍女士
鍾志強先生

非執行董事

賀丁丁先生 (於2017年3月1日獲委任。
彼於2018年3月1日辭任)

獨立非執行董事

范佐浩先生
李卓威先生
黃煒強先生

審核委員會

黃煒強先生 (主席)
賀丁丁先生 (於2017年3月1日獲委任。
彼於2018年3月1日辭任)
李卓威先生
范佐浩先生 (於2018年3月1日獲委任)

薪酬委員會

李卓威先生 (主席)
鍾志強先生
黃煒強先生

提名委員會

簡健光先生 (主席)
范佐浩先生
李卓威先生

風險管理委員會

簡健光先生 (主席)
石美珍女士
李卓威先生

公司秘書

譚鎮華先生

Corporate Information 公司資料

Auditor

Deloitte Touche Tohmatsu
35/F, One Pacific Place
88 Queensway
Hong Kong

Legal Advisers

As to Hong Kong Law

Loeb & Loeb LLP
21st Floor, CCB Tower
3 Connaught Road Central
Hong Kong

As to Cayman Islands Law

Conyers Dill & Pearman
2901, One Exchange Square,
8 Connaught Place, Central,
Hong Kong

Principal Bankers

The Bank of East Asia, Limited
Millennium City 5 BEA Tower
418 Kwun Tong Road
Hong Kong

OCBC Wing Hang Bank Limited
104 Ma Tau Wai Road
Hung Hom
Hong Kong

Principal Share Registrar and Transfer Office in the Cayman Islands

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

核數師

德勤•關黃陳方會計師行
香港
金鐘道88號
太古廣場一座35樓

法律顧問

有關香港法律

樂博律師事務所有限法律責任合夥
香港
干諾道中3號
中國建設銀行大廈21樓

有關開曼群島法律

Conyers Dill & Pearman
香港
中環康樂廣場8號
交易廣場一座2901室

主要往來銀行

東亞銀行有限公司
香港
觀塘道418號
創紀之城五期東亞銀行中心

華僑永亨銀行有限公司
香港
紅磡
馬頭圍道104號

開曼群島股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

Hong Kong Branch Share Registrar

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road
North Point, Hong Kong

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

Place of Business in Hong Kong and Headquarter

26th Floor,
YHC Tower
No. 1 Sheung Yuet Road
Kowloon
Hong Kong

Company's Website Address

www.hkperjew.com.hk

Stock Code

3326

香港股份過戶登記分處

聯合證券登記有限公司
香港北角
英皇道338號
華懋交易廣場2期
33樓3301至04室

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

香港營業地點及總部

香港
九龍
常悅道1號
恩浩國際中心
26樓

公司網址

www.hkperjew.com.hk

股份代號

3326

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (the “Board”) of Directors (the “Director”) of Perfect Group International Holdings Limited (the “Company”), it is my pleasure to present to you the annual report of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018.

Business Outlook and Future Prospects

The Group is one of the top fine jewellery manufacturers and wholesalers with approximately 30 years of history in Hong Kong. The Group positions its products to target the high-end segment of the fine jewellery market by average wholesale price and engaged in designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds) (“**Jewellery Business**”) and in 2017 engaged in development and sales of properties for the Group’s integrated and comprehensive industry park located at 1st Ring Road South Extension Foshan, Guangdong Province, the PRC (“**Property Development**”) with the development plan to build an integrated and comprehensive industry park (the “**Perfect Group Jewellery Industry Park**”).

Jewellery Business

In the first half of the year 2018, Jewellery Business has stabilized with a slight improvement compared with the corresponding period of last year. However, during the second half of the year 2018, the Group, although maintained a relatively stable sales in the Hong Kong region, suffered from the weak buying behavior of customers in the Dubai region. The Group considered that the drop in the sales in the Dubai region was mainly due to the challenges from macroeconomic issues such as uncertain oil prices, as well as trade tensions between US and the PRC and in other regions, and currency volatility in many emerging markets. In response to this economic climate, the Group has been looking for opportunities to explore or expand new markets, such as the cooperation with or joint investment with other business partners in the PRC.

致各股東：

本人謹代表保發集團國際控股有限公司（「本公司」）董事會（「董事會」）之董事（「董事」）欣然向閣下提呈本公司及其附屬公司（統稱「本集團」）截至2018年12月31日止年度之年報。

業務展望及未來前景

本集團為香港頂尖優質珠寶製造商及批發商之一，擁有約30年歷史。本集團的產品定位為面向按平均批發價計算屬高端的優質珠寶市場，並從事設計、製造及出售主要鑲嵌鑽石的高端優質珠寶（「**珠寶業務**」），及於2017年就本集團位於中國廣東省佛山一環南延線的綜合全面產業中心項目從事開發及銷售物業（「**物業發展**」），發展計劃為建設一個綜合全面產業中心（「**保發珠寶產業中心**」）。

珠寶業務

於2018年上半年，珠寶業務發展穩定，並較去年同期輕微改善。然而，於2018年下半年度，儘管香港地區的銷售維持相對穩定，本集團受到迪拜地區客戶購買意慾疲弱所影響。本集團認為，迪拜地區的銷售下跌主要由於石油價格不確定等宏觀經濟問題、美國與中國及其他地區之間的貿易緊張情況及多個新興市場的貨幣波動帶來的挑戰。為應對各種經濟環境，本集團一直尋求機會開拓或擴展新市場，例如與中國其他業務夥伴合作或共同投資。

Property Development

The construction work for the Perfect Group Jewellery Industry Park is progressing as scheduled. In January 2018, the Group held the topping-up ceremony for the Perfect Tower, the head-quarter of the Group in the PRC, inside the Perfect Group Jewellery Industry Park. The relocation process of the production facilities to Perfect Group Jewellery Park was completed in June 2018 as scheduled. The construction work for Perfect Expo, the exhibition building inside the Perfect Group Jewellery Industry Park, was also completed in 2018. The Group has held the 3rd Shunde International Jewellery and Gem Fair in the Perfect Expo in November 2018 and received overwhelming response from customers and other business parties in this fair. In future, the Group intends to utilize the Perfect Expo as the sales and marketing channel of the Group's jewellery products and by way of further shows and exhibitions in the Perfect Expo to promote the sales of the jewellery products of the Group.

A significant portion of the Perfect Group Jewellery Industry Park has been completed. The Group received overwhelming response from the buyers and almost all of the factory units in Perfect Group Jewellery Industry Park which the Group intended for sale have been sold. In 2018, the Group has delivered part of the completed portion of Perfect Group Jewellery Industry Park to the buyers. The Group expects that almost all of the construction work of the Perfect Group Jewellery Industry Park will be completed in 2019 and further sales and delivery of the completed units to buyers will be made in 2019. The leasing of certain part of the Perfect Group Jewellery Industry Park has started at the end of the year 2018. Approximately HK\$0.03 million has been recorded during the year 2018 and the Group expects more rental income will be recorded as the development of Perfect Group Jewellery Industry Park has completed.

物業發展

保發珠寶產業中心的建築工程按進度進行中。於2018年1月，本集團為保發珠寶產業中心內之保發集團大廈（即本集團於中國之總部）舉行平頂儀式。生產設施搬遷至保發珠寶產業中心之搬遷程序已按計劃於2018年6月完成。保發博覽館（即保發珠寶產業中心內之展覽大樓）之建築工程亦已於2018年完成。本集團於2018年11月在保發博覽館舉辦第三屆順德國際珠寶展，於是次展覽會取得客戶及其他業務方的熱烈好評。於日後，本集團擬運用保發博覽館作為本集團珠寶產品的銷售及營銷渠道，並透過於保發博覽館進一步舉辦展覽會及博覽會，以促進本集團珠寶產品的銷售。

保發珠寶產業中心的重大部份經已完成。本集團擬銷售的保發珠寶產業中心的工廠單位獲買家熱烈認購，絕大部份經已售出。於2018年，本集團已將部份保發珠寶產業中心的已竣工部份交付予買家。本集團預期保發珠寶產業中心的幾乎全部建築工程將於2019年完成，並將於2019年向買家進一步銷售及交付已完成單位。保發珠寶產業中心之若干部份已於2018年底開始出租。於2018年期間已錄得約30,000港元。隨著保發珠寶產業中心之發展項目竣工，本集團預期將錄得更多租金收入。

Chairman's Statement 主席報告

The Group has signed property management contracts with occupants and started providing management services to them. The Group expects this will generate stable income for the Group in the coming years.

Appreciation

I would like to express heartfelt gratitude to my fellow directors, senior management and employees of the Group for their diligence, and sincerely thank our shareholders, business partners and customers for their support and trust.

Kan Kin Kwong
Chairman

Hong Kong, 22 March 2019

本集團已與住戶簽訂物業管理合約，並已開始為彼等提供管理服務。本集團預期此將於未來年度為本集團帶來穩定收入。

致謝

本人衷心感謝董事同仁、本集團高級管理人員及員工的辛勤工作，並對股東、業務合作夥伴和客戶的支持和信任深表謝意。

主席
簡健光

香港，2019年3月22日

Management Discussion and Analysis

管理層討論及分析

The principal business of the Group is designing, manufacturing and sales of high-end fine jewellery (primarily mounted with diamonds) (“Jewellery Business”) and the development and sales of properties for the Group’s integrated and comprehensive industry park located at 1st Ring Road South Extension Foshan, Guangdong Province, the PRC (“Property Development”) with the development plan to build an integrated and comprehensive industry park (the “Perfect Group Jewellery Industry Park”).

FINANCIAL REVIEW

Overall Revenue

The Group’s revenue for the year ended 31 December 2018 was approximately HK\$522.0 million (2017: HK\$352.0 million), representing an increase of approximately HK\$170.0 million or 48.3% over the corresponding year of 2017. The increase in the Group’s revenue was primarily due to the recognition of revenue from sale of properties in the PRC which was partly offset by the decrease in revenue from Jewellery Business during the year.

The revenue of Jewellery Business and Property Development business represents approximately 60.2% and 39.8% respectively of total revenue.

Jewellery Business

Revenue

The Group’s revenue for Jewellery Business during the year ended 31 December 2018 was approximately HK\$314.3 million (2017: HK\$352.0 million), representing a decrease of approximately HK\$37.7 million or 10.7% over the corresponding year of 2017. The decrease in the Group’s revenue was primarily due to the decrease in sales of jewellery products in Dubai region in the second half of the year.

本集團的主要業務是設計、製造及出售主要鑲嵌鑽石的高端優質珠寶（「珠寶業務」），及就本集團位於中國廣東省佛山一環南延線的綜合全面產業中心項目開發及銷售物業（「物業發展」），發展計劃為建設一個綜合全面產業中心（「保發珠寶產業中心」）。

財務回顧

整體收益

截至2018年12月31日止年度，本集團之收益約為522,000,000港元（2017年：352,000,000港元），較2017年同期增加約170,000,000港元或48.3%。本集團收益增加主要由於年內確認銷售中國物業之收益，惟部分由珠寶業務之收益減少所抵銷。

珠寶業務及物業發展業務之收益分別佔總收益約60.2%及39.8%。

珠寶業務

收益

截至2018年12月31日止年度期間，本集團來自珠寶業務之收益約為314,300,000港元（2017年：352,000,000港元），較2017年同期減少約37,700,000港元或10.7%。本集團收益減少主要由於迪拜地區於下半年度的珠寶產品銷售減少。

Management Discussion and Analysis 管理層討論及分析

The sales to Hong Kong was maintained at approximately HK\$208.7 million (2017: HK\$208.6 million). However, the sales to Dubai region decreased from approximately HK\$142.3 million to approximately HK\$103.8 million, representing a decrease of approximately HK\$38.5 million or 27.1%. The sales to the PRC, which was still on an exploring stage, was approximately HK\$1.7 million (2017: HK\$1.1 million), an increase of approximately HK\$0.6 million or 54.5%.

Gross profit and gross profit margin

The gross profit decreased from approximately HK\$110.2 million to HK\$80.0 million, representing an decrease of approximately HK\$30.2 million or 27.4% which is in line with the sales of Jewellery Business. The gross profit margin was approximately 25.5% which was at a similar level comparing with last year (2017: 26.7%), the gross profit margin after excluding the reversal of the provision on the staff benefits.

Property Development

Revenue and Gross Profit

Revenue of approximately HK\$207.7 million (2017: Nil) was recorded for the year for the Property Development. The revenue from Property Development was recognised at a point in time when the customer obtains control of the respective properties. The gross profits recognised for the year was approximately HK\$88.0 million which was approximately 42.4%.

Overall Gross profit and gross profit margin

Overall gross profit increased from approximately HK\$110.2 million to approximately HK\$168.0 million, representing an increase of approximately HK\$57.8 million or 52.5%. Included in the gross profit, approximately HK\$80.0 million related to Jewellery Business, representing an decrease of approximately HK\$30.2 million or 27.4%, and approximately HK\$88.0 million related to Property Development business.

來自香港之銷售額維持約208,700,000港元(2017年: 208,600,000港元)。然而,來自迪拜地區之銷售額由約142,300,000港元減少至約103,800,000港元,減少約38,500,000港元或27.1%。來自中國之銷售額(仍處於開拓階段)約為1,700,000港元(2017年: 1,100,000港元),增加約600,000港元或54.5%。

毛利及毛利率

毛利由約110,200,000港元減少至80,000,000港元,減少約30,200,000港元或27.4%,與珠寶業務之銷售額相符。毛利率約為25.5%(2017年: 26.7%),與去年之水平相若,毛利率已撇除員工福利撥備撥回。

物業發展

收益及毛利

物業發展於年內錄得收益約207,700,000港元(2017年: 無)。物業發展之收益於客戶取得相關物業之控制時確認。年內已確認毛利為約88,000,000港元,約為42.4%。

整體毛利及毛利率

整體毛利由約110,200,000港元增加至約168,000,000港元,增加約57,800,000港元或52.5%。毛利中約80,000,000港元與珠寶業務相關,減少約30,200,000港元或27.4%,及約88,000,000港元與物業發展業務相關。

Other income

Other income increased from approximately HK\$1.3 million to HK\$2.6 million, an increase of approximately HK\$1.3 million or 107.1%. The increase mainly comprised of scrap sales of approximately HK\$0.3 million (2017: HK\$0.7 million) and interest income of approximately HK\$1.9 million (2017: HK\$ 0.3 million) derived from the deposits placed with the banks.

Other gains and losses

Other gains and losses include the write-off of plant and equipment of approximately HK\$0.9 million (2017: Nil) as a result of transfer of Dongguan factory to Perfect Group Jewellery Industry Park during the year and the impairment loss recognised on trade receivables amounting to approximately HK\$0.8 million (2017: Reversal of allowances for doubtful debts of approximately HK\$1.1 million).

Finance costs

Finance costs of approximately HK\$3.8 million during the year related to interests on the bank loans for the operation of the jewellery manufacturing and on the construction of the property development.

Selling and distribution costs

The decrease in selling and distribution costs of approximately HK\$15.4 million to approximately HK\$14.9 million, representing a decrease of approximately HK\$0.5 million or 3.2% was mainly due to the decrease of delivery charges during the year.

其他收入

其他收入由約1,300,000港元增加至2,600,000港元，增加約1,300,000港元或107.1%，主要為廢料銷售額約300,000港元（2017年：700,000港元）及銀行存款所產生之利息收入約1,900,000港元（2017年：300,000港元）。

其他收益及虧損

其他收益及虧損包括年內因由東莞廠房搬遷至保發珠寶產業中心而撇銷物業及設備約900,000港元（2017年：零港元）及貿易應收款項之已確認減值虧損約800,000港元（2017年：呆賬撥備撥回約1,100,000港元）。

財務費用

年內之財務費用約3,800,000港元乃關於經營珠寶製造業務之銀行貸款及物業發展之建築工程之利息。

銷售及分銷成本

銷售及分銷成本由約15,400,000港元減少至約14,900,000港元，減少約500,000港元或3.2%，主要由於年內運費減少所致。

Management Discussion and Analysis 管理層討論及分析

General and administrative expenses

The increase in general and administrative expenses from approximately HK\$42.2 million to approximately HK\$48.8 million, representing an increase of approximately HK\$6.6 million or 15.6% was mainly due to severance payment amounting to approximately HK\$5.3 million. The severance payment was related to the transfer of Dongguan factory to Perfect Group Jewellery Industry Park during the year (2017: Nil).

Profit for the year

As a result of the above factors, profit for the year ended 31 December 2018 was approximately HK\$71.6 million (2017: HK\$48.1 million), representing an increase of approximately HK\$23.5 million or approximately 48.9%.

Financial position

Non-current Assets

Among the HK\$131.1 million (2017: HK\$29.0 million) of property, plant and equipment, approximately HK\$127.4 million (2017: HK\$23.5 million) were construction in progress, approximately HK\$2.3 million (2017: HK\$3.7 million) was furniture and fixtures. The remaining balance of approximately HK\$1.4 million (2017: HK\$1.8 million) were plant and machinery and motor vehicles.

The Group has also changed the use of certain property of approximately HK\$9.6 million (2017: Nil) to investment properties and leased them to independent third parties.

Prepaid lease payments were leasehold land in the PRC approximately HK\$14.9 million (2017: HK\$16.9 million) was classified as non-current assets and approximately HK\$0.3 million (2017: HK\$0.4 million) was classified as current assets.

一般及行政開支

一般及行政開支由約42,200,000港元增加至約48,800,000港元，增加約6,600,000港元或15.6%，主要由於遣散費約5,300,000港元。遣散費乃關於年內由東莞廠房搬遷至保發珠寶產業中心（2017年：無）。

年內溢利

由於上述因素，截至2018年12月31日止年度之溢利約為71,600,000港元（2017年：48,100,000港元），增加約23,500,000港元或約48.9%。

財務狀況

非流動資產

於物業、廠房及設備之131,100,000港元（2017年：29,000,000港元）中，約127,400,000港元（2017年：23,500,000港元）為在建工程、約2,300,000港元（2017年：3,700,000港元）為傢俱及裝置，而餘額約1,400,000港元（2017年：1,800,000港元）為廠房及機械以及汽車。

本集團亦更改約9,600,000港元（2017年：無）之若干物業之用途為投資物業，並已出租予獨立第三方。

預付租賃款項為位於中國之租賃土地，約14,900,000港元（2017年：16,900,000港元）已分類為非流動資產，而約300,000港元（2017年：400,000港元）已分類為流動資產。

Current assets

Current assets increased to approximately to HK\$908.2 million (2017: HK\$536.8 million). This was mainly due to increase in the Properties under development for sales and Properties held for sale of approximately HK\$257.4 million (2017: HK\$186.4 million) and approximately HK\$122.0 million (2017: NIL) respectively. Inventory of approximately HK\$167.0 million (2017: HK\$180.0 million) mainly comprised of raw materials, work in progress and finished goods, similar to last year. Bank balances and cash also increased to approximately HK\$218.1 million (2017: HK\$59.5 million) because of money received from sales of properties in Perfect Group Jewellery Industry Park.

As at 31 December 2018, there was an increase in trade receivables mainly due to sales of properties in PRC.

Moreover, there was an increase in other receivables, prepayment and deposits from approximately HK\$22.4 million to approximately HK\$38.5 million. This was mainly due to increase in prepayment of VAT in relation to sale of properties in PRC from approximately HK\$8.1 million to approximately HK\$24.9 million.

Current Liabilities

Trade and other payables amounting to approximately HK\$110.0 million (2017: HK\$29.1 million) comprised of trade payable of approximately HK\$102.6 million (2017: HK\$15.2 million) and accrual and other payables of approximately HK\$7.4 million (2017: HK\$13.9 million). Accrual and other payables mainly consists of payable of staff salaries and benefits and provision for certain construction obligations. As at 31 December 2018, trade payables increased from approximately HK\$15.2 million to approximately HK\$102.6 million mainly due to the construction cost payables of approximately HK\$79.0 million to contractors for the properties in Perfect Group Jewellery Industry Park.

流動資產

流動資產增加至約908,200,000港元(2017年: 536,800,000港元), 主要由於發展中待售物業及持作出售物業分別增加至約257,400,000港元(2017年: 186,400,000港元)及約122,000,000港元(2017年: 無)。存貨約167,000,000港元(2017年: 180,000,000港元)主要包括原材料、在建工程及製成品, 與去年相若。由於銷售保發珠寶產業中心之物業所收取之款項, 銀行結餘及現金亦增加至約218,100,000港元(2017年: 59,500,000港元)。

於2018年12月31日, 貿易應收款項增加主要由於銷售中國物業。

此外, 其他應收款項、預付款項及按金由約22,400,000港元增加至約38,500,000港元, 主要由於銷售中國物業之預付增值稅由約8,100,000港元增加至約24,900,000港元所致。

流動負債

貿易及其他應付款項約110,000,000港元(2017年: 29,100,000港元)包括貿易應付款項約102,600,000港元(2017年: 15,200,000港元)以及應計款項及其他應付款項約7,400,000港元(2017年: 13,900,000港元)。應計款項及其他應付款項主要包括應付員工薪金及福利以及若干建築責任撥備。於2018年12月31日, 貿易應付款項由約15,200,000港元增加至約102,600,000港元, 主要由於就保發珠寶產業中心之物業應付承建商之建築成本約79,000,000港元所致。

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The contract liabilities, which are the deposit received from the customers of properties in the PRC, amounted to approximately HK\$214.3 million (2017 : NIL).

Share Capital

Pursuant to a resolution at the extraordinary general meeting of the Company held on 12 September 2017, every one issued and unissued existing ordinary shares of HK\$0.01 each in the share capital of the Company was subdivided into three subdivided shares of one-third Hong Kong cent each which became effective on 13 September 2017. As a result, the issued capital of the Company has been changed from 450,000,000 shares of HK\$0.01 each to 1,350,000,000 shares of one-third Hong Kong cent each.

Liquidity and financial resources

As at 31 December 2018, the Group had current assets of approximately HK\$908.2 million (2017: HK\$536.8 million) and current liabilities amounted to approximately HK\$363.6 million (2017: HK\$64.6 million). Accordingly, the current ratio, being the ratio of current assets to current liabilities, was approximately 2.5 as at 31 December 2018 (2017: 8.3).

Gearing ratio

Based on total borrowings divided by equity, the gearing ratio was approximately 28.1% (2017: 4.9%).

Foreign exchange exposure

During the year, certain group entities have foreign currency denominated sales and purchases; and monetary assets and liabilities which expose the Group to foreign currency risks on the currencies of HKD, USD, RMB, and AED. The sales are primarily made in USD while the expenses, including purchase of raw materials are mainly in USD and HKD with immaterial portion of cost, primarily being staff cost and factory overheads, in RMB.

合約負債（即已收中國物業客戶之按金）約為214,300,000港元（2017年：無）。

股本

根據於2017年9月12日舉行之本公司股東特別大會上之決議案，本公司股本中每股面值0.01港元之已發行及未發行現有普通股份已拆細為三股每股面值三分之一港仙之股份，已由2017年9月13日起生效。因此，本公司之已發行股本已由450,000,000股每股面值0.01港元更改為1,350,000,000股每股面值三分之一港仙。

流動資金及財務資源

於2018年12月31日，本集團有流動資產約908,200,000港元（2017年：536,800,000港元）及流動負債約363,600,000港元（2017年：64,600,000港元）。因此，於2018年12月31日，流動比率（即流動資產與流動負債的比率）約為2.5（2017年：8.3）。

資本負債比率

根據借貸總額除以權益計算，資本負債比率約為28.1%（2017年：4.9%）。

外匯風險

年內，若干集團實體以外幣進行買賣，貨幣資產及負債令本集團面臨有關港元、美元、人民幣及阿聯酋迪拉姆貨幣的外匯風險。銷售主要以美元進行，而開支（包括原材料採購額）主要以美元及港元支付，而極少部分的成本（主要為員工成本及工廠經常性開支）以人民幣支付。

Despite the expenses are mainly settled in HKD and USD and substantial portion of the sales and expenses are made in either USD or HKD, with HKD and AED being pegged with the USD, the impact of fluctuation of USD to the operational and financial performance would be immaterial, hence the Group's exposure to currency risk is not significant.

Principal risks and uncertainties

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

Business and Financial Risks

- (i) The profitability and financial position may be materially and adversely affected if any of our major customers ceases their business relationship with us;
- (ii) The business and financial position may be materially and adversely affected if there is a global economic downturn, in particular, in the Middle East market; and
- (iii) We are susceptible to material and adverse change in the Hong Kong tax laws or unfavourable interpretation regarding apportionment claim of profits in cross-border processing business.

Interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest-bearing bank balances and bank borrowings (see note 25 for details) at variable interest rates. The Group currently does not have an interest rate hedging policy. However, the management will consider hedging significant interest rate risk should the need arise.

儘管開支主要以港元及美元結算以及大部分的銷售及開支以美元或港元進行，由於港元及阿聯酋迪拉姆與美元掛鈎，美元的波幅對經營及財務表現的影響並不重大，故本集團面臨的貨幣風險並不重大。

主要風險及不穩定因素

本集團之財務狀況、經營業績、業務及展望可能受多種風險及不穩定因素所影響。下文為本集團所識別之主要風險及不穩定因素。除本集團已知或現時並不重大但可能在未來變得重大之其他風險及不穩定因素外，可能有其他風險及不穩定因素。

業務及財務風險

- (i) 倘任何主要客戶終止與我們的業務關係，盈利能力及財務狀況可能遭受重大不利影響；
- (ii) 倘全球經濟，尤其是中東市場衰退，業務及財務狀況或會受到重大不利影響；及
- (iii) 我們易受香港稅法重大不利變動或對跨境加工業務溢利分配申報的不利詮釋的影響。

利率風險

本集團承受因計息財務資產及負債（主要為按浮動利率計息的銀行結餘及銀行借貸（詳情見附註25））利率變動的影響而承受現金流量利率風險。本集團目前並無利率對沖政策，然而，管理層會於有需要時考慮對沖重大利率風險。

Management Discussion and Analysis 管理層討論及分析

Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

Charge on assets

There was charge on the Group's assets as at 31 December 2018 amounting to approximately HK\$152.1 million (2017: Nil).

Dividend policy

The Board intends to create long term value for the shareholders of the Company through maintaining a balance between dividend distribution, adequate cash flow and reserve to meet its working capital requirement and capturing growth opportunities. The Board may propose or declare the payment of dividends after taking into account the current financial performance, the future financial requirements and any other factors that may deem relevant to the Company. The Board may decide the frequency of dividend payment and further declare or recommend any special distributions. Dividends may be declared or paid by way of cash or scrip or by other means that the Board considers appropriate. The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of Cayman Islands and the Company's memorandum and articles of association. The Board will review this dividend policy from time to time and there can be no assurance that dividend will be paid in any particular amount for any given period.

信貸風險及減值評估

倘對約方未能於各年末履行彼等的責任，則本集團就各類已確認財務資產的最大信貸風險為該等列於綜合財務狀況表內的資產的賬面值。為了盡量減低信貸風險，本集團管理層已授權管理團隊，負責釐定信貸限額、信貸批核及其他監察程序，確保採取跟進行動以追討逾期債項。

資產抵押

於2018年12月31日，本集團有資產抵押約152,100,000港元(2017年：無)。

股息政策

董事會計劃透過維持股息分派、充足現金流量及儲備之間的平衡為本公司股東創造長遠價值，以符合其營運資金規定及把握增長機會。董事會可在考慮目前財務表現、未來財務要求及任何其他可能被視為與本公司相關的因素後建議或宣派股息。董事會可決定派付股息的次數，並進一步宣派或建議任何特別分派。股息可以現金或以股代息或董事會認為合適的其他方式宣派或派付。股息派付亦須遵守適用法例及法規，包括開曼群島法例及本公司的章程大綱及細則。董事會將不時檢討本股息政策，概不保證將於任何指定期間派付任何指定金額的股息。

Capital commitments

Capital expenditure in respect of the property, plant and equipment and properties under development for sale contracted but not provided for in the consolidated financial statements amounted to approximately HK\$380.9 million (2017: HK\$437.3 million).

Material acquisitions and disposals of subsidiaries and affiliated companies

During the year ended 31 December 2018, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Employee and remuneration policy

As at 31 December 2018, the Group had approximately 118 employees (2017: 267 employees) in Hong Kong and Mainland China. The total salaries and related costs for the year ended 31 December 2018 amounted to approximately HK\$37.1 million (2017: HK\$30.0 million after reversal on staff benefits for previous years amounting to approximately HK\$16.3 million).

The Group offered competitive remuneration package as an incentive to staff to improve the work performance. The Company has share option scheme in place as a means to encourage and reward the eligible employees' (including the Directors of the Company) contributions to the Group's performance and business development based on their individual performance. The employees' remuneration, promotion and salary are assessed by reference to their work performance, working experiences, professional qualifications and the prevailing market practice.

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2018 (2017: Nil).

資本承擔

有關已訂約但未於綜合財務報表撥備之物業、廠房及設備以及發展中待售物業之資本支出約為380,900,000港元(2017年: 437,300,000港元)。

重大收購及出售附屬公司及聯屬公司

截至2018年12月31日止年度期間,本集團並無任何重大收購及出售附屬公司及聯屬公司。

僱員及薪酬政策

於2018年12月31日,本集團於香港及中國內地合共約有118名僱員(2017年: 267名僱員)。截至2018年12月31日止年度,薪金及相關成本總額約為37,100,000港元(2017年: 於撥回過去年度之員工福利約16,300,000港元後為30,000,000港元)。

本集團提供具競爭力的薪酬待遇,以鼓勵員工提升工作表現。本公司現有一項購股權計劃,根據個人表現鼓勵及獎賞合資格僱員(包括本公司董事)對本集團表現及業務發展作出之貢獻。僱員之薪酬、晉升及薪金乃基於其工作表現、工作經驗、專業資格及當前市場慣例而評估。

或然負債

於2018年12月31日,本集團概無任何重大或然負債(2017年: 無)。

Management Discussion and Analysis 管理層討論及分析

Use of proceeds from the global offering

As at 31 December 2018, the Company had utilised approximately HK\$73.8 million of net proceeds from the global offering. The latest revised allocation of the net proceeds and the utilisation of the net proceeds as at 31 December 2018 are set out below:

全球發售的所得款項用途

於2018年12月31日，本公司已動用全球發售之所得款項淨額約73,800,000港元。有關所得款項淨額之最新分配及於2018年12月31日所得款項淨額之動用情況載列如下：

Uses	用途	Latest revised allocation	Utilisation as at 31 December 2018	Remaining balance
		最新經修訂分配 HK\$'000 千港元	於2018年 12月31日之 動用情況 HK\$'000 千港元	
Expanding the Middle East and European high-end markets	擴充中東及歐洲 高端市場	7,700	7,700	—
Upgrading the existing production facilities and hiring and training additional labour	升級現有生產設施 以及聘用及 培訓額外員工	1,839	1,839	—
Brand development	品牌發展	16,837	16,837	—
Enhancing the CRM system	提升客戶關係 管理系統	3,597	878	2,719
Additional working capital and other general corporate purposes	額外營運資金及其他 一般企業用途	2,220	2,220	—
Establishing the headquarter in the PRC and developing the PRC market	於中國成立總部及 開發中國市場	44,340	44,340	—
Total	總計	76,533	73,814	2,719

Management Discussion and Analysis 管理層討論及分析

The business objectives, future plans and planned use of proceeds as stated in the prospectus dated 22 December 2015 (the “Prospectus”) were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus. The uses of proceeds were applied in accordance with the actual development of the market. As of the date of this report, the Directors are not aware of material change to the planned use of the proceeds from the plan as stated in the announcement dated 28 November 2016. The Directors will constantly evaluate the Group’s business objective and will change or modify plans against the changing market condition to ascertain the business growth of the Group.

All the unutilised balances have been placed in licensed banks in Hong Kong.

本集團日期為2015年12月22日的招股章程（「招股章程」）所載的業務目標、未來計劃及所得款用途乃基於本集團於編製招股章程時對未來市況的最佳估計及假設而得出。所得款項已根據實際市場發展情況獲動用。於本報告日期，董事並不知悉日期為2016年11月28日的公告所載計劃的所得款項擬定用途有任何重大變動。董事將不斷評估本集團的業務目標，並將就市況變化變更或修訂計劃，確保本集團的業務增長。

所有尚未動用的結餘已存放於香港的持牌銀行。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷詳情

Executive Directors

Mr. Kan Kin Kwong, aged 59, was appointed as the Director in June 2015 and was appointed as the chairman of the Board and the chief executive officer, and designated as the executive Director in August 2015. Mr. Kan is the founder of the Group and was appointed as a director of HK Perfect in October 1986. Mr. Kan is also the director of Perfect (BVI) and Perfect Group HK, the wholly-owned subsidiaries. Mr. Kan is mainly responsible for managing the overall operations of the Group and planning our business development and strategies, in particular, overseeing the business activities of the Group, supervising the operations and resources allocation of the Group and driving the Group to attain performance targets.

Mr. Kan has over 30 years of experience in the fine jewellery industry. Currently, Mr. Kan is the president of the Hong Kong Gold and Silver Ornament Workers & Merchants General Union, the honorary president of the Hong Kong Gemstone Manufacturers' Association and the 20th honorary president of the Hong Kong Jade Association. Mr. Kan was also awarded "2017 Honorary Fellows" by the Professional Validation Centre of Hong Kong Business Sector on 13 July, 2017, in recognition of his contribution to the local jewellery industry.

Ms. Shek Mei Chun, aged 54, the wife of Mr. Kan, was appointed as the executive Director in August 2015. Mrs. Kan was appointed as a director of HK Perfect in March 1990. Mrs. Kan is mainly responsible for managing the sales operations of the Group, in particular, overseeing the sales activities of the Group, leading the sales team to attain sales targets and devising sales plans based on the varying demands and customer behaviour in different markets.

Ms. Shek has over 25 years of experience in the fine jewellery industry.

執行董事

簡健光先生，59歲，於2015年6月獲委任為董事，並於2015年8月獲委任為董事會主席兼行政總裁，並獲選定為執行董事。簡先生為本集團的創辦人，於1986年10月獲委任為保發珠寶的董事。簡先生亦為全資附屬公司保發（英屬處女群島）及保發集團香港的董事。簡先生主要負責管理本集團整體業務以及制定業務發展及策略，尤其是，監管本集團業務活動、監察本集團營運及資源配置以及帶領本集團實現經營目標。

簡先生於優質珠寶業擁有逾30年經驗。簡先生目前為香港金銀首飾工商總會會長、香港寶石廠商會榮譽會長及香港玉器商會第二十屆名譽會長。簡先生亦於2017年7月13日獲香港商業專業評審中心頒授「2017榮譽院士」以表揚其對本地珠寶行業的貢獻。

石美珍女士，54歲，簡先生之妻子，於2015年8月獲委任為執行董事。簡太太於1990年3月獲委任保發珠寶的董事。簡太太主要負責管理本集團銷售業務，尤其是，監管本集團銷售活動，帶領銷售團隊實現銷售目標並根據不同市場的不同需求及客戶活動制定銷售計劃。

石女士於優質珠寶業擁有逾25年經驗。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

Mr. Chung Chi Keung, aged 57, was appointed as the executive Director in August 2015. Mr. Chung joined HK Perfect as an accountant in March 1990. Mr. Chung was appointed as a director of HK Perfect in November 2006.

Mr. Chung was awarded a higher stage certificate for proficiency in accounting and a certificate of proficiency in cost accounting, both issued by the London Chamber of Commerce and Industry in 1982 and 1985 respectively. Mr. Chung also passed the intermediate examination of the Association of Accounting Technicians in December 1991. Mr. Chung has over 30 years of experience in the accounting industry.

Independent non-executive Directors

Mr. FAN Chor Ho, SBS, BBS, JP, aged 77, was appointed as an Independent Non-executive Director of the Company in December 2015. Mr. Fan currently also acts as a member of the Audit Committee of the Company. Mr. Fan has been an independent non-executive director of Hong Kong International Construction Investment Management Group Co., Limited (Formerly known as Tysan Holdings Limited), a company listed on the Stock Exchange stock code: 687), since August 1993 and is currently the chairman of the audit committee, a member of remuneration committee and a member of the nomination committee of such company. He was a non-executive director of Hong Kong Exchanges and Clearing Limited from 3 April 2000 to 15 April 2003. He was a member of the Advisory Committee to the Securities and Futures Commission from 1993 to 1997 and again serving in the same capacity since 2001 until 2007. He was holding appointments on Government boards and committees, including chairman of the Chinese Medicine Council of Hong Kong from 13 September 2005 to 12 September 2011. He was awarded the Badge of Honour in 1991 and was made a Justice of the Peace in 1993, and was awarded Bronze Bauhinia Star in July 2005 and the Silver Bauhinia Star in July 2011.

鍾志強先生，57歲，於2015年8月獲委任為執行董事。鍾先生於1990年3月加盟保發珠寶擔任會計師。鍾先生於2006年11月獲委任為保發珠寶董事。

鍾先生分別於1982年及1985年獲得倫敦工商商會高等程度會計學專業證書及成本會計學專業證書。鍾先生亦於1991年12月通過會計技術員協會中等程度考試。鍾先生於會計專業擁有逾30年經驗。

獨立非執行董事

范佐浩先生，SBS，BBS，JP，77歲，於2015年12月獲委任為本公司獨立非執行董事。范先生現時亦兼任本公司審核委員會成員。范先生自1993年8月起為聯交所上市公司香港國際建設投資管理集團有限公司（前稱為泰昇集團控股有限公司）（股份代號：687）的獨立非執行董事，且現時為該公司的審核委員會主席、薪酬委員會成員及提名委員會成員。彼曾於2000年4月3日至2003年4月15日擔任香港交易及結算所有限公司非執行董事，並於1993年至1997年擔任證券及期貨事務監察委員會諮詢委員會委員，其後於2001年起重任此職至2007年。彼曾擔任政府小組及委員會多項職務，其中包括曾於2005年9月13日至2011年9月12日出任香港中醫藥管理委員會主席。彼於1991年獲頒授榮譽獎章及於1993年獲委任為太平紳士，並於2005年7月獲頒授銅紫荊星章及於2011年7月獲頒授銀紫荊星章。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

Mr. Li Cheuk Wai, aged 48, was appointed as the independent non-executive Director in December 2015.

Mr. Li received a bachelor's degree in social science from the Chinese University of Hong Kong May 1995 and a bachelor's degree in laws from the University of London in August 2000. Mr. Li obtained the postgraduate certificate in laws issued by the University of Hong Kong in June 2001. Mr. Li was admitted a solicitor of the High Court of Hong Kong in September 2003.

From June 2014 to November 2014, Mr. Li was an independent non-executive director of China Financial Leasing Group Limited, a company listed on the Stock Exchange (stock code: 2312).

Currently, Mr. Li is the senior partner of Li & Lai, a firm of solicitors in Hong Kong.

Mr. Wong Wai Keung Frederick, aged 63, was appointed as the independent non-executive Director in December 2015.

Mr. Wong received a master's degree in electronic commerce from Edith Cowan University in Western Australia in February 2002. Mr. Wong has been a fellow of the Hong Kong Institute of Certified Public Accountants since June 1991 and a fellow of the Institute of Chartered Accountants in England and Wales since December 1993.

李卓威先生，48歲，於2015年12月獲委任為獨立非執行董事。

李先生於1995年5月獲得香港中文大學社會科學學士學位，並於2000年8月獲得倫敦大學法學士學位。李先生於2001年6月獲得香港大學法律專業文憑。李先生於2003年9月獲認可為香港高等法院事務律師。

於2014年6月至2014年11月，李先生為聯交所上市公司中國金融租賃集團有限公司（股份代號：2312）的獨立非執行董事。

李先生目前為香港律師行李賴律師事務所的高級合夥人。

黃煒強先生，63歲，於2015年12月獲委任為獨立非執行董事。

黃先生於2002年2月獲得西澳伊迪斯科文大學電子商貿碩士學位。黃先生自1991年6月起為香港會計師公會資深會員及自1993年12月起為英格蘭及威爾斯特許會計師公會資深會員。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

Mr. Wong has over 30 years of experience in accounting, finance, audit, tax and corporate finance with an international certified public accountant firm and listed companies in the United Kingdom, New Zealand, Hong Kong and Thailand. From April 1996 to March 1999, Mr. Wong was an executive director of Hwa Kay Thai Holdings Limited (currently known as China Solar Energy Holdings Limited), a company listed on the Stock Exchange (stock code: 155). From January 2001 to January 2011, Mr. Wong was the chief financial officer and company secretary of CIGYangtze Ports PLC, a company listed on the Stock Exchange (stock code: 1719 (since 29 January 2018)), and has been an independent non-executive director and a member of the audit committee, remuneration committee and nomination committee of such company since April 2014 and the chairman of the nomination committee of such company since October 2015. Mr. Wong had been the chief financial officer of APAC Resources Limited (stock code: 1104), a company listed on the Stock Exchange, since January 2011 and also acted as the company secretary of the company between April 2011 and December 2011 and since February 2013 until he resigned from such positions in July 2016 and served as a consultant to the company between August 2016 to October 2016. Mr. Wong had been the chief financial officer of Asia Investment Finance Group Limited (stock code: 0033), a company listed on the Stock Exchange, since 18 September 2017 and also acted as the company secretary and authorized representative of such company since 25 September 2017 until he resigned from such positions on 3 November 2017. Mr. Wong has been an independent non-executive director, chairman of the audit committee and the risk management committee and member of the remuneration committee and nomination committee of Wah Sun Handbags International Holdings Limited (stock code: 2683), a company listed on the Stock Exchange, since 22 January 2018 and an executive director of Changfeng Energy Inc., a company listed on the Toronto Venture Exchange (TSXV) (stock code: CFY), since 22 February 2019.

黃先生曾於國際註冊會計師行及英國、新西蘭、香港及泰國的上市公司累積逾30年的會計、財務、審核、稅務及公司財務經驗。自1996年4月至1999年3月，黃先生擔任華基泰集團有限公司(現稱中國源暢光電能源控股有限公司)(聯交所上市公司，股份代號：155)的執行董事。自2001年1月至2011年1月，黃先生為中國基建港口有限公司(聯交所上市公司，自2018年1月29日起股份代號：1719)的首席財務官及公司秘書，自2014年4月起為該公司的獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員，並自2015年10月起為該公司的提名委員會主席。黃先生自2011年1月起曾擔任亞太資源有限公司(聯交所上市公司，股份代號：1104)的首席財務官，並於2011年4月至2011年12月期間及自2013年2月至彼於2016年7月辭去該等職務前擔任該公司的公司秘書，並於2016年8月至2016年10月期間擔任該公司顧問。黃先生自2017年9月18日起擔任亞投金融集團有限公司(聯交所上市公司，股份代號：0033)的首席財務官，並自2017年9月25日起擔任該公司的公司秘書及授權代表，直至2017年11月3日辭任所有該等職務為止。黃先生自2018年1月22日起擔任華新手袋國際控股有限公司(聯交所上市公司，股份代號：2683)的獨立非執行董事、審核委員會及風險管理委員會主席以及薪酬委員會與提名委員會成員及自2019年2月22日起擔任長豐能源有限公司(多倫多創業交易所(Toronto Venture Exchange)上市公司，股份代號：CFY)的執行董事。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷詳情

Senior Management Personnel

Other than the Directors, the senior management team together with the executive Directors, are responsible for the day-to-day management of the Group. The following table sets forth certain information in respect of our senior management personnel:

高級管理人員

除董事外，高級管理團隊與執行董事分擔本集團的日常管理責任。下表載列有關高級管理人員的若干資料：

Name 姓名	Age 年齡	Date of joining HK Perfect/the Group 加盟保發珠寶/ 本集團的日期	Present Position 目前職位	Date of appointment as senior management personnel 獲委任為高級 管理人員的日期	Key role and responsibility 主要責任及職責
Mr. Tam Chun Wa 譚鎮華先生	55	7 February 2017 2017年2月7日	Chief financial officer and company secretary 首席財務官兼公司秘書	7 February 2017 2017年2月7日	Responsible for financial reporting and compliance 財務申報及合規職責

Mr. Tam Chun Wa, aged 55, has been appointed as the chief financial officer, the company secretary and the authorised representative of the Company, all with effect from 7 February 2017. Mr. Tam is mainly responsible for financial reporting and compliance. Mr. Tam Chun Wa, holds a master degree of business administration from University of Sydney and is also a member of Hong Kong Institute of Certified Public Accountants, CPA (Australia) and Institute of Singapore Chartered Accountants. Mr. Tam has more than 20 years of experience in the areas of auditing, accounting, tax, investment banking and company secretarial works. Mr. Tam is an independent non-executive Director of Green Energy Group Limited, being a company listed on the Stock Exchange with stock code 979.

譚鎮華先生，55歲，於2017年2月7日獲委任為本公司之首席財務官、公司秘書及授權代表。譚先生主要負責財務申報及合規事宜。譚鎮華先生持有悉尼大學工商管理碩士學位，亦為香港會計師公會、澳洲會計師公會及新加坡特許會計師公會之會員。譚先生在審核、會計、稅務、投資銀行及公司秘書工作領域擁有逾20年經驗。譚先生為綠色能源科技集團有限公司之獨立非執行董事，該公司於聯交所上市，股份代號979。

Report of the Directors

董事會報告

The Directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018 to all Shareholders.

Principal activities

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in note 35 to the consolidated financial statements.

Results and appropriations

The financial performance of the Group for the year ended 31 December 2018 and the financial position of the Group as at 31 December 2018 are set out in the consolidated financial statements from pages 79 to 81.

Final dividend

The Group has declared an interim dividend of HK\$0.01 per share on 21 September 2018 (2017: HK\$0.01). The Directors recommend the payment for final dividend of HK\$0.01 per share and a special dividend of HK\$0.02 per share for the year ended 31 December 2018 for the recognition of the profit on the Property Development.

董事欣然提早年度報告連同本集團截至2018年12月31日止年度的經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，本公司主要附屬公司之主要業務載於綜合財務報表附註35。

業績及分配

本集團截至2018年12月31日止年度的財務表現及本集團截至2018年12月31日的財務狀況載於第79至81頁之綜合財務報表。

末期股息

本集團於2018年9月21日宣派中期股息每股0.01港元(2017年：0.01港元)。董事建議就確認物業發展之溢利派付截至2018年12月31日止年度的末期股息每股0.01港元及特別股息每股0.02港元。

Report of the Directors 董事會報告

Closure of Register of Members

In order to establish the identity of the shareholders who are entitled to the proposed final dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, no later than 4:00 p.m. on Monday, 3 June 2019. The register of members of the Company will be closed from Tuesday, 4 June 2019 to Thursday, 6 June 2019, both days inclusive, during which period no transfer of shares will be registered. Subject to the approval by the shareholders on the proposed final dividend at the annual general meeting to be held on Monday, 27 May 2019, the final dividend and special dividend will be paid on or around Tuesday, 18 June 2019 to the shareholders whose names appear on the register of members of the Company on Thursday, 6 June 2019.

Business review

Schedule 5 of the Companies Ordinance requires companies to include a business review in the directors' report. Specifically, the Companies Ordinance requires a business review to cover a number of areas which are also approved by the board of directors and included in this report as follows:

1. A fair review of the Group's business
Pages 11 to 16 of this report
2. Principal risks and uncertainties facing the Group
Pages 16 and 17 of this report
3. Important events after the reporting date affecting the Group
Page 18 of this report
4. Indication of likely development of the Group
Pages 8 to 10 of this report

暫停辦理股份過戶登記手續

為釐定有權收取建議末期股息之股東身份，所有正式填妥之過戶表格連同有關股票，須於2019年6月3日（星期一）下午四時正前交回本公司的香港股份過戶登記分處聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室。本公司將於2019年6月4日（星期二）至2019年6月6日（星期四）（首尾兩天包括在內）暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。待股東於本公司將於2019年5月27日（星期一）舉行的股東週年大會上批准建議末期股息後，末期股息及特別股息將於2019年6月18日（星期二）或前後支付予於2019年6月6日（星期四）名列本公司股東名冊的股東。

業務回顧

公司條例附表5要求公司於董事會報告中載入業務回顧。尤其是，公司條例要求業務回顧須覆蓋若干領域並須經董事會批准，且須載入本報告如下：

1. 本集團業務之中肯審視
本年報第11至16頁
2. 本集團所面臨的主要風險及不穩定因素
本年報第16及17頁
3. 報告日期後影響本集團之重要事件
本年報第18頁
4. 揭示本集團之潛在發展
本年報第8至10頁

Segment Information

The executive Directors of the Company, being the chief operating decision maker, regularly review revenue analysis from the sales and manufacturing of Jewellery products, including rings, earrings, pendants, bangles, necklaces and bracelets, and by location of delivery to customers and development and sales of properties. The executive Directors considered there were two operating activities which were manufacturing and sales of jewellery products and development and sales of properties. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, and is regularly reviewed by the executive Directors. The executive Directors review the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation. Accordingly, two analysis of this operating segments are presented.

Five-year financial summary

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 200 of this report. This summary does not form part of the consolidated financial statements.

Share capital

Details of movements in share capital of the Company during the year are set out in note 28 to the consolidated financial statements.

Reserves

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 82 to page 83 and in note 39 to the consolidated financial statements, respectively.

Distributable reserves

As at 31 December 2018, the Company had a reserve of approximately HK\$427,101,000 (2017: reserve of approximately HK\$396,487,000) in its distributable reserves, calculated under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

分部資料

本公司執行董事為主要經營決策者，定期按向客戶交付地點審閱銷售及製造珠寶產品，包括戒指、耳環、吊墜、手鏈、項鏈及手鐲及發展及銷售物業之收益分析。執行董事認為有兩項經營活動，即製造及銷售珠寶產品以及發展及銷售物業。經營分部已按根據符合香港財務報告準則的會計政策編製的內部管理報告識別，並由執行董事定期審閱。執行董事審閱本集團的整體業績、資產及負債，以作出有關資源分配的決定。因此，已呈列此經營分部的兩項分析。

五年財務概要

本集團於過去五個財政年度的業績、資產及負債概要載於本報告第200頁。有關概要並不構成綜合財務報表的部份。

股本

本公司股本於年內的變動詳情載於綜合財務報表附註28。

儲備

本集團及本公司儲備於年內的變動詳情分別載於本年報第82至83頁的綜合權益變動表及綜合財務報表附註39。

可供分派儲備

於2018年12月31日，根據開曼群島法例第22章公司法（1961年第三號法例，經綜合及修訂）計算，本公司之可供分派儲備有儲備約427,101,000港元（2017年：儲備約396,487,000港元）。

Report of the Directors 董事會報告

Major customers and suppliers

Sales attributable to the Group's largest customer and the five largest customers accounted for approximately 6.1% and 26.6% of the Group's total revenue for the year, respectively. The purchases made by the Group from its largest supplier and the five largest suppliers accounted for approximately 69.1% and 96.5% of the Group's total purchases for the year, respectively.

To the best knowledge of the Directors, neither the Directors, their close associates, nor any shareholders who owned more than five percent of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the year.

Subsidiaries

The details of the subsidiaries of the Company are set out in note 35 to the consolidated financial statements.

Property, plant and equipment

Details of movements in property, plant and equipment during the year are set out in note 14 to the consolidated financial statements.

Directors and directors' services contracts

The Directors who hold office during the year and up to the date of this report are:

Executive Directors

Mr. Kan Kin Kwong (*Chairman*)
Ms. Shek Mei Chun
Mr. Chung Chi Keung

Non-executive Director

Mr. He Dingding (appointed on 1 March 2017,
He resigned as non-executive director on 1 March 2018)

Independent non-executive Directors

Mr. Fan Chor Ho
Mr. Li Cheuk Wai
Mr. Wong Wai Keung Frederick

主要客戶及供應商

源自本集團最大客戶及五大客戶之銷售額分別佔本集團年內總收入約6.1%及26.6%。本集團向其最大供應商及五大供應商之採購額分別佔本集團年內採購總額約69.1%及96.5%。

就董事所知，年內，董事及其緊密聯繫人或任何擁有本公司已發行股本5%以上權益的股東均無於本集團五大客戶或供應商中擁有任何實益權益。

附屬公司

有關本公司附屬公司的詳情載於綜合財務報表附註35。

物業、廠房及設備

有關年內物業、廠房及設備變動的詳情載於綜合財務報表附註14。

董事及董事服務合約

年內及截至本報告日期之在職董事如下：

執行董事

簡健光先生 (*主席*)
石美珍女士
鍾志強先生

非執行董事

賀丁丁先生 (於2017年3月1日獲委任。
彼於2018年3月1日辭任非執行董事職務)

獨立非執行董事

范佐浩先生
李卓威先生
黃煒強先生

Each of the executive Directors has renewed a services contract with the Company for a term of three years commencing from 4 January 2019, which may be terminated by, not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of the Directors as set forth in the articles of association of the Company (the "Articles of Association").

Each of the non-executive Directors and the independent non-executive Directors has renewed a letter of appointment or a service agreement with the Company for an initial term of three years commencing from 4 January 2019 or the date of appointment, subject to retirement by rotation and re-election at annual general meeting set forth in the Articles of Association and until terminated by not less than three months' notice in writing served by either party on the other.

No Director has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Company has received annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Rules Governing the listing of securities on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and all of them are considered to be independent.

In accordance with the Articles of Association, one-third of the existing Directors shall retire from office, at the forthcoming annual general meeting. Mr. Chung Chi Keung, and Mr. Fan Chor Ho will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Permitted indemnity provisions

At no time during the year ended 31 December 2018 and up to the date of this report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors and Supervisors (whether made by the Company or otherwise) or an associated company (if made by the Company).

各執行董事已與本公司重續服務合約，自2019年1月4日起計為期三年，可由任一方向另一方發出不少於三個月的書面通知予以終止，惟須遵守當中所載終止條文及本公司組織章程細則（「組織章程細則」）所載有關董事輪席退任的條文。

各非執行董事及獨立非執行董事已與本公司重續委任函或服務協議，初步任期自2019年1月4日或獲委任日起計為三年，並須根據組織章程細則所載於股東週年大會上輪席退任及膺選連任，直至其中一方向另一方發出不少於三個月的書面通知予以終止。

董事並無與本公司或其任何附屬公司訂立不可於一年內不支付補償（法定補償除外）而終止之服務合約。

根據香港聯合交易所有限公司（「聯交所」）主板證券上市規則（「上市規則」）第3.13條，本公司已獲各獨立非執行董事發出年度獨立確認書，而彼等全體均屬獨立。

根據組織章程細則，三分之一之現任董事須於應屆股東週年大會退任。鍾志強先生及范佐浩先生將於應屆股東週年大會上退任，惟符合資格並願意膺選連任。

獲准許的彌償條文

截至2018年12月31日止年度內及直至本報告日期止任何時間，均未曾經或現有生效的任何獲准許的彌償條文惠及董事及監事（不論是否由本公司或其他訂立）或其聯繫公司的任何董事及監事（如由本公司訂立）。

Report of the Directors 董事會報告

Appropriate insurance covers on directors' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure from the business of the Group.

Directors' interest in contracts

Save as disclosed in the section headed – “Continuing connected transactions” of this report, no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which a Director had a material interest subsisted at the year ended 31 December 2018 or at any time during the year.

Continuing connected transactions

On 3 August 2018, Perfect Group HK renewed the existing tenancy agreement (the “Hong Kong Tenancy Agreement”) with HK Perfect, pursuant to which Perfect Group HK continues to lease premises from HK Perfect for a term of three years commencing on 5 August 2018 for the purpose of the Group's offices in Hong Kong. The terms of the renewed tenancy are similar the expired agreement except that the rent has been increased from monthly rent of HK\$290,000 to monthly rent of HK\$350,000. The transactions contemplated under the Hong Kong Tenancy Agreement are subject to reporting and announcement requirements but exempt from circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

涵蓋董事責任的合適保險已經生效，以保障本集團董事及高級人員免受因本集團業務所產生的風險影響。

董事之合約權益

除本報告「持續關連交易」一節所披露者外，本公司或其控股公司或其任何附屬公司並無訂立董事擁有重大權益且在截至2018年12月31日止年度或年內任何時間持續有效之重要合約。

持續關連交易

於2018年8月3日，保發集團香港與保發珠寶重續現有租賃協議（「香港租賃協議」），據此，保發集團香港繼續向保發珠寶租用處所，由2018年8月5日起為期三年，作為本集團於香港之辦事處。已重續租賃協議之條款與已屆滿協議相若，惟租金由月租290,000港元增加至月租350,000港元。根據香港租賃協議擬進行之交易須根據上市規則第14A章有關申報及公佈之規定，惟獲豁免遵守通函及股東批准之規定。

	Aggregate amount for the financial year ended 31 December 2018 截至2018年12月31日止 財政年度之總金額	Annual Cap amount the financial year ended 31 December 2017 截至2017年12月31日止 財政年度之年度上限金額
Lease of premises from Hong Kong Perfect Jewellery Company Limited (Note) 向保發珠寶有限公司租用處所(附註)	HK\$3,772,258 3,772,258港元	HK\$3,480,000 3,480,000港元

Note: Hong Kong Perfect Jewellery Company Limited is a company incorporated in Hong Kong. It is an associate of Mr. Kan Kin Kwong, a controlling shareholder, an executive Director, and a connected person of the Company under the Listing Rules.

附註：保發珠寶有限公司乃一家於香港註冊成立之公司，根據上市規則為本公司控股股東、執行董事兼關連人士簡健光先生之聯營公司。

The independent non-executive Directors of the Company had reviewed the above continuing connected transactions and confirmed that:

- (1) the terms of New Tenancy Agreement are on normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (2) the proposed annual caps are fair and reasonable; and
- (3) the continuing connected transactions contemplated under the New Tenancy Agreement are and will be conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

According to Rule 14A.56 of the Listing Rules, 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". The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules.

Biographies of directors and senior management

The biographical details of the Directors and senior management of the Group are disclosed in the section headed "Biographical Details of Directors and Senior Management" on pages 22 to 26 of this report.

Controlling shareholders' interest in contracts

Save as disclosed in the section headed – "Continuing connected transactions" of this report, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which any of the controlling shareholder (as defined in the Listing Rules) had a material interest subsisted at the end of the year or at any time during the year.

本公司獨立非執行董事已審閱上述持續關連交易並確認：

- (1) 新租賃協議之條款按照一般商業條款進行，公平合理並符合本公司及股東之整體利益；
- (2) 建議年度上限屬公平合理；及
- (3) 新租賃協議項下擬進行之持續關連交易現時及將會於本集團之日常及正常業務過程中進行，並符合本公司及股東之整體利益。

根據上市規則第14A.56條，本公司核數師已獲聘根據香港會計師公會頒佈的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。核數師已根據上市規則第14A.56條發出無保留意見函件，該函件載有核數師對有關本集團在上文所披露的持續關連交易的發現及結論。

董事及高級管理人員之履歷

本集團董事及高級管理人員之履歷詳情於本報告第22至26頁「董事及高級管理人員履歷詳情」一節披露。

控股股東之合約權益

除本報告「持續關連交易」一節所披露者外，本公司或其控股公司或任何其附屬公司並無訂立任何控股股東（定義見上市規則）於其中擁有重大權益且於年末及年內任何時間持續有效之重要合約。

Report of the Directors 董事會報告

Non-competition undertaking by controlling shareholders

Each of the controlling shareholders has made an annual declaration in respect of their compliance with the terms of non-competition undertaking.

Details of the non-competition undertaking are set out in the section headed “Relationship with Controlling Shareholders” of the Company dated 22 December 2015 (the “Prospectus”).

Non-competition undertaking by executive directors

The non-competition undertakings in respect of the executive Directors have become effective from the Listing Date.

Each of the executive Directors has made an annual declaration in respect of their compliance with the terms of non-competition undertaking from the Listing Date to the date of this report.

The independent non-executive Directors had reviewed and confirmed that the executive Directors have complied with the non-competition undertaking and the non-competition undertaking for the period set forth in the paragraph above has been enforced by the Company in accordance with its terms.

Details of the non-competition undertaking are set out in the section headed “Relationship with Controlling Shareholders” of the Prospectus.

Share option scheme

Particulars of the Company’s share option scheme are set out in note 29 to the consolidated financial statements.

控股股東之不競爭承諾

各控股股東已就其遵守不競爭承諾條款作出年度聲明。

不競爭承諾詳情載於本公司日期為2015年12月22日的招股章程（「招股章程」）「與控股股東的關係」一節。

執行董事之不競爭承諾

有關執行董事之不競爭承諾已於上市日期起生效。

各執行董事已就其自上市日期起至本報告日期止遵守不競爭承諾條款作出年度聲明。

獨立非執行董事已審閱及確認執行董事已遵守不競爭承諾及本公司於上文段落所載之期間已根據其條款執行不競爭承諾。

不競爭承諾詳情載於招股章程「與控股股東的關係」一節。

購股權計劃

本公司購股權計劃之詳情載於綜合財務報表附註29。

Disclosure of interests

Interests of Directors and chief executive officers

As of the date of this report, the Directors and the chief executive officer of the Company had the following interests in the shares, underlying shares and debentures of the Company, its associated corporations (within the meaning of the Securities and Future Ordinance (“SFO”)) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

Ordinary shares of one-third Hong Kong cent each of the Company

權益披露

董事及主要行政人員的權益

於本報告日期，本公司董事及主要行政人員於本公司、其相聯法團（定義見證券及期貨條例（「證券及期貨條例」））之股份、相關股份及債券中擁有下列記錄於本公司根據證券及期貨條例第352條所存置的登記冊，或根據上市公司董事進行證券交易的標準守則須通知本公司及聯交所的權益。

本公司每股面值三分之一港仙的普通股份

Name of Director/ chief executive officers	Capacity/nature of interest	Number of shares (Long Position)	Approximately percentage of shareholdings in the Company 佔本公司股權的 概約百分比
董事／主要行政人員姓名	身份／權益性質	股份數目（好倉）	
Mr. Kan Kin Kwong (“Mr. Kan”) 簡健光先生（「簡先生」）	Interest of controlled corporation 受控制法團權益	886,959,000 shares (note 1) 886,959,000股（附註1）	66.44%
	Beneficial owner 實益擁有人	7,320,000 shares 7,320,000股	
	Beneficial owner 實益擁有人	1,350,000 shares (note 3) 1,350,000股（附註3）	
	Interest of spouse 配偶權益	1,260,000 shares (note 4) 1,260,000股（附註4）	
Mr. Chung Chi Keung （“Mr. Chung”） 鍾志強先生（「鍾先生」）	Interest of controlled corporation 受控制法團權益	30,375,000 shares (note 2) 30,375,000股（附註2）	2.34%
	Beneficial owner 實益擁有人	1,260,000 shares (note 3) 1,260,000股（附註3）	
Ms. Shek Mei Chun (“Ms. Shek”) 石美珍女士（「石女士」）	Interest of spouse 配偶權益	895,629,000 shares (note 5) 895,629,000股（附註5）	66.44%
	Beneficial owner 實益擁有人	1,260,000 shares (note 3) 1,260,000股（附註3）	

Report of the Directors 董事會報告

Name of Director/ chief executive officers	Capacity/nature of interest	Number of shares (Long Position)	Approximately percentage of shareholdings in the Company 佔本公司股權的 概約百分比
董事／主要行政人員姓名	身份／權益性質	股份數目(好倉)	
Mr. Fan Chor Ho 范佐浩先生	Beneficial owner 實益擁有人	900,000 shares (note 3) 900,000股(附註3)	0.07%
Mr. Li Cheuk Wai 李卓威先生	Beneficial owner 實益擁有人	180,000 shares 180,000股	
	Beneficial owner 實益擁有人	900,000 shares (note 3) 900,000股(附註3)	0.08%
Mr. Wong Wai Keung Frederick 黃煒強先生	Beneficial owner 實益擁有人	900,000 shares (note 3) 900,000股(附註3)	0.07%

Notes:

- Among these 886,959,000 shares, 729,000,000 shares, 57,339,000 shares and 100,620,000 shares are held by Immaculate Diamonds Limited, King Jewel Limited and Classic Sapphire Holdings Limited, respectively. The entire issued capital of Immaculate Diamonds Limited and King Jewel Limited are owned by Mr. Kan. 50% of the issued capital of Classic Sapphire Holdings Limited are held by Mr. Kan. Under the SFO, Mr. Kan is deemed to be interested in all the shares of the Company held by Immaculate Diamonds Limited, King Jewel Limited and Classic Sapphire Holdings Limited.
- These shares are held by Classic Emerald Holdings Limited, the entire issued capital of which is held by Mr. Chung. Under the SFO, Mr. Chung is deemed to be interested in all the shares of the Company held by Classic Emerald Holdings Limited.
- These underlying shares represent the shares of the Company to be issued upon the exercise of the share options granted by the Company to the Directors or chief executive pursuant to the share option scheme of the Company.
- Mr. Kan and Ms. Shek are spouses. Under the SFO, Mr. Kan is deemed to be interested in the shares of the Company which may be issued upon the exercise of the share options granted by the Company to Ms. Shek.
- Mr. Kan and Ms. Shek are spouses. Under the SFO, Ms. Shek is deemed to be interested in all the shares of the Company held by Mr. Kan and all the shares of the Company in which Mr. Kan is deemed to be interested.

Save as disclosed above, none of the Directors, nor their associates had any other interests or short positions in any shares, underlying shares of the Company or any of its associated corporations as recorded in the register required to be kept under section 336 of the SFO.

附註：

- 該等886,959,000股股份當中，729,000,000股、57,339,000股及100,620,000股分別由Immaculate Diamonds Limited、King Jewel Limited及Classic Sapphire Holdings Limited持有。Immaculate Diamonds Limited及King Jewel Limited之全部已發行股本由簡先生持有，而Classic Sapphire Holdings Limited已發行股本之50%由簡先生持有。根據證券及期貨條例，簡先生被視為於Immaculate Diamonds Limited、King Jewel Limited及Classic Sapphire Holdings Limited所持有之本公司所有股份中擁有權益。
- 該等股份由Classic Emerald Holdings Limited持有，該公司之全部已發行股本由鍾先生持有。根據證券及期貨條例，鍾先生被視為於Classic Emerald Holdings Limited所持有本公司之所有股份中擁有權益。
- 該等相關股份指本公司根據本公司之購股權計劃授予董事或主要行政人員之購股權獲行使後將予發行之本公司股份。
- 簡先生與石女士為配偶關係。根據證券及期貨條例，簡先生被視為於本公司授予石女士之購股權獲行使後可予發行之本公司股份中擁有權益。
- 簡先生與石女士為配偶關係。根據證券及期貨條例，石女士被視為於簡先生所持有之本公司所有股份及簡先生被視為擁有權益之本公司所有股份中擁有權益。

除上文所披露者外，根據證券及期貨條例第336條所存置的登記冊所記錄，並無董事及彼等的聯繫人士於本公司或其相聯法團的任何股份或相關股份中擁有任何其他權益或淡倉。

Substantial shareholders

As to the date of this report, the following persons or corporations, other than the Directors or chief executive of the Company disclosed above, had interests or short positions in the shares and underlying shares of the Company as recorded in the register of the substantial shareholders maintained by the Company pursuant to Section 336 of the SFO:

Ordinary shares of one-third Hong Kong cent each of the Company

主要股東

於本報告日期，按照本公司根據證券及期貨條例第336條所存置的登記冊所記錄，下列人士或公司（上文披露的本公司董事或主要行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉：

本公司每股面值三分之一港仙的普通股份

Name of shareholder 股東姓名／名稱	Capacity/nature of interest 身份／權益性質	Number of shares (Long position) 股份數目(好倉)	Approximately percentage of shareholdings in the Company 佔本公司股權的 概約百分比
Immaculate Diamonds Limited Immaculate Diamonds Limited	Beneficial owner 實益擁有人	729,000,000 shares 729,000,000股	54.00%
Richemont Asset Management Limited Richemont Asset Management Limited	Beneficial owner 實益擁有人	91,460,997 shares 91,460,997股	6.77%
Chow Chin Yui Angela 周芊汝	Interest of controlled corporation 受控制法團權益	93,436,782 shares (note 1) 93,436,782股(附註1)	6.92%
Classic Sapphire Holdings Limited Classic Sapphire Holdings Limited	Beneficial owner 實益擁有人	100,620,000 shares 100,620,000股	7.45%
Chan Wing Sum 陳永森	Interest of a controlled corporation 受控制法團權益	100,620,000 shares (note 2) 100,620,000股(附註2)	7.45%
Classic Amber Holdings Limited Classic Amber Holdings Limited	Beneficial owner 實益擁有人	101,250,000 shares 101,250,000股	7.50%
Luo Jacky 羅惠源	Interest of a controlled corporation 受控制法團權益	101,250,000 shares (note 3) 101,250,000股(附註3)	7.50%

Report of the Directors 董事會報告

Notes:

1. These shares are held by Richemont Asset Management Limited and Cachet Asset Management Limited, the entire issued capital of which is held by Ms. Chow Chin Yui Angela, Under the SFO, Ms. Chow Chin Yui Angela is deemed to be interested in all the shares of the Company held by Richemont Asset Management Limited and Cachet Asset Management Limited.
2. These shares are held by Classic Sapphire Holdings Limited, 50% of the issued capital of which is held by Mr. Chan Wing Sum. Under the SFO, Mr. Chan Wing Sum is deemed to be interested in all the shares of the Company held by Classic Sapphire Holdings Limited.
3. These shares are held by Classic Amber Holdings Limited, the entire issued capital of which is held by Mr. Luo Jacky. Under the SFO, Mr. Luo Jacky is deemed to be interested in all the shares of the Company held by Classic Amber Holdings Limited.

Save as disclosed above, the Company has not been notified by any persons or corporations, other than the Directors or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as of the date of this report.

Emolument Policy

The Group's employees are selected, remunerated and promoted based on their merit, qualifications and competence.

附註：

1. 該等股份由Richemont Asset Management Limited及臻卓資產管理有限公司持有，該公司之全部已發行股本由周芊汝女士持有。根據證券及期貨條例，周芊汝女士被視為於Richemont Asset Management Limited及臻卓資產管理有限公司所持有之本公司所有股份中擁有權益。
2. 該等股份由Classic Sapphire Holdings Limited持有，該公司已發行股本之50%由陳永森先生持有。根據證券及期貨條例，陳永森先生被視為於Classic Sapphire Holdings Limited所持有之本公司所有股份中擁有權益。
3. 該等股份由Classic Amber Holdings Limited持有，該公司之全部已發行股本由羅惠源先生持有。根據證券及期貨條例，羅惠源先生被視為於Classic Amber Holdings Limited所持有之本公司所有股份中擁有權益。

除上文所披露者外，於本報告日期，本公司並無獲任何人士或公司（不包括本公司的董事或最高行政人員）知會，按照本公司根據證券及期貨條例第336條所存置的登記冊所記錄其於本公司的股份或相關股份中擁有權益或淡倉。

薪酬政策

本集團的僱員乃按其學歷、資格及能力挑選、支薪及晉升。

The Company adopted the model set out in Code Provision B.1.2(c)(ii) of Appendix 14 to the Listing Rules as its remuneration model for determining the emoluments of the Directors. This model stipulates that the remuneration committee of the Company shall make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. The remuneration committee of the Company would take into consideration, among other things, the duties and responsibilities of the Directors and senior management and prevailing market conditions when determining their remuneration.

The Company has adopted a share option scheme to provide incentives to eligible persons, including Directors and employees of the Group.

Related Party Transactions

Particulars of the Company's Related Party Transactions are set out in note 31 to the consolidated financial statements.

The related party transactions also constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules and the Company has complied with the relevant requirements of Chapter 14A of the Listing Rules in relation to these transactions. Continuing connected transaction of the Company under Chapter 14A of the Listing Rules are disclosed in the section headed "Continuing Connected Transactions" above. Related party transactions other than those disclosed under the section headed "Continuing Connected Transaction" are fully exempt connected transactions as defined under the Listing Rules.

Pre-emptive rights

There are no provisions for pre-emptive rights under the Company's memorandum and articles of association or the Laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

本公司已採納上市規則附錄十四所載之守則條文第B.1.2(c)(ii)條之模式作為薪酬模式，以釐定董事之薪酬待遇。該模式規定本公司之薪酬委員會須就個別執行董事及高級管理人員之薪酬待遇向董事會提出建議。當釐定董事及高級管理人員之薪酬時，本公司薪酬委員會會按(其中包括)彼等之職務、職責及現行市況作出考慮。

本公司已採納一項購股權計劃，旨在獎勵合資格人士，包括本集團董事及僱員。

關聯方交易

有關本公司關聯方交易之詳情載於綜合財務表附註31。

根據上市規則第14A章，關連方交易亦構成本公司之持續關連交易，本公司已就該等交易遵守上市規則第14A章之相關規定。本公司於上市規則第14A章項下之持續關連交易已於上文「持續關連交易」一節披露。「持續關連交易」一節所披露者以外之關聯方交易均構成上市規則所界定之全面豁免關連交易。

優先購買權

本公司之組織章程大綱或開曼群法例並無有關優先購買權之條文，規定本公司須按比例向本公司之現有股東發售新股。

Report of the Directors 董事會報告

Purchase, sale or redemption of listing securities

Neither the Company nor any subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float.

Corporate governance report

Details of the Group's corporate governance practices can be found in the Corporate Governance Report set out on pages 41 to 57 in this report.

Auditor

The consolidated financial statements for the year ended 31 December 2018 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forth coming annual general meeting of the Company.

Review of Results by Audit Committee

The Group's final results for the year ended 31 December 2018 have been reviewed by the audit committee of the Company.

On behalf of the Board

Kan Kin Kwong

Chairman

Hong Kong, 22 March 2019

購買、出售或贖回上市證券

截至2018年12月31日止年度內，本公司及其任何附屬公司概無購買、出售或贖回本公司的任何上市證券。

足夠公眾持股量

根據本公司可取得之公開資料及據董事所知悉，本公司一直維持足夠公眾持股量。

企業管治報告

有關本集團企業管治常規的詳情，請參閱本報告第41至57頁所載企業管治報告。

核數師

德勤•關黃陳方會計師行已審閱截至2018年12月31日止年度的綜合財務報表。德勤•關黃陳方會計師行將告退，並符合資格於本公司的應屆股東週年大會上獲續聘。

審核委員會審閱業績

本集團截至2018年12月31日止年度之末期業績已經由本公司審核委員會審閱。

代表董事會

主席

簡健光

香港，2019年3月22日

Corporate Governance Report

企業管治報告

The Company strives to attain and maintain a high standard of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholders' value and safeguarding interests of shareholders and other stakeholders. Accordingly, the Board attributes a high priority to identifying and implementing appropriate corporate governance practices to ensure transparency, accountability and effective internal controls.

Code on corporate governance practices

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules. Up the date of this report, the Company has complied with the code provision under the CG Code, except for the deviation from code provision A.2.1 of the CG Code as explained below. The Company will continue to enhance its corporate governance practices appropriate to the operation and growth of the business of the Group.

According to code provision A.2.1 of the CG Code, the role of the chairman and the chief executive officer of the Company should be separate and should not be performed by the same individual. The role of the chief executive officer is performed by Mr. Kan Kin Kwong ("Mr. Kan"), who is also the chairman of the Company. Mr. Kan as the founder of the Group has extensive experience and knowledge in the business of the Group. The Board believes that vesting the roles of both chairman of the Company and chief executive officer of the Company in the same person, namely Mr. Kan, has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group.

本公司致力達致及維持高水平的企業管治，因為本公司相信，有效的企業管治常規對於提高股東的價值及保障股東及其他持份者的權益至為關鍵。因此，董事會極為注重訂定及執行適當的企業管治常規，確保具有透明度、問責性及有效的內部監控。

企業管治常規守則

本公司已採納上市規則附錄14所載之企業管治守則（「企業管治守則」）。截至本報告日期，除下文所述有關偏離企業管治守則的守則條文第A.2.1條外，本公司一直遵守企業管治守則的守則條文。本公司將繼續加強其企業管治常規，以配合本集團之業務營運及發展。

根據企業管治守則的守則條文第A.2.1條，本公司主席與行政總裁的職責應有區分，並不應由同一人兼任。行政總裁的職責由簡健光先生（「簡先生」）履行，而彼亦為本公司主席。簡先生為本集團創辦人，於本集團業務方面擁有豐富經驗。董事會相信，由同一人（即簡先生）兼任本公司主席及本公司行政總裁的角色，可確保本集團內部領導貫徹一致，使本集團的整體策略規劃更有效及更具效率。

Corporate Governance Report 企業管治報告

Directors' Securities Transactions

The Company adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as the code of conduct for Directors in their dealings in the securities of the Company.

Having made specific enquiry of all Directors, the Company is satisfied that the Directors have complied with the Model Code.

Board of Directors

The Board is responsible for formulating business strategies and monitoring the performance of the business of the Group. Other than the daily operational decisions which are delegated to the management of the Group, most of the decisions are taken by the Board. All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board constituted by six members, including three executive Directors and three independent non-executive Directors.

The composition of the Board is as follows:

Executive Directors

Mr. Kan Kin Kwong (*Chairman*)
Mr. Chung Chi Keung
Ms. Shek Mei Chun

董事之證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行本公司證券交易的操守準則。

經向全體董事作出具體查詢後，本公司信納各董事已遵守標準守則的規定。

董事會

董事會負責制定業務策略及監控本集團之業務表現。除本集團管理層獲授權就日常業務作出決策外，大部份決策乃由董事會決定。所有董事（包括獨立非執行董事）具備廣泛而寶貴之業務經驗、知識及專業精神，有助董事會有效及高效地履行其職責。

董事會由六人構成，包括三名執行董事及三名獨立非執行董事。

董事會構成如下：

執行董事

簡健光先生 (*主席*)
鍾志強先生
石美珍女士

Independent non-executive Directors

Mr. Fan Chor Ho
Mr. Li Cheuk Wai
Mr. Wong Wai Keung Frederick

Biographical details of each Director and relationship between board members are set out on page 22 to page 26 of this report.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines. One of the independent non-executive Directors possesses the appropriate professional accounting qualifications and financial management expertise.

Directors' and Officers' Liability Insurance and Indemnity

The Company has arranged appropriate Directors' and Officers' Liability Insurance for its Directors and officers covering the costs, losses, expenses and liabilities arising from the performance of their duties. The insurance policy covers legal action against its Directors and officers to comply with the requirement of the Code. During the year, no claim was made against the Directors and officers of the Company.

獨立非執行董事

范佐浩先生
李卓威先生
黃煒強先生

各董事之履歷詳情及董事會成員之間的關係載於本報告第22至26頁。

各獨立非執行董事已根據上市規則第3.13條之規定提交確認其符合獨立性之年度確認書。本公司認為所有獨立非執行董事皆符合載於上市規則第3.13條之獨立性指引，且根據該指引條文屬獨立人士。其中一名獨立非執行董事擁有適當專業會計資格及財務管理專長。

董事及高級職員之責任保險及彌償

本公司已為其董事及高級職員購買合適的董事及高級職員責任保險，涵蓋彼等就履行職務所產生之成本、損失、費用及負債。根據守則規定，有關保單已涵蓋董事及高級職員就履行職務而可能會面對的法律行動。於年內，本公司董事及高級職員概無遭受索償。

Corporate Governance Report 企業管治報告

The attendance records of each Director at the various meetings of the Company during the year ended 31 December 2018 are set out as follows:

各董事於本公司截至2018年12月31日止年度期間舉行之多次會議之出席記錄載列如下：

		Attended/Eligible to Attend 出席/符合資格出席					
		General meetings 股東大會	Board meetings 董事會會議	Remuneration committee meetings 薪酬委員會會議	Audit committee meetings 審核委員會會議	Nomination committee meetings 提名委員會會議	Risk management meeting 風險管理會議
Executive Directors	執行董事						
Mr. Kan Kin Kwong	簡健光先生	1/1	4/4	0/0	0/0	1/1	1/1
Mr. Chung Chi Keung	鍾志強先生	1/1	4/4	2/2	0/0	0/0	0/0
Ms. Shek Mei Chun	石美珍女士	1/1	4/4	0/0	0/0	0/0	1/1
Non-executive Directors	非執行董事						
Mr. He Dingding ^(note 1)	賀丁丁先生 ^(附註1)	0/0	0/0	0/0	0/0	0/0	0/0
Independent non-executive Directors	獨立非執行董事						
Mr. Fan Chor Ho ^(note 2)	范佐浩先生 ^(附註2)	1/1	4/4	0/0	2/2	1/1	0/0
Mr. Li Cheuk Wai	李卓威先生	1/1	4/4	2/2	2/2	1/1	1/1
Mr. Wong Wai Keung Frederick	黃煒強先生	1/1	4/4	2/2	2/2	0/0	0/0

Every Director is entitled to have access to Board papers and related materials, and the advice and services of the company secretary of the Company (the “Company Secretary”), and has the liberty to seek independent professional advice at the Company’s expense if so reasonably required. Directors will be continuously updated on the major development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practices.

每位董事均有權查閱董事會文件及相關資料，並可獲本公司之公司秘書（「公司秘書」）提供意見及服務，及可在合理的情況下尋求獨立專業意見，費用由本公司承擔。董事將獲持續知會有關上市規則及其他適用監管規定之重大發展，以確保本公司遵守及維持良好的企業管治常規。

Notes:

附註：

Note 1: appointed on 1 March 2017 and resigned on 1 March 2018 as non-executive director.

附註1：於2017年3月1日獲委任及於2018年3月1日辭任非執行董事職務。

Note 2: He was appointed as member of Audit Committee on 1 March 2018.

附註2：彼於2018年3月1日獲委任為審核委員會成員。

Board Committees

The Board has established four committees, namely the audit committee (the “Audit Committee”), the nomination committee (the “Nomination Committee”), the remuneration committee (the “Remuneration Committee”) and the risk management committee (the “Risk Management Committee”). The table below provides the membership information of these committees on which certain Board members served:

董事委員會

董事會下設有四個委員會，分別為審核委員會（「審核委員會」）、提名委員會（「提名委員會」）、薪酬委員會（「薪酬委員會」）及風險管理委員會（「風險管理委員會」）。下表提供若干董事會成員在該等委員會中所擔任的職位：

Directors 董事		Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	Risk Management Committee 風險管理委員會
Mr. Kan Kin Kwong	簡健光先生	–	C	–	C
Mr. Chung Chi Keung	鍾志強先生	–	–	M	–
Ms. Shek Mei Chun	石美珍女士	–	–	–	M
Mr. He Dingding ^(note 1)	賀丁丁先生 ^(附註1)	M	–	–	–
Mr. Fan Chor Ho ^(note 2)	范佐浩先生 ^(附註2)	M	M	–	–
Mr. Li Cheuk Wai	李卓威先生	M	M	C	M
Mr. Wong Wai Keung Frederick	黃煒強先生	C	–	M	–

Notes:

C – Chairman of the relevant Committee

M – Member of the relevant Committee

(note 1) appointed on 1 March 2017 and resigned on 1 March 2018 as non-executive director.

(note 2) appointed as member of Audit Committee on 1 March 2018.

附註：

C – 有關委員會主席

M – 有關委員會成員

(附註1) 於2017年3月1日獲委任及於2018年3月1日辭任非執行董事職務。

(附註2) 於2018年3月1日獲委任為審核委員會成員。

Corporate Governance Report 企業管治報告

Audit committee

The Audit Committee was established with written terms of reference in compliance with Rule 3.21 and Rule 3.22 of the Listing Rules. The written terms of reference of the Audit Committee have been modelled off the Code Provisions. Its terms of reference are available on the websites of the Company and the Stock Exchange.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Fan Chor Ho, Mr. Li Cheuk Wai and Mr. Wong Wai Keung Frederick. Mr. Wong Wai Keung Frederick is the chairman of the Audit Committee.

The primary duties of the Audit Committee include:

- Consider the appointment, reappointment and removal of the external auditor, the audit fee and terms of engagements, and any questions of resignation or dismissal of that auditor;
- Review the financial statements and provide material advice in respect of financial reporting of the Group; and
- Oversight of internal control procedures and risk management of the Group.

Meetings of the Audit Committee shall be held no less than two times a year. Two meetings of the Audit Committee were held during the review year.

審核委員會

本公司已成立審核委員會，並根據上市規則第3.21及3.22條以書面釐定其職權範圍。審核委員會之書面職權範圍已參照守則條文而制訂。其職權範圍可於本公司及聯交所網站取得。

審核委員會由三名獨立非執行董事范佐浩先生、李卓威先生及黃焯強先生組成。黃焯強先生為審核委員會主席。

審核委員會的主要職責包括：

- 考慮委任、續聘及罷免外聘核數師、核數費用及委聘條款、以及辭退或罷免該核數師的事宜；
- 審閱財務報表及對本集團財務報告提供重大意見；及
- 監察本集團內部監控程序及風險管理。

審核委員會每年須舉行不少於兩次會議。審核委員會於回顧年度舉行了兩次會議。

Nomination committee

The Nomination Committee was established with written terms of reference with effect from 14 December 2015 and comprises one executive Director, namely Mr. Kan Kin Kwong and two independent non-executive Directors, namely Mr. Fan Chor Ho and Mr. Li Cheuk Wai. Mr. Kan Kin Kwong is the chairman of the Nomination Committee.

The duties of the Nomination Committee shall be:

- Review the structure, size and composition (including the gender, age, cultural background, education background, skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- Identify individuals suitably qualified to become board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- Assess the independency of independent non-executive Directors;
- 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; and
- Review the board diversity policy (including the gender, age, cultural background, education background skills, knowledge and experience) as appropriate and to review the measurable objectives under the board diversity policy and the progress of the attainment of the objectives, so as to ensure effective implementation; and make disclosure of its review results in the corporate governance report.

Meetings of the Nomination Committee shall be held no less than once a year. One meeting of the Nomination Committee was held during the review year.

提名委員會

提名委員會經已成立並制定職權範圍，自2015年12月14日起生效，由一名執行董事簡健光先生及兩名獨立非執行董事范佐浩先生及李卓威先生組成。簡健光先生為提名委員會主席。

提名委員會的職責為：

- 至少每年檢討董事會的架構、人數及組成（包括性別、年齡、文化背景、教育程度、技能、知識及經驗等方面），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
- 物色具備合適資格可擔任董事會成員的人士，並挑選提名出任董事的有關人士或就此向董事會提供意見；
- 評核獨立非執行董事的獨立性；
- 就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議；及
- 在適當情況下檢討董事會成員多元化政策（包括性別、年齡、文化背景、教育背景、技術、知識及經驗），及檢討董事會成員多元化政策下的可計量目標和達標進度，確保行之有效；並於企業管治報告內披露其檢討結果。

提名委員會每年須舉行不少於一次會議。提名委員會於回顧年度舉行了一次會議。

Corporate Governance Report 企業管治報告

Board Diversity Policy

The Company has adopted a board diversity policy (the “Diversity Policy”) which embraces the benefits of having a diverse Board to enhance the quality of its performance. Pursuant to the Diversity Policy, the Company would try to seek board candidates with Company’s business model and specific needs, including (but not limited to) gender, regional and industry experience, skills, knowledge and educational background.

The Board will review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives.

董事會成員多元化政策

本公司已採納董事會成員多元化政策（「多元化政策」），深信董事會成員多元化對提升本公司的表現素質裨益良多。根據多元化政策，本公司將根據本公司之業務模式及特定需要物色董事會候選人，包括（但不限於）性別、地區及行業經驗、技能、知識及教育背景，務求達致董事會成員多元化。

董事會將不時審閱該等目標，確保其合適度及確定達成該等目標的進度。

Remuneration committee

The Remuneration Committee was established on 14 December 2015 and comprises one executive Director, namely Mr. Chung Chi Keung and two independent non-executive Directors, namely Mr. Li Cheuk Wai and Mr. Wong Wai Keung Frederick. Mr. Li Cheuk Wai is the chairman of the Remuneration Committee.

The duties of the Remuneration Committee shall be:

- Make recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- Review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- Make recommendations to the Board on the remuneration packages of individual executive Directors and senior management;
- Make recommendations to the Board on the remuneration of non-executive Directors;
- Consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- Review and approve the 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;
- Review and approve compensation arrangements 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
- Ensure that no Director or any of his/her associates (as defined under the Listing Rules) is involved in deciding his/her own remuneration.

薪酬委員會

薪酬委員會已於2015年12月14日成立，由一名執行董事鍾志強先生及兩名獨立非執行董事李卓威先生及黃煒強先生組成。李卓威先生為薪酬委員會主席。

薪酬委員會的職責為：

- 就本公司為全體董事及高級管理人員制訂的薪酬政策及架構，以及就制訂薪酬政策而設立正式而透明的程序，向董事會提出建議；
- 參照董事會的企業方針及目標，檢討及批准管理層的薪酬建議；
- 就個別執行董事及高級管理人員的薪酬待遇向董事會提出建議；
- 就非執行董事的薪酬向董事會提出建議；
- 考慮同類公司所支付的薪金、須投入的時間及責任以及本集團內其他職位的僱用條件；
- 檢討及批准支付執行董事及高級管理人員因喪失或終止職務或委任的賠償，以確保有關賠償符合相關合約條款且屬公平及不超額；
- 檢討及批准因行為不當而解僱或罷免董事所涉及的補償安排，以確保有關安排乃符合有關合約條款，以及應屬合理及適當；及
- 確保概無董事或其任何聯繫人（定義見上市規則）參與釐定彼本身的薪酬。

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Meetings of the Remuneration Committee shall be held not less than once a year. One meeting of the Remuneration Committee was held during the review year.

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

薪酬委員會每年須舉行不少於一次會議。薪酬委員會於回顧年度舉行了一次會議。

根據企業管治守則之守則條文第B.1.5條，截至2018年12月31日止年度，高級管理層成員按薪酬範圍劃分之薪酬載列如下：

Remuneration Band 薪酬範圍		No. of Individuals 人數
Nil – HK\$1,000,000	0至1,000,000港元	4
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	–
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	–
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	1

Risk management committee

The Risk Management Committee was established on 14 December 2015 and comprises two executive Directors, namely Mr. Kan Kin Kwong and Ms. Shek Mei Chun and one independent Non-executive Directors, namely Mr. Li Cheuk Wai. Mr. Kan Kin Kwong is the chairman of the Risk Management Committee.

The duties of the Risk Management Committee shall be monitoring the Company's exposure to sanctions law risks and its implementation of the related internal control procedures, and shall include:

- Reviewing and approving all relevant business transaction documentation from suppliers or customers or potential customers from any country that is subject to sanctions (the “Relevant Counterparty”);
- Reviewing the information (such as identity and nature of business) relating to the Relevant Counterparty to the contract along with the draft business transaction documentation;

風險管理委員會

風險管理委員會已於2015年12月14日成立，由兩名執行董事簡健光先生及石美珍女士以及一名獨立非執行董事李卓威先生組成。簡健光先生為風險管理委員會主席。

風險管理委員會的職責為監控本公司面對的制裁法律風險及執行相關內部控制程序，且須包括：

- 檢討及批准來自任何受制裁國家的供應商或客戶或潛在客戶（「有關對手方」）的所有相關業務交易文件；
- 審閱與合約的有關對手方有關的資料（如身份及業務性質等）連同業務交易文件草擬稿；

- Checking the Relevant Counterparty against the various lists of restricted parties and countries maintained by the United States of America, the European Union, the United Nations and Australia, including, without limitation, any government, individual or entity that is the subject of any United States Department of Treasury's Office of Foreign Assets Control-administered sanctions which lists are publicly available, and determining whether the Relevant Counterparty is, or is owned or controlled by, a person located in any country that is subject to sanctions or a sanctioned person;
 - Reviewing on a semi-annual basis internal control policies and procedures with respect to sanctions law matters; and
 - If any potential sanctions risk is identified, or if the Committee considers necessary, retaining external international legal counsel with necessary expertise and experience in sanctions law matters for recommendations and advice.
- 將有關對手方與由美國、歐盟、聯合國及澳洲所存置的各類受限制人士及國家名單(包括但不限於任何受美國財政部海外資產管制辦公室制裁的政府、個人或實體(名單已予公開))進行核對,並確定有關對手方是否為位於受制裁國家的人士或受制裁人士,或由此類人士所擁有或控制;
 - 每半年度檢討內部監控政策及有關制裁法事宜的程序;及
 - 倘識別任何潛在制裁風險,或委員會認為有需要時,聘請具備有關制裁法律事宜的專業知識及經驗的外部國際法律顧問,以提供建議和意見。

Meetings of the Risk Management Committee shall be held no less than once a year. One meeting of the Risk Management Committee was held during the review year.

風險管理委員會每年須舉行不少於一次會議。風險管理委員會於回顧年度舉行了一次會議。

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企業管治報告

Continuous professional development

According to the code provision A.6.5 of the CG Code, all directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant. During the year, the Group has provided training materials for all the Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Group, together with its compliance adviser, continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

Company secretary

Mr. Tam Chun Wa, aged 55, has been appointed as the chief financial officer, the company secretary and the authorised representative of the Company, all with effect from 7 February 2017. Mr. Tam Chun Wa, holds a master degree of business administration from University of Sydney and is also a member of Hong Kong Institute of Certified Public Accountants, CPA (Australia) and Institute of Singapore Chartered Accountants. He has fulfilled the 15 hours of relevant professional training requirement under the Rule 3.29 of the Listing Rules for the year ended 31 December 2018.

Accountability and Audit

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group for the year ended 31 December 2018. The Directors aim to present a clear and understandable assessment of the Group's financial position and prospects. The Board is not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern, the Board therefore continues to adopt the going concern approach in preparing the consolidated financial statements of the Group. The Board acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual and interim reports, inside information announcements and other financial disclosures required by the Listing Rules, and reports to the regulators.

持續專業發展

根據企業管治守則的守則條文第A.6.5條，全體董事將參與持續專業發展，以發展及更新彼等的知識及技能，確保彼等為董事會作出明智及適切貢獻。於年內，本集團已提供培訓材料予全體董事，使彼等得悉法律、監管及企業管治之最新發展。本集團及其合規顧問持續更新董事有關上市規則及其他適用監管規定的最新發展，以確保合規及增強彼等對良好企業管治常規的意識。

公司秘書

譚鎮華先生，55歲，於2017年2月7日獲委任為本公司之首席財務官、公司秘書及授權代表。譚鎮華先生持有悉尼大學工商管理碩士學位，亦為香港會計師公會、澳洲會計師公會及新加坡特許會計師公會之會員。截至2018年12月31日止年度，彼已履行上市規則第3.29條所規定有關15小時相關專業培訓的規定。

問責性及審核

董事確認，彼等有責任編製本集團截至2018年12月31日止年度的綜合財務報表。董事致力發表對本集團之財務狀況及前景的清晰及易於理解的評估。董事會並無發現任何有關重大不確定因素之事件或情況，而該等事件或情況會對本集團的持續經營能力造成重大疑慮，因此，董事會繼續採納持續經營基準編製本集團的綜合財務報表。董事會確認，其有責任在本公司年度及中期報告、內幕消息公佈及上市規則規定的其他財務披露資料，以及向監管機關提呈的報告中發表持平、清晰及易於理解的評估。

The responsibilities of the external auditor with respect to the financial reporting are set out in the Independent Auditor's Report of this report.

Disclosure of Long Term Basis for Generating or Preserving Business Value

A discussion and analysis of the Group's corporate strategy and long term business model is set out in the Chairman's Statement and the Management Discussion and Analysis of this report.

Risk Management and Internal Controls

The Board is responsible for the maintenance of a stable and effective risk management and internal control systems for the Group and also responsible for reviewing their effectiveness. The Board, with the assistance from the Audit Committee, conducted annual review on the effectiveness of the Group's risk management and internal control systems as required by the Code Provisions, covering financial, operational and compliance controls and risk management functions, and including reviews on the adequacy of resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial report function for the Period and considered they were effective and adequate.

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

外聘核數師在財務申報方面的責任載列於本報告之「獨立核數師報告」。

披露創造或保留業務價值的長遠基準

本集團的企業策略及長遠業務模式的討論及分析載列於本報告之「主席報告」及「管理層討論及分析」內。

風險管理及內部監控

董事會負責維持本集團穩定和有效的風險管理及內部監控制度，亦負責審閱有關制度的成效。董事會在審核委員會協助下根據守則條文所規定對本集團於本期間的風險管理及內部監控制度的成效進行年度檢討，檢討涵蓋本集團財務、營運及合規監控以及風險管理職能，並包括本集團於會計、內部審計及財務匯報職能方面的資源是否充足、員工資歷、經驗、培訓課程及預算，並認為有關制度有效和足夠。

本集團已遵守證券及期貨條例（「證券及期貨條例」）及上市規則的規定。本集團會在合理切實可行的情況下，儘快向公眾披露內幕消息，惟屬證券及期貨條例所規定之任何安全港範圍內者除外。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。倘本集團認為無法保持所需的機密性，或該消息可能已外洩，會即時向公眾披露該消息。本集團致力於確保公告或通函所載資料就重大事實而言並不屬虛假或具誤導性，或並不因遺漏重大事實而屬虛假或具誤導性，而以清晰及平均方式呈列資料，就此須作出正面及負面事實相等程度的披露。

Corporate Governance Report 企業管治報告

Conflicts of Interest Declaration

The Group adopted conflict of interest declaration policy as one of the important internal control procedures. Employees are required to provide annual declaration of conflict of interest, and strictly comply with the policy to ensure that the Group and its customers, business partners, shareholders, employees and business community of the transactions and dealings are in line with the highest standards of business conduct and ethics.

Whistleblowing Policy

The Group established a whistleblowing policy for employees under confidentiality to file complaint and report any suspected misconduct, fraud and irregularities, in an orderly manner. A designated director is assigned for receiving, reviewing complaint and report, to investigate, to draw conclusion and to make appropriate recommendations for improvement, and inform the relevant departments senior management to implement corrective action.

The review covers all material controls, including financial, operational and compliance controls and risk management functions. During the year ended 31 December 2018, the Board engaged Elite Partners Risk Advisory Services Limited, an independent firm of certified public accountants, to conduct an independent review of the systems of internal control of the Group. Weakness and inadequacies identified during such review together with recommendations for improvement thereon, had been accepted and implemented in full by the Company and reviewed by the Audit Committee. Based on this, the Company is of the view that the internal control system in place for the year ended 31 December 2018 is sufficient to safeguard the interests of the shareholders and the Group's assets.

利益衝突申報

本集團設立利益衝突申報政策，為集團內部監控程序的重要部份。僱員需每年書面確認利益衝突申報書，並嚴格遵守利益衝突政策以確保本集團與顧客、業務夥伴、股東、僱員及商業社群之交易與往還均符合最高的商業行為及道德標準。

舉報政策

本集團設立舉報政策讓員工在保密情況下依據程序提出申訴及舉報任何懷疑不當行為、舞弊及違規情況。指定董事獲指派接收、審核申訴和舉報，調查及結案提出相應的改善建議，並通知有關部門的高級管理人員實行糾正行動。

檢討範圍涵蓋所有主要監控，包括財務、運作及合規監控，以及風險管理功能。截至2018年12月31日止年度，董事會委聘獨立執業會計師鉅銘風險諮詢服務有限公司對本集團之內部監控系統進行獨立審閱。本公司已全面接納並實施於有關審閱過程中發現之漏洞及不足之處以及改善建議，並已由審核委員會審閱。就此而言，本公司認為，截至2018年12月31日止年度，現存內部監控系統足以妥善保障股東的利益及本集團的資產。

Auditor's remuneration

During the year ended 31 December 2018, the Group had engaged external auditor, Deloitte Touche Tohmatsu, to provide the following services:

核數師酬金

於截至2018年12月31日止年度，本集團曾委任外聘核數師德勤•關黃陳方會計師行提供下列服務：

		Service Fee 服務費 HK\$ 港元
Audit services	核數服務	1,715,000
Tax advisory	稅務顧問	85,000
Interim review services	中期審閱服務	350,000

Investor relations and communication with shareholders

The Board recognizes the importance of good communication with the shareholders. The Company believes that maintaining a high level of transparency is the key to enhance investor relations.

The Company has established several communication channels, including (a) the annual and extraordinary general meetings which provide a forum for shareholders to communicate directly with the Board; (b) printed corporate documents mailing to Shareholders; (c) announcement disseminating the latest activities of the Group on the web-sites of the Company and the Stock Exchange; (d) the Company's web-site providing an electronic means of communication.

投資者關係及與股東通訊

董事會深知與股東保持良好溝通的重要性。本公司相信維持高透明度乃為提升投資者關係的關鍵所在。

本公司已建立若干溝通渠道，包括(a)股東週年大會及股東特別大會，為股東提供直接與董事會交流之平台；(b)寄發予股東之公司印副本文件；(c)於本公司及聯交所網站以宣佈本集團之最新業務動向之公佈；及(d)本公司網站以提供電子溝通。

Corporate Governance Report 企業管治報告

Annual General Meeting

The Board and senior management are well aware of their important tasks of acting on behalf of the interests of all the Shareholders and raising the Shareholders' returns. The Board considers that AGM is an important opportunity for direct communication with the Shareholders. Code A.6.7 of the Code Provisions require that independent non-executive directors and non-executive directors should attend general meetings and develop a balanced understanding of the views of the Shareholders. The Board encourages all the Shareholders to participate in the AGM where the members of the Board and external auditors will be present and communicate with the Shareholders.

Shareholders' Rights

How Shareholder Can Convene an Extraordinary General Meeting

In accordance with Article 58 of the Articles of Association, the Board may whenever it thinks fit call an extraordinary general meeting. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up share capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

股東週年大會

董事會及高級管理人員深明彼等肩負代表全體股東利益及提高股東回報之重任。董事會視股東週年大會為與股東直接溝通的重要機會。守則條文第A.6.7條規定獨立非執行董事及非執行董事應出席股東大會，對公司股東的意見有公正的了解。董事會鼓勵全體股東參與股東週年大會，董事會成員及外聘核數師將會出席大會並回答股東問題。

股東權利

股東召開股東特別大會的方法

根據組織章程細則第58條，董事會可於其認為適當時召開股東特別大會。於存放請求書當日持有附帶權利可於該公司股東大會上投票之該公司繳足股本不少於十分之一之任何一名或多名股東，有權隨時向董事會或公司秘書發出請求書，要求董事會就處理請求書中指明之任何事務召開股東特別大會；該股東特別大會須於存放請求書後兩(2)個月內舉行。倘董事會於存放請求書後二十一(21)日內未召開該大會，則請求人可自行召開大會，請求人因董事會未召開大會而產生之所有合理開支將由該公司補償予請求人。

Procedures by which Enquiries may be Put to the Board

Shareholders may, at any time, direct enquiries to the Board. Such enquiries can be addressed to the Company Secretary in writing by mail to the Company's registered office in the Cayman Islands at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands or its principal place of business in Hong Kong and headquarters at 26th Floor, YHC Tower, No. 1 Sheung Yuet Road, Kowloon, Hong Kong.

Procedures for Putting Forward Proposals at Shareholders' Meeting

There are no provisions in the Articles of Association or the Companies Law of the Cayman Islands for Shareholders to put forward new resolutions at general meetings. Shareholders who wish to put forward a new resolution may request the Company to convene a general meeting in accordance with the procedures set out in the above paragraph heading "How Shareholder Can Convene an Extraordinary General Meeting".

Procedures for Shareholders to Propose a Person for Election as a Director

If a shareholder wishes to nominate a person to stand for election as a Director at a general meeting, the relevant documents must be validly served on the Company's registered office in the Cayman Islands or the place of business in Hong Kong and headquarters within the requisite period of time. The full details of the procedures for Shareholders to propose a person for election as a Director were posted on 31 December 2015 on the web-site of the Company at <http://www.hkperjew.com.hk>.

Significant Changes in Constitutional Documents

As of the date of this report, there were no changes made to the constitutional documents of the Company.

向董事會作出提問的程序

股東可隨時向董事會直接作出書面提問，該等提問可郵寄至本公司於開曼群島的註冊辦事處，地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，或其於香港的主要營業地點，地址為香港九龍常悅道1號恩浩國際中心26樓，註明收件人為公司秘書。

在股東大會提出建議的程序

組織章程細則或開曼群島公司法並無有關在股東大會上提呈新決議案之條文。擬提呈新決議案之股東可要求本公司根據上段「股東召開股東特別大會的方法」所載程序召開股東大會。

股東提名人選參選董事的程序

倘股東意欲於股東大會提名人士參選董事，相關文件必須於所需時間期間內有效送達本公司於開曼群島之註冊處或香港之營業地點或總部。關於股東建議人士參選董事之全部詳情已於2015年12月31日刊登於本公司之網站 <http://www.hkperjew.com.hk>。

組織章程文件的重大變動

於本報告日期，本公司的組織章程文件概無任何更改。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This Environmental, Social and Governance Report (the “Report”) of Perfect Group International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) provides an update information on the environmental, social and governance work of the Group from 1 January 2018 to 31 December 2018 (the “Reporting Year”). The Report is principally prepared by reference to the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and key performance indicators with reference to Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange.

Reporting Scope

The Group operates its principal business in the Hong Kong Special Administrative Region (“Hong Kong”) and the PRC and therefore the Report only covers the Group’s operation in these two areas. The Report also focuses on the following two subject areas during the Reporting Year:

- A. Environmental (emissions, use of resources consumption, together with the environmental and natural resources)
- B. Social (employment, health and safety, development and training, labor standards, supply chain management, product responsibility, anti-corruption and community investment).

For details of the Group’s corporate governance, please also refer to the Corporate Governance Report included in the Annual Report 2018 of the Group.

關於本報告

本環境、社會及管治報告（「本報告」）為保發集團國際控股有限公司（「本公司」）及其附屬公司（統稱「本集團」）提供有關本集團自2018年1月1日起至2018年12月31日（「報告年度」）的環境、社會及管治工作的更新資料。本報告主要遵照香港聯合交易所有限公司（「聯交所」）發佈的《環境、社會及管治報告指引》及參考聯交所證券上市規則附錄27的關鍵績效指標所編製。

報告範圍

本集團於香港特別行政區（「香港」）及中國經營其主要業務，因此本報告僅涵蓋本集團於該兩個地區的業務營運。本報告亦集中於報告年度內下列兩大主要範疇：

- A. 環境（排放、資源消耗使用連同環境及自然資源）
- B. 社會（僱傭、健康及安全、發展及培訓、勞工標準、供應鏈管理、產品責任、反貪污及社區投資）

有關本集團企業管治的詳情，亦請參閱本集團2018年年報所載的企業管治報告。

A. Environmental

1. Emissions

The Group's operation does not result in significant air and greenhouse gas emissions or discharges into water and land. The wastes created during the operation are mainly generated from electricity consumption and vehicles fleet. The Group has placed efforts in energy savings such as replacing aging lamps with LED lamps, installing blackout curtains to reduce energy loss, set up policy to encourage staff to switch off lights and electrical appliances when they are not in use. As for vehicles fleet, the Group encourage the use of hybrid or electric vehicles whenever possible. During the Reporting Year, the Group did not receive any notification on non-compliance with laws and regulations that have significant impacts on the Group.

During the Reporting Year, the majority of nitrogen oxides (NO_x) and Sulphur oxides (SO_x) were emitted from fuel consumption of electricity and vehicle fleet. During the Reporting Year, it is estimated that 9,400 litres (2017: 17,000 litres) of petrol and 1.7 million kWh (2017: 1.11 million kWh) of electricity was consumed. The Group estimated that there were 12.7 kg (2017: 20.5 kg) of NO_x and 0.2 kg (2017: 0.2 kg) of SO_x were emitted during the Reporting Year. The change in the usage of petrol and electricity was mainly due to the relocation of Perfect Factory. Nevertheless, the Group has ensured consistent efficiency use of petrol and electricity in the new environment.

Generation of hazardous wastes in the production process is considered minimal.

A. 環境

1. 排放

本集團的營運不會導致大量廢氣及溫室氣體排放或水及土地污染。在營運過程中產生的廢棄物主要源自電力消耗及車隊。本集團已致力節約能源，例如使用LED燈替代老化燈膽、安裝遮光窗簾以減少能源流失、制定政策鼓勵員工關掉不使用的照明裝置及電器。就車隊而言，本集團鼓勵盡量使用混能或電能車輛。於報告年度內，本集團並無接獲任何有關違反法例及規例且對本集團有重大影響之通知。

於報告年度內，大部份氮氧化物 (NO_x) 及硫氧化物 (SO_x) 的排放源自電力及車隊所消耗的燃油。於報告年度內，估計已消耗9,400升 (2017年：17,000升) 石油及1.7百萬千瓦時 (2017年：1.11百萬千瓦時) 電力。於報告年度內，本集團估計已排放12.7千克 (2017年：20.5千克) 氮氧化物及0.2千克 (2017年：0.2千克) 硫氧化物。石油及電力使用量改變主要由於保發工廠搬遷所致。儘管如此，本集團已確保在新環境使用石油及電力方面維持一貫效率。

生產過程所產生的有害廢棄物被視為極低。

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2. Use of Resources

To achieve the goals of environmental protection and reduction of its production costs, the Group has placed the following energy conservation measures in the production plants and the office:

1. Adjusted the central air-conditioning control system to reduce electricity consumption.
2. Electricity-saving fluorescent tubes are installed to save energy and reduce energy consumption.
3. Stipulating employees to turn off the lights and air-conditioning system after office or when not in use.
4. Encourages employees to use electricity or hybrid motor vehicles and provides facilities whenever possible.

During the Reporting Year, the electricity consumption by the Group was approximately 1.7 million kWh (2017: 1.2 million kWh). During the report year, Hong Kong operation has consumed approximately 0.2 million kWh (2017: 0.2 million kWh) and PRC operation has consumed approximately 1.5 million kWh (2017: 1.0 million kWh). The water consumption by the Group was approximately 73,000 cubic meters (2017: 33,000 cubic meters). Most of them are consumed in PRC as Hong Kong office are for general administrative and sales purpose. The increase in water consumption in the PRC was mainly due to the relocation of Perfect Factory. The Group, same as last year, has ensured the consistent efficiency in the use of water in the new environment. The water in PRC are mainly supplied by the state-owned water utility company and have no issue in water sourcing.

Packing material the Group used are light and recyclable. The packing material used during the Reporting Year was estimated to be less than 20 Kg.

2. 資源使用

為達到保護環境及降低生產成本的目的，本集團已於生產廠房及辦公室採用以下節能措施：

1. 調節中央空調控制系統以減少用電。
2. 安裝省電熒光燈管以節約能源及減少能源消耗。
3. 規定僱員下班後或不使用時關掉照明裝置及空調系統。
4. 鼓勵員工盡可能使用電能或混能汽車並提供設施。

於報告年度內，本集團用電量約為1.7百萬千瓦時(2017年：1.2百萬千瓦時)。於報告年度內，香港的營運已消耗約0.2百萬千瓦時(2017年：0.2百萬千瓦時)，而中國的營運已消耗約1.5百萬千瓦時(2017年：1.0百萬千瓦時)。本集團用水量約為73,000立方米(2017年：33,000立方米)，大部份用於中國，而香港辦公室一般作管理及銷售用途。中國的用水量增加主要由於保發工廠搬遷所致。本集團與去年一樣，已確保在新環境的用水方面維持一貫效率。中國境內用水主要由國有水務公司提供，在水源供應上並無問題。

本集團使用輕型及可回收的包裝物料。於報告年度內所使用的包裝物料估計少於20千克。

3. Environmental and Natural Resources

The operation of the Group does not constitute any material adverse effects on the environmental and natural resources. The Group promotes green office to raise the environmental protection awareness of the employees and implements the following measures to achieve our goal:

- (i) Encouraging employees to treasure food and reduce food wastes;
- (ii) Staff canteen provides healthy meal with less oil and salt to encourage our employees to pay attention to healthy diet and reduce consumption;
- (iii) The Group strives to facilitate paperless office with more frequent use of electronic forms, electronic photo picking system and recycled papers. and
- (iv) The Group will compare the utility expenses each month to look for ways to reduce the impact on natural resources and environment.
- (v) Incorporate the green concept when designing the production plants and the Perfect Group Jewellery Industry Park.

B. Social Employment and Labor Practices

In order to create a united and harmonious professional team, the Group provides the employees a fair working environment, and enhance their knowledge and skills for discharging duties at work and thereby their work efficiency.

Employment

To retain talents, the Group develops and provides incentives to its employees based on their performance and productivity. In terms of recruitment, promotion, remuneration, working hours, leaves and benefits, the Group ensures the conditions of which are competitive and in compliance with relevant laws. The Group also provides Share Option Scheme to give incentive to staff to share the growth of the Group.

3. 環境及自然資源

本集團的營運並無對環境及自然資源造成任何重大不利影響。本集團推動綠色辦公室以提高僱員的環保意識，並採取以下措施以達至我們的目標：

- (i) 鼓勵員工珍惜及減少浪費食物；
- (ii) 員工飯堂提供少油少鹽的健康餐單，鼓勵僱員注意飲食健康及減少耗量；
- (iii) 本集團致力推動無紙辦公室，廣泛使用電子表格、電子相片選取系統及循環再用紙張。及
- (iv) 本集團將比較每月的公共設施開支，以尋求方法減低對自然資源及環境的影響。
- (v) 設計生產廠房及保發珠寶產業中心時融入綠色概念。

B. 社會僱傭及勞工常規

為建立團結和諧的專業團隊，本集團為僱員提供公平的工作環境，並提升彼等的知識及技術水平以履行職責，從而提升工作效率。

僱傭

為挽留人才，本集團根據各員工的表現及生產力培訓及獎勵員工。本集團於招聘、晉升、薪酬、工作時數、假期和福利等，均確保提供具競爭力的條件及符合有關法例。本集團亦提供購股權計劃以獎勵員工與本集團分享成果。

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The Group pursues equal opportunities in terms of recruitment policy. The Group also ensures the fairness of process without any violation of the local laws and regulations such as Sex, Disability, Family Status and Race Discrimination Ordinances, Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

The Group focuses on investing in talents and offering a promising career path. Thus, internal re-designation and promotion of potential employees will be first considered to fill any vacancies within the Group. Promotion criteria are based on various factors such as employees' working performance, leadership and cooperation.

The Group ensures the employees' remuneration be competitive in the labor market. Moreover, in assessing the rate of annual salary adjustment, the Group takes into account the annual financial results, make reference to the economic environment, inflation, salary trends and industry salary reference, and base on appraisal reports and work performance of the employees to make revision.

The Group ensures that the requirements of relevant laws and guidelines have been complied with. The Group participated retirement benefits scheme in Hong Kong and PRC such as Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong, Pension insurance system(養老保險制度) in PRC.

The Group also provides its employees with a quality working environment. A spacious staff canteen and floor lounge in the office building are available for the employees to use. The Group organizes staff buffet and dinner from time to time and distributes gifts to employees at festivals.

As of 31 December 2018, the Group employed approximately 118 full-time employees. The total number of employees classified by gender, function and age group was as follows:

本集團於招聘政策方面奉行平等機會，並確保招聘程序公正，不會違反地方法例及規例，例如性別、殘疾、家庭崗位及種族歧視條例以及僱傭條例(香港法例第57章)。

本集團注重栽培人才，提供良好的職業發展前景。因此，本集團的職位空缺會首先考慮內部調配及晉升有潛質的僱員出任，而晉升標準會根據僱員的工作表現、領導才能及其合作性等因素決定。

本集團確保僱員薪酬於勞動市場具有競爭力。此外，於評估每年的調薪幅度時，本集團會考慮年度財務業績，並參考經濟環境、通脹、薪酬趨勢及業界薪酬水平，根據員工的考核報告及工作表現而作出調整。

本集團確保符合相關法例及指引。本集團已參加香港及中國的退休福利計劃，如強制性公積金計劃條例(香港法例第485章)及中國養老保險制度。

本集團亦為僱員提供優質的工作環境，辦公室大樓設有寬敞的員工飯堂及樓層休息室供僱員使用。本集團不時舉辦員工聚餐及於節日向僱員餽贈禮品。

截至2018年12月31日，本集團聘用約118名全職僱員。按性別、職能及年齡組別劃分的僱員總數如下：

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Total number of employees by gender:

按性別劃分的僱員總數：

Gender 性別		2018 2018年	2017 2017年
Male	男性	67	163
Female	女性	51	104
		118 (note) (附註)	267

Total number of employees by function:

按職能劃分的僱員總數：

Function	職能		
Directorate and managerial staff	董事及管理人員	13	31
Clerical employees	文職僱員	105	236
		118 (note) (附註)	267

Total number of employees by age group:

按年齡組別劃分的僱員總數：

Age Group	年齡組別		
18 to 30	18至30歲	15	79
31 to 50	31至50歲	79	172
Over 50	50歲以上	24	16
		118 (note) (附註)	267

Total number of employees by geographic region:

按地理位置劃分的僱員總數：

Hong Kong PRC	香港 中國		
		41	39
		77	228
		118 (note) (附註)	267

Note: The reduction in number of employees during the Reporting Year was mainly to the change of production process on relocation of factory and a number of employees were assigned to production partner with similar pay package.

附註：僱員人數於報告年度減少，主要由於工廠搬遷導致生產流程變更，及部份僱員獲委派予薪酬待遇相若的生產夥伴所致。

The employee turnover rate by gender:

按性別劃分的僱員流失率：

Gender 性別		Turnover rate 流失率	
Male	男性	7.92%	4.91%
Female	女性	5.88%	4.81%

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The employee turnover rate by age group

Age Group	年齡組別	2018 2018年	2017 2017年
18 to 30	18至30歲	10.71%	2.53%
31 to 50	31至50歲	0.79%	5.23%
Over 50	50歲以上	3.03%	6.25%

The turnover rate by gender and by age group differ significantly compared with last year was mainly due to the relocation of Perfect Factory to Perfect Group Jewellery Industry Park and streamlining of certain production process.

In respect of dismissal policy, the Group offers those underperforming employees or those who make general mistakes a chance to improve. Should the employee does not make considerable improvement within a reasonable time, the Group then considers to dismiss him and handle it in accordance with the labor laws and regulation in Hong Kong and PRC.

The Group was not aware of any material non-compliance with relevant labour laws and regulations.

Health and Safety

The Group strives to provide the employees with a safe and harmonious working condition. The Group provides suitable training to the employees whenever possible. The staff are also provided with pay leave whenever they attend suitable course to upgrade their work ability and performance.

The Group has appointed a staff who is responsible for the promotion, training, supervision and management of occupational health and safety to enhance the employees' occupational safety awareness.

During the Reporting Year, the Group did not record any work-related injury or fatality or loss days due to injury and was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group.

按年齡組別劃分的僱員流失率：

2018 2018年	2017 2017年
10.71%	2.53%
0.79%	5.23%
3.03%	6.25%

按性別劃分的流失率與按年齡組別劃分的流失率較去年顯著不同，主要由於保發工廠搬遷至保發珠寶產業中心以及簡化若干生產流程所致。

就解僱政策而言，本集團會向表現不符合要求或一般犯錯的僱員給予改善機會，若僱員未能於合理時限內明顯改善，本集團始考慮解僱，並按照香港及中國勞工法例及規例處理。

本集團並無發現任何嚴重違反相關法例及規例的事宜。

健康與安全

本集團致力為僱員提供安全及和諧的工作環境。本集團盡可能為僱員提供合適培訓。員工於參加合適課程時亦獲提供有薪假期，以提高其工作能力及表現。

本集團已委任員工負責推廣、培訓、監督及管理職業健康及安全事宜，以提高僱員職業安全意識。

於報告年度內，本集團並無錄得任何員工因工受傷或身亡或因工損失工作日，亦無發現任何重大違反相關法例及規例且對本集團造成重大影響的事宜。

Development and Training

The Group provides employees at all levels with all-around technical training, to ensure the employees proactively equip themselves with skills and thus attain outstanding performance. The Group also provides the employees with relevant courses and seminars to enable them to grasp the work-related knowledge, skills and attitude to keep abreast of the latest trend.

The training activities include:

- (i) organize training courses and seminars on a regular basis for the employees to attend;
- (ii) distribute training materials on a regular basis to the employees for them to review;
- (iii) arrange external professional training courses for the employees to attend.

41.2% (2017: 18.4%) in terms of number of staff have received formal training course during the Reporting Year. The rest are provided with reading materials, business updates notes, circulation of study materials etc to enhance their knowledge. Of this 41.2% (2017: 18.4%), 16.3% (2017: 4.1%) are senior management and the rest of 83.7% (2017: 95.9%) are other employees. 57.14% (2017: 57.14%) of this 41.18% (2017: 18.35%) are male and 42.86% (2017: 42.86%) are female.

On average, they received 23.7 hours (2017: 13.5 hours) of training. On average, 35.4 hours (2017: 14.7 hours) and 2.2 hours (2017: 2.5 hours) of formal training course are received by male and female staff respectively. Senior staff received approximately 40.0 hours (2017: 16.5 hours) of formal training while the other employees received approximately 20.5 hours (2017: 13.3 hours) of formal training. The increase on the training on staff was mainly due to the relocation of Perfect Factory and rescheduling of certain production process.

發展及培訓

本集團為各級僱員提供全面的技能培訓，確保僱員積極裝備合適技能以達至出色表現。本集團亦為僱員提供相關課程及講座，讓僱員掌握工作相關知識、技能和態度，與時並進。

培訓活動包括：

- (i) 定期舉辦培訓課程及講座供僱員參加；
- (ii) 定期派發培訓資料供僱員閱讀；
- (iii) 安排僱員參加外界專業培訓課程。

於報告年度內，按僱員人數計算，有41.2% (2017年：18.4%) 員工已接受正式培訓課程。其餘員工已獲派發閱讀材料、業務更新筆記及傳閱學習材料以提升知識水平。於41.2% (2017年：18.4%) 員工當中，16.3% (2017年：4.1%) 為高級管理層，其餘83.7% (2017年：95.9%) 為其他僱員，當中57.14% (2017年：57.14%) 為男性及42.86% (2017年：42.86%) 為女性。

員工平均已接受23.7小時(2017年：13.5小時) 培訓。男性員工與女性員工分別平均已接受35.4小時(2017年：14.7小時) 及2.2小時(2017年：2.5小時) 的正式培訓課程。高級職員已接受約40.0小時(2017年：16.5小時) 正式培訓，而其他僱員已接受約20.5小時(2017年：13.3小時) 正式培訓。員工培訓增加主要由於保發工廠搬遷以及重新安排若干生產流程所致。

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Labor Standards

The Group has formulated policies to ensure all employees and job applicants are entitled to fair opportunity and treatment. The Group strives to comply with the local laws and regulation throughout the recruitment and employment process. The Group prohibits any employment of child labor Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong) and Employment of Young Persons (Industry) Regulations (Chapter 57C of the Laws of Hong Kong). The human resources department in each location is instructed to inspect the identity of the applicants to ensure any employment of child labor. The Group has a clear staff manual to prohibits forced labor and ensure legal and volunteer employment of all employees.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant labor laws and regulations that would have any significant impact on the Group.

Operating Practices

Supply Chain Management

The principal business of the Group is in the design and manufacturing of high-end jewelry and therefore precious metals are the major resources consumed by the Group. Significant portion of raw materials and processing materials (in term of dollar value) are sourced in Hong Kong and these suppliers sources their products through India or China.

The Group pays much attention to the suppliers. During supplier selection process, it takes into account the price, stability of goods as well as reputation. Afterwards, the department head and management head will review and approve in order to ensure the procured equipment and raw materials come with good quality at reasonable price. The Group also reviews the quality of stock or materials with sophisticated machines from time to time.

勞工標準

本集團亦制訂政策確保全體僱員及職位申請人都享有平等機會和獲得公平待遇。本集團於招聘及僱用過程中致力遵守地方法例及規例。本集團禁止僱用《僱用兒童規例》(香港法例第57B章)及《僱用青年(工業)規例》(香港法例第57C章)項下的童工。各地人力資源部已接獲指示調查申請人的身份，確保並無聘用童工。本集團有清晰員工手冊，禁止強制勞工，確保所有員工均合法及自願受僱。

於報告年度內，本集團並無發現任何嚴重違反相關勞工法例及規例且對本集團造成重大影響的事宜。

營運慣例

供應鏈管理

本集團的主要業務為設計及製造高端珠寶，因此本集團主要消耗的資源為貴金屬。大部分原材料及加工材料(就貨幣價值而言)採購自香港，而該等供應商的產品則採購自印度或中國。

本集團非常注重供應商。在選取供應商時，本集團會考慮貨品價格及穩定性以及聲譽。其後，部門主管及管理層將進行審批，以確保購入價格合理的優質設備及原材料。本集團亦會不時使用精密儀器檢測庫存或材料質量。

Product Responsibility

Due to the nature of our products, the Group seldom subjects to recall for safety and health reasons. The Group always reviews the quality of the stock with sophisticated machines from time to time, before, during and after the production.

The Group has team of management, including the sales director, to look after the complaints received and in case the Group received any complaints, the Group targets to resolve the issues with customers within the shortest possible time.

The Group understands the importance of intellectual property and makes every effort to safeguard and protect the intellectual property. By the same token, the Group places much emphasis on the infringement of other intellectual property rights. During the Reporting Year, the Group had not been subject to any material claim in this matter.

The Group keeps reminding the employees of and emphasizing the importance of safeguarding the security of personal data. When collecting and processing such data, the Group will comply with the local laws, regulation and guidelines to protect the privacy. The Group also has measures designated to prevent unauthorized access to personal data such as password and code.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group in respect of the privacy issue.

產品責任

鑑於我們產品的性質，本集團甚少因安全及健康原因召回產品。本集團經常於生產前、生產過程中及生產後不時使用精密儀器檢測庫存質量。

本集團擁有一支包括銷售總監的管理團隊以跟進投訴事件。倘本集團收到任何投訴，本集團目標為盡可能以最短時間為客戶解決問題。

本集團深明知識產權的重要，亦盡力保障及保護知識產權。同樣，本集團一貫重視其他知識產權侵權行為。於報告年度內，本集團並無就此遭受任何重大索償。

本集團不時提醒僱員和強調保障個人資料安全的重要性。於收集及處理該等資料時，嚴謹奉行當地法例、規例及指引以保護私隱。本集團亦特別制定措施防止未經授權取得個人資料例如密碼及代碼等。

於報告年度內，本集團並無就私隱事宜發現任何嚴重違反相關法例及規例且對本集團造成重大影響的事宜。

Environmental, Social and Governance Report 環境、社會及管治報告

Anti-corruption

The Group recognizes the importance of the ethical conducts and integrity of each director and all employees in order to maintain a fair, honest and integrity-based business environment. The Group has formulated a clear code of conduct in respect of the prevention of bribery, employees' interests, conflicts of interest, prevention of extortion and fraud in the employee handbook. Besides, the Group has an anti-bribery policy in place to further provide clear guidelines in respect of anti-bribery and maintaining honesty and integrity. Such policy applies to all directors and employees of the Group, together with the agents acting on behalf of the Group. The Group reminds the employees by internal notice to avoid bribery and acceptance of advantages as and when appropriate. Furthermore, the Group encourages its employees to report any suspected corruption, bribery or misconducts through the whistleblowing mechanism established by the Group. Such reports are kept confidential and the Group has established a procedure to protect the whistleblowers from unfair treatment.

During the Reporting Year, the Group was not aware of any material non-compliance with relevant laws and regulations that would have any significant impact on the Group, nor any corruption litigation against the Group or its employees.

反貪污

本集團知悉各董事及全體僱員的道德行為及誠信操守以維持公平、誠實及廉潔營運環境的重要性。本集團在員工手冊中已就防止賄賂、僱員利益、利益衝突、防止勒索及欺詐等各方面訂立明確的行為守則。此外，本集團亦制訂防止賄賂政策，進一步對防止賄賂及維持誠實廉潔操守作出清晰的指引。該政策適用於本集團各董事及僱員以及代表本集團行事的代理人。本集團亦於適當時候透過內部通告提醒僱員避免涉及賄賂和不當收受利益的行為。此外，本集團鼓勵僱員通過本集團設立的舉報機制對任何懷疑貪污、賄賂或行為不當等作出舉報。有關舉報會保密處理，而本集團亦建立程序保障舉報者免受不公平對待。

於報告年度內，本集團並無發現任何嚴重違反對相關法例及規例且對本集團造成重大影響的事宜，亦無任何對本集團或僱員提出的貪污訴訟案件。

Community

Community Investment

The Group participates in and promotes various community and volunteer activities for helping the needy in the society, promoting environmental awareness, fostering and facilitating industry development, with an aim to contribute to the society and fulfill our corporate social responsibility.

During the Reporting Year, the Group has participated a number of activities organized and appointed staff with pay to participate in related industry associations such as Hong Kong Gold and Silver Ornament Workers and Merchants General Union and Hong Kong Gemstone Manufacturers' Association. The Group also encouraged staff to participate in the other industry-related charity or social welfare activities by providing monetary sponsorship or pay leave to staff. In Dec 2018, the Group also provided manpower and resources including venue to assist the organization of The 6th Shunde Jewelry Tourism Cultural Festival and 3rd Shunde International Jewelry Show.

社區

社區投資

本集團參與及推廣各類型社區及義工活動，以幫助社會上有需要人士、推廣環保意識、培育及推動業界發展，務求貢獻社會，履行企業社會責任。

於報告年度內，本集團參與了多項組織活動，並委派員工及付款加入相關行業協會，如香港金銀首飾工商總會及香港寶石廠商會等。本集團亦通過向員工提供金錢資助或有薪假期，鼓勵員工參與其他業內相關慈善或社會福利活動。於2018年12月，本集團亦提供人力及資源（包括場地）協助舉辦第六屆順德珠寶旅遊文化節暨第三屆順德國際珠寶展。

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

To the Shareholders of
Perfect Group International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

致保發集團國際控股有限公司列位股東

(於開曼群島註冊成立之有限公司)

Opinion

We have audited the consolidated financial statements of Perfect Group International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 79 to 200, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

意見

吾等已審核載於第79頁至200頁之保發集團國際控股有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，此等財務報表包括於2018年12月31日之綜合財務狀況表，與截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表的附註（包括重大會計政策概要）。

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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

吾等認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而公平地反映貴集團於2018年12月31日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“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 are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見的基準

吾等已根據香港會計師公會頒佈的香港審核準則（「香港審核準則」）進行審核。吾等在該等準則下的責任已於本報告「核數師就審核綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），吾等獨立於貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基礎。

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 matter	How our audit addressed the key audit matter
Impairment assessment of trade receivables	
<p>We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit losses ("ECL") of the Group's trade receivables at the end of the reporting period.</p>	<p>Our procedures in relation to impairment assessment of trade receivables included:</p> <ul style="list-style-type: none"> Understanding key controls on how management estimates the loss allowance for trade receivables; Testing the accuracy of the ECL adjustment made by the Group as at 1 January 2018 on initial adoption of HKFRS 9; Testing the integrity of information used by management to develop the provision matrix, including trade receivables aging analysis as at 1 January 2018 and 31 December 2018, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements, sales invoices and other supporting documents; Assessing management's basis and judgement in determining credit loss allowance on trade receivables as at 1 January 2018 and 31 December 2018, including their identification of credit impaired trade receivables, the reasonableness of management's grouping of the remaining trade receivables into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to historical default rates and forward-looking information);
<p>As at 31 December 2018, the Group's net trade receivables amounting to approximately HK\$104,867,000, which represented approximately 9.86% of total assets of the Group and out of these trade receivables of approximately HK\$52,030,000 were past due. As explained in note 2 to the consolidated financial statements, in the current year, the Group adopted Hong Kong Financial Reporting Standard 9 "Financial Instruments" (HKFRS 9) and recognised an additional impairment of HK\$148,000 as at 1 January 2018 in accordance with the transitional provisions of HKFRS 9.</p>	

關鍵審核事項

關鍵審核事項為根據吾等的專業判斷，認為對本期間綜合財務報表的審核最為重要的事項。該等事項於吾等審核整體綜合財務報表及出具意見時處理，而吾等不會對該等事項提供獨立的意見。

關鍵審核事項	吾等於審核中處理關鍵審核事項的方法
貿易應收款項之減值評估	
<p>吾等將貿易應收款項之減值評估確定為關鍵審核事項，原因為貿易應收款項對本集團之綜合財務狀況而言屬重大，及於報告期末評估 貴集團貿易應收款項之預期信貸虧損（「預期信貸虧損」）時涉及主觀判斷及管理層估計。</p>	<p>吾等就貿易應收款項之減值評估執行之程序包括：</p> <ul style="list-style-type: none"> 了解管理層如何估算貿易應收款項虧損撥備之關鍵控制措施； 測試 貴集團於2018年1月1日首次採納香港財務報告準則第9號時作出預期信貸虧損調整之準確性；
<p>於2018年12月31日， 貴集團之貿易應收款項淨額約為104,867,000港元，佔 貴集團總資產約9.86%，而該等貿易應收款項中約52,030,000港元已逾期。誠如綜合財務報表附註2所述，於本年度， 貴集團採納香港財務報告準則第9號「金融工具」（香港財務報告準則第9號），並根據香港財務報告準則第9號之過渡性條文於2018年1月1日確認額外減值148,000港元。</p>	<ul style="list-style-type: none"> 通過分析相關銷售協議、銷售發票及其他支持文件比較個別項目抽樣檢測管理層於制定撥備矩陣所使用之資料之完整性，包括於2018年1月1日及2018年12月31日之貿易應收款項之賬齡分析； 評估管理層釐定2018年1月1日及2018年12月31日貿易應收款項信貸虧損撥備之基礎及判斷，當中包括彼等識別已出現信貸減值之貿易應收款項、管理層於撥備矩陣中將餘下貿易應收款項分為不同類別之合理性，以及撥備矩陣中各類別所採用估計虧損率之基準（經參考過往違約率及前瞻性資料）；

Independent Auditor's Report 獨立核數師報告

Key Audit Matters – continued

Key audit matter

How our audit addressed the key audit matter

Impairment assessment of trade receivables – Continued

As disclosed in note 38 to the consolidated financial statements, management of the Group estimates the amount of lifetime ECL of trade receivables based on provision matrix through grouping of various debtors that have similar loss patterns, after considering aging, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information. In addition, trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

As disclosed in notes 21 and 38 to the consolidated financial statements, the Group recognised an additional amount of HK\$823,000 of impairment of trade receivables for the year and the Group's lifetime ECL on trade receivables as at 31 December 2018 amounted to approximately HK\$1,858,000.

- Evaluating the disclosure regarding the impairment assessment of trade receivables in note 38 to the consolidated financial statements; and
- Testing subsequent settlements of credit impaired trade receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from trade receivables subsequent to the end of the current reporting period.

關鍵審核事項 – 續

關鍵審核事項

吾等於審核中處理關鍵審核事項的方法

貿易應收款項之減值評估 – 續

誠如綜合財務報表附註38所披露，貴集團管理層經考慮各貿易應收款項之賬齡、還款歷史及/或逾期情況，透過對具有類似虧損型態的不同債務人分組根據撥備矩陣估計貿易應收款項的全期預期信貸虧損。估計虧損率乃基於應收賬款預期年期內的過往違約記錄並就前瞻性資料作出調整計算。此外，已出現信貸減值之貿易應收款項單獨評估預期信貸虧損。已出現信貸減值之貿易應收款項之虧損撥備計量為資產賬面值與估計未來現金流量（經考慮預期未來信貸虧損）現值之差額。

誠如綜合財務報表附註21及38所披露，貴集團就年內貿易應收款項確認額外減值823,000港元，貴集團於2018年12月31日之貿易應收款項全期預期信貸虧損約為1,858,000港元。

- 評估綜合財務報表附註38中有關貿易應收款項減值評估之披露；及
- 透過檢查有關於本報告期末後所收取貿易應收款項之現金之支持文件抽樣檢測已出現信貸減值之貿易應收款項之其後結算。

Key Audit Matters – continued

Key audit matter	How our audit addressed the key audit matter
<p><i>Allowances of inventories – finished goods</i></p> <p>We identified allowances of inventories – finished goods as a key audit matter as the Group had significant amount of finished goods which are fine jewellery products as at the end of the reporting period. These finished goods may be subject to impairment due to fluctuation in selling prices. In determining the allowance to be made to finished goods, management considers the current market conditions, estimated selling prices of the finished goods, movements and subsequent sales of the finished goods.</p> <p>The Group's finished goods as at 31 December 2018 amounted to HK\$105,695,000 as disclosed in note 18 to the consolidated financial statements.</p>	<p>Our procedures in relation to management's allowances of inventories – finished goods included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the Group's provision policy on finished goods and evaluating management's process for determining the impairment of finished goods; • Testing the subsequent sales of finished goods, on a sample basis, to supporting documents; • Obtaining an independent valuation of individual fine jewellery products in significant amounts; evaluating an independent external valuer's competence, capabilities and objectivity; and the reasonableness of key assumptions adopted in the valuation model; • Discussing with management and evaluating the impairment assessment by management on finished goods without/with little subsequent sales after the reporting period; and • Assessing the reasonableness of the estimation of the net realisable value of finished goods with reference to the current market conditions, estimated selling prices, movement and subsequent sales of finished goods.

關鍵審核事項 – 續

關鍵審核事項	吾等於審核中處理關鍵審核事項的方法
<p><i>存貨撥備 – 製成品</i></p> <p>吾等將存貨-製成品撥備確定為關鍵審核事項，原因為 貴集團於報告期末有大量製成品（為優質珠寶產品）。該等製成品可能因售價波動而減值。於釐定製成品作出撥備時，管理層會考慮現行市況、製成品之估計售價、製成品之變動及其後銷售。</p> <p>誠如綜合財務報表附註18所披露，貴集團於2018年12月31日的製成品為105,695,000港元。</p>	<p>吾等就管理層對存貨-製成品之撥備執行的程序包括：</p> <ul style="list-style-type: none"> • 了解 貴集團有關製成品的撥備政策及評估管理層於釐定製成品減值的程序； • 就支持文件按抽樣基準測試製成品的其後銷售情況； • 取得個別大量優質珠寶產品的獨立估值；評估獨立外部估值師的資格、能力及客觀性；及於估值模型中所採用主要假設的合理性； • 與管理層討論及評估管理層就於報告期後並無/少量其後銷售的製成品的減值評估；及 • 參考現行市況、製成品的估計售價、變動及其後銷售評估製成品可變現淨值估計的合理性。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters – continued

Key audit matter	How our audit addressed the key audit matter
<i>Impairment assessment of properties under development for sale and properties held for sale</i>	
<p>We identified the impairment assessment of properties under development for sale and properties held for sale as a key audit matter as the Group had significant amount of properties under development for sale and properties held for sale which are jewellery industrial properties and ancillary facilities as at the end of the reporting period. These properties are stated at the lower of cost and net realisable value. In determining the net realisable value of these properties, management considers the expected future selling prices and costs necessary to complete the sale of these properties, with reference to the valuations performed by an independent firm of qualified professional property valuer (the "Valuer") for certain properties. The valuations involved significant management's judgement and estimation in relation to estimating the future selling prices and future construction costs.</p> <p>The Group's properties under development for sale and properties held for sale as at 31 December 2018 amounted to HK\$257,369,000 and HK\$121,974,000, respectively as disclosed in notes 19 and 20 to the consolidated financial statements.</p>	<p>Our procedures in relation to impairment assessment of properties under development for sale and properties held for sale included:</p> <ul style="list-style-type: none">• Obtaining an understanding from the Valuer and management of the Group about the valuation techniques, significant assumptions adopted, key inputs and data used in the valuation of properties under development for sale;• Evaluating the competence, capabilities and objectivity of the Valuer;• Assessing reasonableness of key inputs used by the Valuer and management of the Group by comparing with relevant market information with similar properties; and• Conducting site visits to properties under development for sale to observe the development progress and evaluating management's estimation on the future construction costs with reference to signed construction contracts.

關鍵審核事項一續

關鍵審核事項	吾等於審核中處理關鍵審核事項的方法
發展中待售物業及持作出售物業的減值評估	<p>吾等就發展中待售物業及持作出售物業的減值評估執行的程序包括：</p> <ul style="list-style-type: none">• 向估值師及 貴集團管理層了解對發展中待售物業進行估值時的有關估值技巧、所採用之重大假設、主要輸入數據及所使用之數據；• 評估估值師之資格、能力及客觀性；• 通過比較類似物業相關市場資料，評估估值師及 貴集團管理層所使用主要輸入數據之合理性；及• 對發展中待售物業進行實地視察以觀察發展進展及參考所簽訂之建築合約評估管理層對未來建築成本之估算。 <p>誠如綜合財務報表附註19及20所披露，於2018年12月31日， 貴集團發展中待售物業及持作出售物業分別為257,369,000港元及121,974,000港元。</p>

Other Information

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

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 Those Charged with Governance 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 HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

其他資料

貴公司董事須對其他資料負責。其他資料包括年報內所載的資料，但不包括綜合財務報表及吾等載於其中的核數師報告。

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

就吾等對綜合財務報表的審核，吾等的責任乃細閱其他資料，在此過程中考慮其他資料與綜合財務報表或吾等在審核過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於吾等已執行的工作，倘吾等認為其他資料存在重大錯誤陳述，吾等需要報告該事實。吾等就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平的綜合財務報表，並對董事認為為使綜合財務報表的編製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。

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

治理層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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表須承擔的責任

吾等的目標乃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，並出具包括吾等意見的核數師報告，並按照協定的委聘條款僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等概不就本報告的內容對任何其他人士負責或承擔責任。合理保證為高水平的保證，但不能保證按照香港審核準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其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。

作為根據香港審核準則進行審核其中一環，吾等運用專業判斷，保持專業懷疑態度。吾等亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，因此未能發現因欺詐而導致出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計於有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – continued

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

核數師就審核綜合財務報表須承擔的責任－續

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂吾等的意見。吾等的結論乃基於直至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露事項)以及綜合財務報表是否公平反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。吾等負責貴集團審核的方向、監督及執行。吾等為審核意見承擔全部責任。

吾等與治理層溝通審核的計劃範圍及時間以及重大審核發現等，其中包括吾等在審核中識別出內部控制的任何重大不足之處。

Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements – continued

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

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

The engagement partner on the audit resulting in the independent auditor's report is Tsang Chi Wai.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
22 March 2019

核數師就審核綜合財務報表須承擔的責任－續

吾等亦向治理層提交聲明，表明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響吾等獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

從與治理層溝通的事項中，吾等確定該等對本期間綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於吾等之報告中註明某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中註明該事項。

出具獨立核數師報告的審核項目合夥人為曾志偉。

德勤•關黃陳方會計師行
執業會計師
香港
2019年3月22日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		NOTES 附註	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Revenue	收益	5	522,005	352,043
Cost of goods sold	已售貨品成本		(354,020)	(241,859)
Gross profit	毛利		167,985	110,184
Other income	其他收入	6	2,616	1,263
Other gains and losses	其他收益及虧損	7	(1,360)	965
Selling and distribution costs	銷售及分銷成本		(14,905)	(15,380)
General and administrative expenses	一般及行政開支		(48,781)	(42,235)
Finance costs	財務費用	8	(3,753)	(1,005)
Profit before taxation	除稅前溢利	9	101,802	53,792
Taxation	稅項	11	(30,230)	(5,717)
Profit for the year	年內溢利		71,572	48,075
Other comprehensive income (expense) for the year	年內其他全面收益(開支)			
Items that will not be reclassified to profit or loss:	將不會重新分類至 損益的項目:			
Revaluation of property, plant and equipment upon transfer to investment properties	轉移至投資物業後重估 物業、廠房及設備			
– Surplus on revaluation	– 重估盈餘		3,601	–
– Deferred taxation	– 遞延稅項		(900)	–
			2,701	–
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至 損益的項目:			
Exchange differences arising on translation of foreign operations	換算海外業務時產生的 匯兌差額			
			(15,427)	10,902
Other comprehensive (expense) income for the year	年內其他全面(開支)收益		(12,726)	10,902
Total comprehensive income for the year	年內全面收益總額		58,846	58,977
Profit (loss) for the year attributable to:	下列人士應佔本年度 溢利(虧損):			
Owners of the Company	本公司擁有人		55,270	48,843
Non-controlling interests	非控股權益		16,302	(768)
			71,572	48,075
Total comprehensive income for the year attributable to:	下列人士應佔本年度 全面收益總額:			
Owners of the Company	本公司擁有人		46,074	56,630
Non-controlling interests	非控股權益		12,772	2,347
			58,846	58,977
Earnings per share	每股盈利	13		
– Basic	– 基本		4.09 HK cents 港仙	3.62 HK cents 港仙
– Diluted	– 攤薄		4.04 HK cents 港仙	3.58 HK cents 港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2018

於2018年12月31日

		NOTES 附註	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	131,073	28,984
Prepaid lease payments	預付租賃款項	15	14,863	16,890
Investment properties	投資物業	16	9,563	–
Deposits	按金	17	44	4,121
Deferred tax assets	遞延稅項資產	27	285	–
			155,828	49,995
Current assets	流動資產			
Inventories	存貨	18	167,033	179,956
Properties under development for sale	發展中待售物業	19	257,369	186,397
Properties held for sale	持作出售物業	20	121,974	–
Trade and other receivables	貿易及其他應收款項	21	143,386	110,627
Prepaid lease payments	預付租賃款項	15	316	351
Bank balances and cash	銀行結餘及現金	22	218,114	59,476
			908,192	536,807
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	23	110,067	29,139
Contract liabilities	合約負債	24	214,273	–
Taxation payable	應繳稅項		22,482	9,875
Bank loans – amount due within one year	銀行貸款 – 於一年內到期	25	16,735	25,580
			363,557	64,594
Net current assets	流動資產淨值		544,635	472,213
Total assets less current liabilities	資產總值減流動負債		700,463	522,208
Non-current liabilities	非流動負債			
Provision for long service payments	長期服務金撥備	26	986	1,177
Deferred tax liabilities	遞延稅項負債	27	866	83
Bank loans – amount due after one year	銀行貸款 – 於一年後到期	25	140,276	–
			142,128	1,260
Net assets	資產淨值		558,335	520,948

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2018

於2018年12月31日

		NOTE	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
		附註		
Share capital and reserves	股本及儲備			
Share capital	股本	28	4,500	4,500
Reserves	儲備		468,760	444,314
Equity attributable to owners of the Company	本公司擁有人應佔權益		473,260	448,814
Non-controlling interests	非控股權益		85,075	72,134
			558,335	520,948

The consolidated financial statements on pages 79 to 199 were approved and authorised for issue by the Board of Directors on 22 March 2019 and are signed on its behalf by:

第79頁至第199頁之綜合財務報表經由董事會於2019年3月22日批准及授權刊發，並由下列董事代表簽署：

Kan Kin Kwong
簡健光
DIRECTOR
董事

Chung Chi Keung
鍾志強
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 owners of the Company 本公司擁有人應佔										
		Share capital	Share premium	Special reserve	Property revaluation reserve	Exchange reserve	Share options reserve	Statutory surplus reserve	Retained profits	Sub-total	Non-controlling interest	Total
		股本	股份溢價	特別儲備	重估儲備	匯兌儲備	購股權儲備	盈餘儲備	保留溢利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note a) (附註a)				(note b) (附註b)				
At 1 January 2017	於2017年1月1日	4,500	93,840	(4,436)	-	-	-	-	319,036	412,940	-	412,940
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	-	-	48,843	48,843	(768)	48,075
Exchange differences arising on translation of foreign operations	兌換海外業務產生的匯兌差額	-	-	-	-	7,787	-	-	-	7,787	3,115	10,902
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	7,787	-	-	48,843	56,630	2,347	58,977
Recognition of equity-settled share-based payment (note 29)	確認以權益結算以股份支付款項(附註29)	-	-	-	-	-	6,711	-	-	6,711	-	6,711
Share options lapsed (note 29)	購股權失效(附註29)	-	-	-	-	-	(467)	-	-	(467)	-	(467)
Contribution from a non-controlling shareholder	非控股股東注資	-	-	-	-	-	-	-	-	-	69,787	69,787
Dividend (note 12)	股息(附註12)	-	-	-	-	-	-	-	(27,000)	(27,000)	-	(27,000)
At 31 December 2017	於2017年12月31日	4,500	93,840	(4,436)	-	7,787	6,244	-	340,879	448,814	72,134	520,948
At 1 January 2018	於2018年1月1日	4,500	93,840	(4,436)	-	7,787	6,244	-	340,879	448,814	72,134	520,948
Adjustments (note 2)	調整(附註2)	-	-	-	-	-	-	-	(148)	(148)	-	(148)
At 1 January 2018 (restated)	於2018年1月1日(經重列)	4,500	93,840	(4,436)	-	7,787	6,244	-	340,731	448,666	72,134	520,800
Profit for the year	年內溢利	-	-	-	-	-	-	-	55,270	55,270	16,302	71,572
Revaluation of property, plant and equipment upon transfer to investment properties	轉移至投資物業後重估物業、廠房及設備	-	-	-	2,521	-	-	-	-	2,521	1,080	3,601
- Surplus on revaluation	- 重估盈餘	-	-	-	2,521	-	-	-	-	2,521	1,080	3,601
- Deferred taxation	- 遞延稅項	-	-	-	(630)	-	-	-	-	(630)	(270)	(900)
Exchange differences arising on translation of foreign operations	兌換海外業務產生的匯兌差額	-	-	-	-	(11,087)	-	-	-	(11,087)	(4,340)	(15,427)
Total comprehensive income (expense) for the year	年內全面收入(開支)總額	-	-	-	1,891	(11,087)	-	-	55,270	46,074	12,772	58,846
Recognition of equity-settled share-based payment (note 29)	確認以權益結算以股份支付款項(附註29)	-	-	-	-	-	6,722	-	-	6,722	-	6,722
Share options lapsed (note 29)	購股權失效(附註29)	-	-	-	-	-	(1,202)	-	-	(1,202)	-	(1,202)
Share options cancelled and transfer to retained profits	購股權註銷及轉移至保留溢利	-	-	-	-	-	(503)	-	503	-	-	-
Contribution from a non-controlling shareholder	非控股股東注資	-	-	-	-	-	-	-	-	-	169	169
Dividend (note 12)	股息(附註12)	-	-	-	-	-	-	-	(27,000)	(27,000)	-	(27,000)
Transfer	轉移	-	-	-	-	-	-	5,435	(5,435)	-	-	-
At 31 December 2018	於2018年12月31日	4,500	93,840	(4,436)	1,891	(3,300)	11,261	5,435	364,069	473,260	85,075	558,335

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

Notes:

- (a) Special reserve represents the reserve arising from the business transfer of the jewellery business of the shareholders by then to the Group on 26 June 2015.
- (b) In accordance with relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to transfer 10% of their profit after taxation reported in their statutory financial statements prepared under relevant accounting principles and financial regulations applicable to enterprises established in the PRC (the "PRC GAAP") to the statutory surplus reserve.

附註：

- (a) 特別儲備指於2015年6月26日將當時股東之珠寶業務轉移至本集團而產生之儲備。
- (b) 根據中華人民共和國（「中國」）外商投資企業相關法律法規，中國附屬公司需要將按照適用於中國設立之企業相關之會計原則及財務規例（「中國公認會計原則」）編製之法定財務報表中所呈報之除稅後溢利之10%轉撥為法定盈餘儲備。

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

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Operating activities	經營活動		
Profit before taxation	除稅前溢利	101,802	53,792
Adjustments for:	就以下項目作出調整：		
Release of prepaid lease payments	預付租賃款項撥回	286	-
Depreciation on property, plant and equipment	物業、廠房及設備折舊	2,282	2,650
Impairment loss recognised on trade receivables	貿易應收款項之已確認減值虧損	823	-
Reversal of allowances for doubtful debts	呆賬撥備撥回	-	(1,093)
Interest income	利息收入	(1,881)	(330)
Interest expenses	利息開支	3,753	1,005
Written off of property, plant and equipment	物業、廠房及設備撇銷	889	-
Share-based payment expenses	以股份支付款項開支	5,520	6,244
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	113,474	62,268
Decrease (increase) in inventories	存貨減少(增加)	12,368	(10,393)
Increase in properties under development for sale	發展中待售物業增加	(326,736)	(42,687)
Decrease in properties held for sale	持作出售物業減少	122,826	-
Increase in trade and other receivables	貿易及其他應收款項增加	(35,897)	(33,228)
Increase (decrease) in trade and other payables and provision	貿易及其他應付款項以及撥備增加(減少)	84,031	(1,936)
Increase in contract liabilities	合約負債增加	222,561	-
Cash generated from (used in) operations	經營所得(所用)現金	192,627	(25,976)
Tax paid	已付稅項	(17,454)	(6,102)
Net cash generated from (used in) operating activities	經營活動所得(所用)現金淨額	175,173	(32,078)
Investing activities	投資活動		
Purchase of property, plant and equipment	購置物業、廠房及設備	(114,574)	(50,661)
Refund of the deposits paid	退回已付按金	4,077	-
Interest received	已收利息	1,881	330
Additions to prepaid lease payments	預付租賃款項增加	-	(125,942)
Net cash used in investing activities	投資活動所用現金淨額	(108,616)	(176,273)

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

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Financing activities	融資活動		
New bank loans raised	新增銀行貸款	357,188	74,831
Contribution from a non-controlling shareholder	非控股股東注資	169	69,787
Repayment of bank loans	償還銀行貸款	(220,331)	(51,616)
Dividends paid	已付股息	(27,000)	(27,000)
Interest paid	已付利息	(11,673)	(1,005)
Net cash generated from financing activities	融資活動所得現金淨額	98,353	64,997
Net increase (decrease) in cash and cash equivalents	現金及現金等值物 增加(減少)淨額	164,910	(143,354)
Cash and cash equivalents at beginning of the year	年初的現金及現金等值物	59,476	202,567
Effect of foreign exchange rate changes	外匯匯率變動影響	(6,272)	263
Cash and cash equivalents at the end of the year, represented by bank balances and cash	年末的現金及現金等值物， 即銀行結餘及現金	218,114	59,476

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the Year ended 31 December 2018

截至2018年12月31日止年度

1. GENERAL

Perfect Group International Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 16 June 2015 and its shares were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 4 January 2016. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company is at 26/F, YHC Tower, 1 Sheung Yuet Road, Kowloon Bay, Hong Kong. The Company’s immediate and ultimate holding company is Immaculate Diamonds Limited, a company incorporated in the British Virgin Islands (“BVI”) which is controlled by the controlling shareholder.

The Company is an investment holding company. The principal activities of the subsidiaries of the Company are designing, manufacturing and exporting of fine jewellery and property development. Particulars of the subsidiaries of the Company are set out in note 35.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is different from the functional currencies of the group entities. The reason for selecting HK\$ as its presentation currency is because the shareholders of the Company are located in Hong Kong.

1. 一般資料

保發集團國際控股有限公司（「本公司」）於2015年6月16日在開曼群島註冊成立，其股份於2016年1月4日在香港聯合交易所有限公司（「聯交所」）上市。本公司的註冊辦事處為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。本公司的主要營業地點是香港九龍灣常悅道1號恩浩國際中心26樓。本公司的直接最終控股公司為一間在英屬處女群島（「英屬處女群島」）註冊成立的公司Immaculate Diamonds Limited，該公司由控股股東控制。

本公司為一間投資控股公司。本公司附屬公司的主要業務為設計、製造及出口優質珠寶以及物業發展。有關本公司附屬公司的詳情載於附註35。

綜合財務報表以港元（「港元」）呈列，與集團實體的功能貨幣不同。選擇港元作為其呈列貨幣的原因為本公司股東位於香港。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

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

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

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to Hong Kong Accounting Standards (“HKAS”) 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本

於本年度強制生效之新訂香港財務報告準則及修訂本

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

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	與客戶合約的收益及相關修訂
香港（國際財務報告詮釋委員會）— 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號的修訂	以股份支付交易的分類及計量
香港財務報告準則第4號的修訂	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」
香港會計準則（「香港會計準則」）第28號的修訂	作為對香港財務報告準則2014年至2016年週期的年度改進的部分
香港會計準則第40號的修訂	轉撥投資物業

除下文所述者外，於本年度應用新訂香港財務報告準則及修訂本並無對本年度及過往年度的本集團財務表現及狀況及／或該等綜合財務報表所載的披露造成重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

2.1 HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from the following major sources:

- manufacturing and sales of jewellery products
- property development

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

2.1 香港財務報告準則第15號「客戶合約收益」

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累積影響已於2018年1月1日首次應用當日確認。於首次應用日期的任何差異已於年初保留溢利（或其他權益部份，如適用）確認，且並無重列比較資料。再者，根據香港財務報告準則第15號的過渡條文，本集團選擇僅就於2018年1月1日尚未完成的合約追溯應用該準則。因此，由於比較資料乃根據香港會計準則第18號「收益」及香港會計準則第11號「建築合約」以及相關詮釋所編製，若干比較資料未必可作比較。

本集團確認來自以下主要來源之收益：

- 製造及銷售珠寶產品
- 物業發展

有關本集團履約責任及因應用香港財務報告準則第15號而應用之會計政策之資料分別於附註5及3披露。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

2.1 HKFRS 15 “Revenue from Contracts with Customers” – continued

Summary of effects arising from initial application of HKFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本 – 續

2.1 香港財務報告準則第15號「客戶合約收益」– 續

初始應用香港財務報告準則第15號產生的影響概要

下列為對於2018年1月1日之綜合財務狀況表中確認之金額所作出的調整。並不包括未受變動影響的項目。

		Carrying amount previously reported at 31 December 2017	Reclassification	Carrying amounts under HKFRS 15 at 1 January 2018
		先前於 2017年12月31日 呈列的賬面值 HK\$'000 千港元	重新分類	根據香港 財務報告準則 第15號 於2018年 1月1日的賬面值 HK\$'000 千港元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	29,139	(454)	28,685
Contract liabilities	合約負債	–	454	454

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

2.1 HKFRS 15 “Revenue from Contracts with Customers” – continued

Summary of effects arising from initial application of HKFRS 15 – continued

Impact on the consolidated statement of cash flows at 1 January 2018

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

2.1 香港財務報告準則第15號「客戶合約收益」－續

初始應用香港財務報告準則第15號產生的影響概要－續

對於2018年1月1日之綜合現金流量表之影響

	As reported at 31 December 2017	Adjustments	Amounts without application of HKFRS 15 at 1 January 2018
	於 2017年 12月31日 所呈報 HK\$'000 千港元	調整 HK\$'000 千港元	於 2018年1月1日 並無應用 香港財務報告 第15號之金額 HK\$'000 千港元
Operating activities			
Increase in contract liabilities	–	454	454
Decrease in trade and other payables and provision	(1,936)	(454)	(2,390)

Operating activities 經營活動
Increase in contract liabilities 合約負債增加
Decrease in trade and other payables and provision 貿易及其他應付款項以及撥備減少

於2018年1月1日，就先前計入貿易及其他應付款項有關與客戶簽訂銷售合約的客戶預付款項454,000港元已重新分類為合約負債。

The directors of the Company consider the application of HKFRS 15 has no material impact on the timing and amounts of revenue recognised in the respective reporting periods.

本公司董事認為，應用香港財務報告準則第15號對於各報告期間確認收入的時間及金額並無重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

2.2 HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

2.2 香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及對其他香港財務報告準則作出的有關相應修訂。香港財務報告準則第9號引進有關1)財務資產及財務負債的分類及計量；2)財務資產的預期信貸虧損（「預期信貸虧損」）；及3)一般對沖會計的新規定。

本集團已按香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對於2018年1月1日（初次應用日期）並無終止確認的工具追溯應用分類及計量規定（包括預期信貸虧損模式下的減值），且並無對已於2018年1月1日終止確認的工具應用有關規定。於2017年12月31日的賬面金額與於2018年1月1日的賬面金額之間的差額於年初保留溢利及權益的其他部分確認，毋須重列比較資料。

由於比較資料乃按照香港會計準則第39號「金融工具：確認及計量」編製，因此，若干比較資料可能無法用作比較。

因應用香港財務報告準則第9號而應用之會計政策之資料於附註3披露。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

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

2.2 HKFRS 9 “Financial Instruments” – continued

Summary of effects arising from initial application of HKFRS 9

Below illustrates the classification and measurement (including impairment) of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

Impairment under ECL model

In relation to the impairment of financial assets, HKFRS 9 requires an ECL model, as opposed to an incurred credit loss model under HKAS 39. The ECL model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

In the current year, the Group has applied HKFRS 9 simplified approach to measure ECL using lifetime ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics.

Loss allowance for other financial assets at amortised cost mainly comprise of other receivables and bank balances, and are measured on 12-month ECL (“12m ECL”) basis and there had been no significant increase in credit risk since initial recognition.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

2.2 香港財務報告準則第9號「金融工具」－續

初始應用香港財務報告準則第9號之影響概述

以下說明根據香港財務報告準則第9號及香港會計準則第39號於初始應用日期（2018年1月1日）在預期信貸虧損規限下的財務資產的分類及計量（包括減值）。

預期信貸虧損模式下的減值

就財務資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換而言之，毋須再待發生信貸事件方確認信貸虧損。

於本年度，本集團已採用香港財務報告準則第9號簡化方法，就貿易應收款項使用全期預期信貸虧損計量預期信貸虧損。為計量預期信貸虧損，貿易應收款項已根據共享信貸風險特徵分組。

按攤銷成本計量之其他財務資產之虧損撥備主要包括其他應收款項及銀行結餘，乃按12個月的預期信貸虧損（「12個月的預期信貸虧損」）基準計量，而信貸風險自初始確認以來並無大幅增加。

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

2.2 HKFRS 9 “Financial Instruments” – continued

Summary of effects arising from initial application of HKFRS 9 – continued

Impairment under ECL model – continued

As at 1 January 2018, the additional credit loss allowance of HK\$148,000 has been recognised against retained profits. The additional loss allowance is charged against the trade receivables.

All loss allowances for trade receivables as at 31 December 2017 reconcile to the opening balances of trade receivables as at 1 January 2018 is as follows:

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

2.2 香港財務報告準則第9號「金融工具」－續

初始應用香港財務報告準則第9號之影響概述－續

預期信貸虧損模式下的減值－續

於2018年1月1日，額外信貸虧損撥備148,000港元已於保留溢利中確認。額外虧損撥備將從貿易應收款項扣除。

於2017年12月31日之貿易應收款項之所有虧損撥備與2018年1月1日之貿易應收款項之年初結餘之對賬如下：

		Trade receivables 貿易應收款項 HK\$'000 千港元
At 31 December 2017 (audited)	於2017年12月31日（經審核）	
– HKAS 39	– 香港會計準則第39號	88,204
Amounts remeasured through opening retained profits	透過年初保留溢利重新計量的金額	(148)
At 1 January 2018 (unaudited)	於2018年1月1日（未經審核）	88,056

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

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

As a result of the changes in the Group’s accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

2.3 因應用所有新準則對年初綜合財務狀況表產生之影響

由於上述本集團會計政策之變動，年初之綜合財務狀況表須予重列。下表載列各個別項目之已確認調整。並不包括未受變動影響的項目。

		31 December			1 January
		2017	HKFRS 15	HKFRS 9	2018
		2017年	香港財務	香港財務	2018年
		12月31日	報告準則	報告準則	1月1日
		HK\$’000	第15號	第9號	HK\$’000
		千港元	HK\$’000	HK\$’000	千港元
		(Audited)	千港元	千港元	(Restated)
		(經審核)			(經重列)
Contract liabilities	合約負債	–	(454)	–	(454)
Trade and other receivables	貿易及其他應收款項	110,627	–	(148)	110,479
Trade and other payables	貿易及其他應付款項	(29,139)	454	–	(28,685)
Retained profits	保留溢利	(340,879)	–	148	(340,731)

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

New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 16	Leases ¹
HKFRS 17	Insurance Contracts ³
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments ¹
Amendments to HKFRS 3	Definition of a Business ⁴
Amendments to HKFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁵
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle ¹

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本—續

已頒佈但尚未生效的新訂香港財務報告準則及修訂本

本集團並無提早採用下列已頒佈但尚未生效的新訂香港財務報告準則及修訂本：

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	所得稅處理之不确定因素 ¹
香港財務報告準則第3號的修訂	業務的定義 ⁴
香港財務報告準則第9號的修訂	具有負補償之提早償還特性 ¹
香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產銷售或注資 ²
香港會計準則第1號及香港會計準則第8號的修訂	重要性的定義 ⁵
香港會計準則第19號的修訂	計劃修正、縮減或清償 ¹
香港會計準則第28號的修訂	於聯營公司及合營企業之長期權益 ¹
香港財務報告準則的修訂	對香港財務報告準則2015年至2017年週期的年度改進 ¹

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

New and amendments to HKFRSs in issued but not yet effective – continued

- ¹ Effective for annual periods beginning on or after 1 January 2019.
- ² Effective for annual periods beginning on or after a date to be determined.
- ³ Effective for annual periods beginning on or after 1 January 2021.
- ⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- ⁵ Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

已頒佈但尚未生效的新訂香港財務報告準則及修訂本－續

- ¹ 於2019年1月1日或之後開始的年度期間生效。
- ² 於將予釐定的日期或之後開始的年度期間生效。
- ³ 於2021年1月1日或之後開始的年度期間生效。
- ⁴ 對收購日期為2020年1月1日或之後開始的首個年度期間初或之後的業務合併及資產收購生效。
- ⁵ 於2020年1月1日或之後開始的年度期間生效。

除下文所述的新訂香港財務報告準則及修訂本外，本公司董事預期，應用所有其他新訂香港財務報告準則及修訂本對可見將來的綜合財務報表並無重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低價值資產租賃外，經營租賃及融資租賃的區分自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

HKFRS 16 “Leases” – continued

The right-of-use asset is initially measured at costs and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as operating cash flows, respectively.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本－續

香港財務報告準則第16號「租賃」－續

使用權資產初次按成本計量，隨後以成本（惟若干情況除外）減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初次按租賃款項（非當日支付）之現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。於應用香港財務報告準則第16號後，有關租賃負債的租賃款項將分配至本金及利息部分，並分別以經營現金流量呈列。

根據香港會計準則第17號，本集團作為承租人已就租賃土地確認預繳租賃款項。採用香港財務報告準則第16號可能導致該等資產之分類發生潛在變動，其分類視乎本集團是否分開呈列使用權資產或按將呈列相應相關資產（倘擁有）的相同項目內呈列。

除若干亦適用於出租人的要求外，香港財務報告準則第16號大致保留香港會計準則第17號內對出租人的會計要求，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

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

HKFRS 16 “Leases” – continued

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of HK\$15,700,000 as disclosed in note 32. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$44,000 and refundable rental deposits received of HK\$112,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC) 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及修訂本—續

香港財務報告準則第16號「租賃」—續

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於2018年12月31日，誠如附註32所披露，本集團有不可撤銷經營租賃承擔15,700,000港元。初步評估表明，該等安排將符合香港財務報告準則第16號下的租賃定義，因此，本集團將就所有該等租賃確認為使用權資產及相應負債，除非其符合低價值或短期租賃。

此外，本集團現時認為已付可退回租賃按金44,000港元及已收可退回租賃按金112,000港元是租賃項下的權利及義務，適用於香港會計準則第17號。按香港財務報告準則第16號租賃付款的定義，上述按金並非與使用相關資產權利有關的付款，因此，上述按金的賬面值可予調整至經攤銷成本，已付可退還租賃按金的調整將被視為額外租賃付款及計入使用權資產的賬面值。已收可退還租賃按金的調整將被視為預付租賃付款。

如上述所示，應用新的規定或會導致計量、呈列及披露變化。本集團擬選擇可行權宜方法，就先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—第4號「釐定安排是否包括租賃」識別為租賃的合約應用香港財務報告準則第16號，而並無對先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團（作為承租人）擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對年初保留溢利的累計影響，而並無重列比較資料。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values, as explained in accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

3. 重要會計政策

綜合財務報表乃根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例所規定的適用披露事項。

除投資物業按公平值列賬外，綜合財務報表乃按歷史成本基準編製，如下文所載之會計政策所述。歷史成本一般基於換取貨品或服務的代價的公平值釐定。

公平值為市場參與者於計量日期在有序交易中出售資產可能收取或轉讓負債可能支付的價格，不論該價格是否直接觀察可得或使用另一種估值方法估計。如市場參與者於計量日期為該等資產或負債定價時會考慮其特徵，則本集團於估計資產或負債的公平值時亦會考慮該等資產或負債的特徵。在綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號「以股份支付款項」範圍內以股份支付款項的交易、香港會計準則第17號「租賃」範圍內的租賃交易以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

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

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

The principal accounting policies adopted are set out below.

Basis of consolidation

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

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

3. 重要會計政策－續

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及輸入數據對公平值計量的整體重要性分類為第1級、第2級及第3級，載述如下：

- 第1級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第2級輸入數據是就資產或負債直接或間接地可觀察的輸入數據（第1級內包括的報價除外）；及
- 第3級輸入數據是資產或負債的非可觀察輸入數據。

採納的主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司及其附屬公司所控制實體的財務報表。本公司於下列情況下獲得控制權：

- 可對投資對象行使權力；
- 參與投資對象之業務而可或有權獲得可變回報；及
- 有能力藉對投資對象行使其權力而影響其回報。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of consolidation – continued

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

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

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

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

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

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

3. 重要會計政策－續

綜合基準－續

倘事實或情形表明上文所列的三項因素中的一項或以上出現變動，本集團將重新評估其是否控制投資對象。

綜合附屬公司始於本集團取得附屬公司的控制權，終於本集團失去附屬公司控制權。具體而言，於年內收購或出售之附屬公司之收入及開支計入自本集團獲得控制權之日直至本集團不再控制附屬公司之日之綜合損益及其他全面收益表。

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使這將導致非控股權益出現虧絀結餘。

倘有必要，附屬公司的財務報表將予調整，以令其會計政策與本集團會計政策一致。

本集團成員公司之間與交易有關的所有集團間資產、負債、股權、收入、開支及現金流量於綜合時悉數抵銷。

於附屬公司之非控股權益與本集團於其中之相關權益分開呈列，即賦予其持有人有權於相關附屬公司清算時按比例分配其淨資產之現有所有權權益。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

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

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

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

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

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

3. 重要會計政策－續

與客戶的合約收益(根據附註2之過渡條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，本集團於(或當)完成履約責任時(即於與特定履約責任相關的貨品或服務的「控制權」轉移予客戶時)確認收益。

履約責任指一項明確貨品或服務(或一批貨品或服務)或一系列大致相同的明確貨品或服務。

倘符合以下其中一項條件，則控制權為隨時間轉移，而收益則參考相關履約責任的完成進度隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創造及提升客戶於本集團履約時控制的資產；或
- 本集團的履約未創造對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務控制權時確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) – continued

The revenue of the Group arising from sales of jewellery product is generally recognised at a point in time when customer acceptance has been obtained, which is the point of time when the customer has the ability to direct the use of these products and obtain substantially all of the remaining benefits of these products.

The revenue of the Group arising from property development in the ordinary course of business is recognised at a point in time when the customer obtains control of the respective properties.

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

Revenue recognition (prior to 1 January 2018)

Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business and net of discounts and returns.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

3. 重要會計政策－續

與客戶的合約收益(根據附註2之過渡條文應用香港財務報告準則第15號後)－續

本集團來自銷售珠寶產品之收益一般於客戶接收產品時(即客戶可以控制該等產品之使用及取得產品絕大部分剩餘利益時)確認。

本集團於日常業務過程中來自物業發展之收益於客戶取得對相關物業之控制權時確認。

合約負債指本集團因已自客戶收取代價(或到期收取的代價)，而須向客戶轉讓商品或服務的責任。

收益確認(2018年1月1日前)

收益按已收或應收代價的公平值計量，相等於日常業務過程中出售貨品應收金額並扣除折扣及退貨。

當收入數額能可靠地計量、而未來經濟利益可能流入本集團，且符合以下本集團各業務的特定準則時，則會確認收入。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Revenue recognition (prior to 1 January 2018) – continued

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

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

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3. 重要會計政策－續

收益確認(2018年1月1日前)－續

銷售貨品之收益於貨品送抵且物權轉移時確認，其時已達成以下條件：

- 本集團將貨品擁有權的主要風險及回報轉嫁予買方；
- 本集團對所售貨品不再擁有通常與擁有權相關的持續管理權，亦無實際控制權；
- 收益金額能可靠計量；
- 與交易相關的經濟利益可能流入本集團；及
- 交易已產生或將產生的成本能可靠計量。

利息收入按時間分配基準進行累計，並參考未償付本金額及實際適用利率(為透過財務資產的預期年期將估計未來現金收入準確貼現至該項資產初始確認賬面淨值的利率)計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Property, plant and equipment

Property, plant and equipment, other than land and buildings, held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost or fair value to their residual values over their estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of the year, with the effect of any changes in estimate accounted for on a prospective basis.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item (including the relevant prepaid lease payments) at the date of transfer is recognised in other comprehensive income and accumulated in property revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

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

3. 重要會計政策—續

物業、廠房及設備

持作生產或供應貨品或服務或用於管理目的的物業、廠房及設備(土地及樓宇除外)，按成本值減其後的累積折舊及累積減值虧損(如有)於綜合財務狀況表內列賬。

物業、廠房及設備採用直線法計算折舊，以於其估計可使用年期內將其成本或公平值折舊至剩餘價值。

年末會對估計可使用年期、剩餘價值及折舊方法進行檢討，以反映估計如有任何變化的預期影響。

倘物業、機器及設備項目因終止自用而變更為投資物業時，其(包括有關預付租賃款項)賬面值與公平值的任何差額於轉撥日於其他全面收益確認及累計至物業重估儲備。相關重估儲備於其後資產出售或報廢時直接轉入保留溢利。

於物業、廠房及設備項目出售後或當預計不會因持續使用資產而產生未來經濟效益時，該項物業、廠房及設備解除確認。因出售或棄用而任何物業、廠房及設備項目而確認的任何收益或虧損按該項資產的出售所得款項與賬面值的差額計算，並於損益內確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of the costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

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

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

3. 重要會計政策－續

作為未來自用用途的發展中樓宇

當樓宇在發展中為用以生產或行政用途，於建築期內，已付土地租金攤銷則構成在發展中樓宇成本的一部分。發展中樓宇以成本扣減任何經確認減值虧損列賬。樓宇的折舊於其可供使用時（即當其位置及所需狀態使其可達致管理層預定的營運方式時）開始。

投資物業

投資物業乃為賺取租金及／或資本升值而持有的物業。

投資物業於初始按成本計量，包括任何直接歸屬開支。於初始確認後，投資物業以其公平值計算。本集團以經營租約持有之全部物業權益均以賺取租金或實現資本增值為目的，並以公平值模式計量及分類為投資物業並按此入賬。投資物業之公平值變動所產生之溢利或虧損，包括於發生當期的損益中。

投資物業於出售時或當投資物業永久不再使用及預期出售時不會產生未來經濟利益時剔除確認。因剔除確認物業而產生之任何盈虧（按該資產之出售所得款項淨額及賬面值之差額計算）於該資產剔除確認當期計入損益中。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress mainly comprises raw materials and direct labour. Net realisable value is the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties under development for sale

Properties under development for sale are classified under current assets and are stated at the lower of cost and net realisable value. Costs relating to the development of the properties include land cost, construction cost, borrowing costs and other direct development expenditure.

Net realisable value represents the estimated selling price less all anticipated costs to be incurred in marketing and selling.

Properties held for sale

Properties held for sale are completed properties and are classified under current assets and are stated at the lower of cost and net realisable value.

3. 重要會計政策－續

存貨

存貨按成本與可變現淨值兩者中較低者入賬，成本以先入先出法計算。製成品及在製品的成本主要包括原材料及直接勞工。可變現淨值按存貨估計售價減所有估計完成成本及銷售必需成本計算。

發展中待售物業

發展中待售物業分類為流動資產，並按成本及可變現淨值兩者之較低者入賬。物業發展相關成本包括土地成本、建築成本、借款成本及其他直接發展開支。

可變現淨值指估計售價減市場推廣及銷售所產生之所有預計成本。

持作出售物業

持作出售物業為已落成物業，並分類為流動資產及按成本與可變現淨值兩者中之較低者列賬。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3. 重要會計政策－續

借貸成本

為購買、建造或生產合資格的資產(即需要一段頗長時間始能達至其擬定用途或出售之資產)，其直接應計之借貸成本均資本化作為該等資產成本值之一部分。當該等資產大體上已完成可作其擬定用途或出售時，即停止將該等借貸成本資本化。

所有借貸成本均於其產生期間於損益內確認。

撥備

倘本集團須就已發生事件承擔現時責任(法定或推定)，而本集團很可能將須履行責任，以及可就有關責任的金額作出可靠估算，則確認撥備。

確認為撥備的金額為於年末須履行現時責任的代價的最佳估算，當中計及有關責任的風險及不明確因素。倘採用估計用於履行現時責任的現金流量計算撥備，則其賬面值為該等現金流量的現值(金錢的時間值影響重大)。

當結算撥備所需的部分或全部經濟利益預期可自第三方收回時，倘實質上確定將可獲償付及應收款項金額可作可靠計量時，則確認應收款項為資產。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of financial assets or financial liabilities and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets or financial liabilities, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 重要會計政策—續

財務工具

財務資產及財務負債於本集團成為該工具合約條文的訂約方時，於綜合財務狀況表內確認。財務資產一般買賣按交易日基準確認及剔除確認。一般買賣指於市場規定或慣例確立之期限內交付資產之財務資產購買或銷售。

財務資產及財務負債初始按公平值計量，惟自2018年1月1日起根據香港財務報告準則第15號初始計量之與客戶合約之收益所產生之貿易應收款項除外。收購或發行財務資產及財務負債直接應佔的交易成本於初始確認時加入財務資產或財務負債的公平值，或從財務資產或財務負債的公平值扣除（如適用）。

實際利息法是計算財務資產或財務負債攤銷成本及按有關期間攤分利息收入及利息開支的方法。實際利率按財務資產或財務負債預計年期，或（如適用）較短期間精確折現未來現金收入（包括所有構成實際利率、交易成本及其他溢價或折讓的已付或已收費用）至初始確認時的賬面淨值的比率。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets

Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)

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

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

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

3. 重要會計政策－續

財務工具－續

財務資產

財務資產分類及其後計量 (根據附註2之過渡條文應用香港財務報告準則第9號後)

符合以下條件的財務資產其後按攤銷成本計量：

- 於目的為收取合約現金流量的業務模式內持有之財務資產；及
- 合約條款導致於特定日期產生純粹為支付本金及未償還本金額利息的現金流量。

攤銷成本及利息收入

其後按攤銷成本計量的財務資產的利息收入乃使用實際利息法予以確認。利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信貸虧損之財務資產除外。就其後出現信貸減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘出現信貸減值的財務工具的信貸風險好轉，使財務資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, bank balances and deposits). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號後)

本集團就須根據香港財務報告準則第9號作出減值的財務資產(包括貿易及其他應收款項、銀行結餘及按金)預期信貸虧損確認虧損撥備。預期信貸虧損金額於各報告日期作出更新,以反映自初步確認以來的信貸風險變動。

全期預期信貸虧損指相關工具預計使用年內所有潛在違約事件將會引起的預期信貸虧損。相反,十二個月預期信貸虧損指報告日期起計十二個月內可能出現的違約事件預期將會引起的一部分全期預期信貸虧損。

評估乃根據本集團過往信貸虧損經驗作出,並就債務人特定因素、一般經濟環境及於報告日期對現況作出的評估以及未來狀況預測調整。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值（根據附註2之過渡條文應用香港財務報告準則第9號後）－續

(i) 信貸風險大幅上升

於評估信貸風險是否自初步確認以來大幅上升時，本集團將報告日期財務工具出現違約事件的風險與初步確認日期財務工具出現違約事件的風險進行比較。於作出此項評估時，本集團會考慮合理且可證實的定量及定性資料，包括過往經驗或毋須過高成本或太多工序便可供查閱的歷史及前瞻性資料。

特別是，在評估信貸風險是否大幅上升時，本集團會考慮以下資料：

- 財務工具外界（如有）或內部信貸評級實際或預期大幅轉差；
- 信貸風險外部市場指標大幅轉差，例如信貸利差大幅上升，債務人信貸違約掉期價格大幅上升；
- 業務、財務或經濟環境現有或預測不利變動預期將導致債務人履行其債務責任的能力遭到大幅削弱；

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

- (i) Significant increase in credit risk – continued
- an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號後)－續

- (i) 信貸風險大幅上升－續
- 債務人經營業績實際或預期大幅轉差；
 - 債務人的監管、經濟或技術環境實際或預期出現重大不利變動，導致債務人履行其債務責任的能力遭到大幅削弱。

不論上述評估結果如何，倘合約付款逾期超過30日，則本集團會假定信貸風險自初始確認以來已大幅上升，除非本集團另有合理且可證實資料可資證明，則作別論。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

(i) Significant increase in credit risk – continued

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of ‘investment grade’ as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值（根據附註2之過渡條文應用香港財務報告準則第9號後）－續

(i) 信貸風險大幅上升－續

儘管存在上述情況，倘債務工具於報告日期展示為具有低信貸風險，本集團假設債務工具的信貸風險自初步確認起並無大幅增加。倘i) 其違約風險偏低；ii) 借方有強大能力於短期滿足其合約現金流量責任；及iii) 較長期的經濟及業務狀況存在不利變動，惟將未必削弱借方達成其合約現金流量責任的能力，則債務工具的信貸風險會被釐定為偏低。當債務工具的內部或外部信貸評級為「投資級別」（按照全球理解的釋義），則本集團會視該債務工具的信貸風險偏低。

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別出信貸風險的顯著增加。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號後)－續

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，如內部產生或外部資源資料顯示，債務人很可能無法向債權人(包括本集團)悉數還款(不計及本集團所持有任何抵押品)，則發生違約事件。

無論上述結果如何，倘財務資產逾期超過90日，本集團將視作已發生違約，除非本集團擁有合理及有理據支持的資料證明較寬鬆的違約標準更為適合，則另當別論。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值（根據附註2之過渡條文應用香港財務報告準則第9號後）－續

(iii) 出現信貸減值的財務資產

當一項或多項對財務資產估計未來現金流量造成負面影響的違約事件發生時，即代表財務資產已出現信貸減值。財務資產出現信貸減值的證據包括涉及以下事件的可觀察數據：

- (a) 發行人或借款人遇到嚴重財政困難；
- (b) 違反合約，如拖欠或逾期的情況；
- (c) 向借款人作出貸款的貸款人出於與借款人財政困難有關的經濟或合約考慮，給予借款人在其他情況下不會作出的讓步；
- (d) 借款人有可能破產或進行其他財務重組；或
- (e) 該項財務資產因財政困難而失去活躍市場。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. 重要會計政策—續

財務工具—續

財務資產—續

財務資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號後) – 續

(iv) 撇銷政策

當有資料顯示對手方陷入嚴重財政困難，且並無實際收回款項的可能時（例如對手方被清盤或進入破產程序，或就貿易應收款項而言，當金額已逾期超過三年（以較早發生者為準）），本集團會撇銷財務資產。經計及在適當情況下的法律意見後，已撇銷的財務資產可能仍可於本集團收回程序下被強制執行。撇銷會構成終止確認事件。其後收回的任何款項於損益內確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) – continued

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值 (根據附註2之過渡條文應用香港財務報告準則第9號後)－續

(v) 計量及確認預期信貸虧損

預期信貸虧損的計量乃違約概率、違約虧損率(即違約造成虧損的幅度)及違約風險的函數。違約概率及違約虧損率乃根據經前瞻性資料調整的歷史數據進行評估。預期信貸虧損的估計反映無偏頗及概率加權數額，其乃根據加權的相應違約風險而釐定。

一般而言，預期信貸虧損按根據合約應付本集團的所有合約現金流量與本集團預期收取的現金流量之間的差額估計，並按初步確認時釐定的實際利率貼現。

利息收入乃根據財務資產的賬面總值計算，除非財務資產出現信貸減值，在此情況下，利息收入根據財務資產的攤銷成本計算。

本集團藉調整所有財務工具的賬面值於損益確認減值收益或虧損，惟貿易應收款項則透過虧損撥備賬確認相應調整。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are mainly loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivable when the recognition of interest would be immaterial.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產的分類及其後計量 (於2018年1月1日應用香港財務報告準則第9號前)

財務資產主要為貸款及應收款項。分類視乎財務資產的性質及用途於初步確認時釐定。所有正常購買或出售之財務資產按交易日之基準確認及解除確認。正常購買或出售是指按照市場規定或慣例須在一段期限內進行資產交付之財務資產買賣。

貸款及應收款項

貸款及應收款項指於活躍市場並無報價但具有固定或可釐定付款的非衍生財務資產。於初始確認後，貸款及應收款項(包括貿易及其他應收款項、按金以及銀行結餘及現金)於扣除任何減值後以實際利息法按攤銷成本計量(請參閱下文財務資產減值的會計政策)。

利息收入按實際利率確認，惟利息確認極微之短期應收款項除外。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)

Financial assets are assessed for indicators of impairment at the end of each year. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值 (於2018年1月1日應用香港財務報告準則第9號前)

本集團在各年末評估財務資產有否任何減值跡象。倘有客觀證據顯示財務資產的估計未來現金流量受到一項或多項於初始確認財務資產後發生的事件影響，則財務資產被視作減值。

減值的客觀證據可包括：

- 發行方或對約方出現重大財務困難；或
- 違反合約，如欠付或拖欠利息或本金；或
- 借款方破產或財務重組極可能發生。

應收款項組合的減值客觀憑證可包括本集團過往收回款項的經驗、組合內超過平均信貸期的延遲付款數目增加、與未付應收款項相關的全國或地方經濟狀況的可觀察變動。

按攤銷成本列賬之財務資產，當有客觀證據顯示資產已減值時，於損益中確認減值虧損，並且按照資產賬面值與按原有實際利率貼現之估計未來現金流量之現值間的差額計量減值虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) – continued

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date of the impairment loss is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重要會計政策－續

財務工具－續

財務資產－續

財務資產減值 (於2018年1月1日應用香港財務報告準則第9號前)－續

就按成本列賬之財務資產而言，減值虧損金額為按資產賬面金額與以類似財務資產之現行市場回報率貼現之估計未來現金流量之現值間之差額計量。該減值虧損將不會於往後期間撥回。

財務資產的賬面值就所有財務資產直接按減值虧損減少，惟貿易應收款項除外。貿易應收款項的賬面值經撥備賬減少，撥備賬的賬面值變動於損益內確認。當一項貿易應收款項被視為不可收回時，則會在撥備賬內作出撇銷，先前撇銷的款項如在其後收回，則會計入損益內。

就按攤銷成本計量之財務資產而言，倘於往後期間，減值虧損金額減少，而該減幅可客觀地與確認減值虧損後發生的事件相聯，則先前確認的減值虧損透過損益賬撥回，惟該資產於撥回減值虧損當日的賬面值不得超過在並無確認減值的情況下應有的攤銷成本。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial instruments – continued

Financial assets – continued

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by the group entities are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and bank loans are subsequently measured at amortised cost, using the effective interest method.

3. 重要會計政策－續

財務工具－續

財務資產－續

終止確認財務資產

只有當資產現金流量的合約權利屆滿時，或將財務資產及其所有權的絕大部分風險及回報轉移予另一實體時，本集團方會終止確認財務資產。

於終止確認財務資產時，資產賬面值與已收及應收代價總和間的差額於損益內確認。

財務負債及股權工具

分類為債務或股權

債務及集團實體發行的股權工具根據已訂立的合約安排內容以及財務負債及股權工具的定義分類為財務負債或股權。

股權工具

股權工具為證明本集團資產剩餘權益（經扣除其所有負債）的任何合約。集團實體發行的股權工具按已收所得款項於扣除直接發行成本後確認。

按攤銷成本之財務負債

財務負債包括貿易及其他應付款項及銀行貸款，之後採用實際利息法按攤銷成本計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on tangible assets

At the end of the year, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount of tangible assets are estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 重要會計政策－續

取消確認財務負債

當及只有於本集團的責任獲解除、註銷或屆滿時，本集團方會取消確認財務負債。取消確認的財務負債的賬面值與已付及應付代價之間的差額於損益內確認。

有形資產之減值

於年末，本集團均會對有形資產的賬面值進行審查，以確定是否有跡象顯示該等資產已發生減值虧損。倘出現該等跡象，則須估計資產的可收回金額，以釐定減值虧損（如有）的程度。有形資產的可收回金額乃按個別基準估計。倘估計個別資產的可收回金額屬不可能，則本集團估計該資產所屬現金產生單位的可收回金額。倘可識別合理且貫徹的分攤基準，則亦會攤分企業資產至個別現金產生單位，或以其他方式攤分至可識別合理且貫徹分攤基準的最小現金產生單位組別中。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Impairment on tangible assets – continued

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

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced the carrying amount of any goodwill (if applicable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that standard.

3. 重要會計政策－續

有形資產之減值－續

可收回金額為公平值減出售成本與使用價值兩者之間的較高者。於評估使用價值時，估計未來現金流量使用除稅前折現率折現至其現值，以反映現時市場對金錢時間值的評估及該資產（其估計未來現金流量未予調整）特有的風險。

當資產（或現金產生單位）之可收回金額估計低於其賬面值時，資產（或現金產生單位）之賬面值減去任何商譽（倘適用）之賬面值、其使用價值（倘可釐定）及零。原已另行分配至該資產之減值虧損金額按比例分配至單位內其他資產。減值虧損即時於損益內確認。

倘減值虧損隨後撥回，則該資產（或現金產生單位）的賬面值會增加至其可收回金額的重新估值；但增加後的賬面值不得超過該資產（或現金產生單位）於過往年度如無確認減值虧損時應確定的賬面值。減值虧損撥回即時於損益內確認，除非相關資產根據另一項準則按重估金額計值，在此情況下，減值虧損撥回則根據該項準則被視為重估增加。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Share-based payment arrangements

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each year.

3. 重要會計政策—續

以股份支付款項之安排

以權益結算以股份支付款項之交易

授予僱員之購股權

以權益結算以股份支付之款項予僱員及提供同類服務的其他人士按權益工具授出日期的公平值計量。

在不考慮所有非市場歸屬條件之情況下，於授出日期釐定的以權益結算以股份支付之款項之公平值基於本集團對最終歸屬之權益工具的估計按直線法於歸屬期支銷，相應增加計入權益（購股權儲備）。於各報告期末，本集團根據對所有非市場歸屬條件的評估，對估計預期將歸屬的權益工具數目作出修訂。修訂原有估計的影響（如有）於損益確認，以使累計開支符合經修訂的估計，而相關調整計入購股權儲備。

稅項

所得稅開支指當期應付稅項及遞延稅項的總和。

當期應付稅項基於年內應課稅盈利計算。由於應課稅盈利撇除其他年度應課稅或可扣減的收入及開支項目和永遠不應課稅或不可扣減的項目，因此與綜合損益及其他全面收益表所報的「除稅前溢利」不同。本集團的當期稅項按各年末已制定或實質上已制定的稅率計算。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation – continued

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

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

The carrying amount of deferred tax assets is reviewed at the end of each year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 重要會計政策－續

稅項－續

遞延稅項以資產及負債於綜合財務報表的眼面值與計算應課稅盈利所使用的相應稅基之間的差額確認。所有應課稅暫時性差額一般均確認為遞延稅項負債，而所有應課稅暫時性差額一般限於在有應課稅盈利可供對銷可扣減暫時性差額時才會確認為遞延稅項資產。因商譽或在不會對應課稅盈利或會計盈利構成影響的交易中初次確認（業務合併除外）的其他資產或負債所產生的暫時性差額，有關遞延稅項資產及負債則不予確認。

遞延稅項負債就有關於附屬公司的投資的應課稅暫時差額予以確認，惟本集團在可控制暫時差額的撥回以及暫時差額於可預見將來不可能撥回的情況下除外。因與該等投資相關的可扣稅暫時差額而產生的遞延稅項資產僅會於可能有足夠可動用的應課稅溢利用以抵扣暫時差額利益且預期於可預見將來撥回的情況下，方會予以確認。

遞延稅項資產的賬面值於各年末審閱，並減少至不再可能有足夠應課稅盈利足以收回全部或部份資產。

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For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Taxation – continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3. 重要會計政策－續

稅項－續

遞延稅項資產及負債按償還負債或變現資產時按期內預計適用的稅率計算，而上述償還或變現按報告期末已制定或實際上已制定的稅率（及稅法）計算。遞延稅項負債及資產的計算反映本集團預期於各報告期末收回或結算其資產及負債的賬面值後隨之而來的稅務後果。

就計量按公平值模式計量的投資物業的遞延稅項而言，假定該等物業的賬面值可透過出售全數收回，除非假定被駁回則作別論。倘該投資物業可予折舊，而目標為隨時間而非透過出售消耗該投資物業所包含的絕大部分經濟利益的商業模式持有，此假定則被駁回。

當有法定可行使權利將即期稅項資產與負債抵銷，且彼等與同一稅務機關徵收的所得稅有關以及本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產與負債可互相對銷。

當期及遞延稅項於損益賬中確認，惟倘其有關事項在其他全面收益或直接在股本權益中被確認，則當期及遞延稅項亦會於其他全面收益或直接於權益中分別確認。

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of the entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the year, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rate prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under exchange reserve. Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

3. 重要會計政策－續

外幣

在編製每個獨立集團實體的財務報表時，以實體功能貨幣以外的貨幣（外幣）結算的交易以各自的功能貨幣（即實體經營所在主要經濟環境的貨幣）按交易當日的匯率記錄。於年末，以外幣結算的貨幣項目按當日的匯率換算。按歷史成本以外幣計量的非貨幣項目不作重新換算。

交收貨幣項目及換算貨幣項目產生的匯兌差額於產生期間在損益表內確認。

就呈列綜合財務報表而言，本集團海外經營業務的資產及負債按各報告期末的適用匯率換算為本集團的呈列貨幣（即港元），而收入及開支項目則按該年度的平均匯率進行換算，除非匯率於期內大幅波動，在該情況下，則採用交易日的適用匯率。所產生匯兌差額（如有）於其他全面收益中確認，並於股本部份在匯兌儲備項下累積入賬。該等匯兌差額在出售海外經營業務的期間內於損益中確認。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Retirement benefits costs

Payments to state-managed retirement benefit schemes and Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 重要會計政策－續

租賃

當租約條款將所涉及擁有權的絕大部份風險及回報轉讓予承租人時，租約分類為融資租約。所有其他租約均分類為經營租約。

本集團作為承租人

經營租賃付款按相關租賃年期以直線法確認為開支。

本集團作為出租人

經營租賃的租金收入乃按相關租約年期以直線法於損益確認。

退休福利成本

向國家管理退休福利計劃及強制性公積金計劃作出的供款於僱員提供服務而獲享有關供款時確認為開支。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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3. SIGNIFICANT ACCOUNTING POLICIES – continued

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 重要會計政策－續

短期及其他長期僱員福利

短期僱員福利於僱員提供服務時就預計將支付福利的未貼現金額確認。所有短期僱員福利確認為開支，除非另一項香港財務報告準則要求或允許將有關福利納入資產成本，則作別論。

在扣除已經支付的任何金額後，對僱員應得的福利（例如工資及薪金、年假及病假）確認負債。

就其他長期僱員福利確認的負債按本集團就僱員截至報告期所提供服務預期將支付的估計未來現金流出的現值計量。由服務成本、利息及重新計量產生的負債賬面值的任何變動於損益確認，惟另一項香港財務報告準則規定或允許將其計入資產成本的情況則除外。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months, are described below.

4. 估計不明朗因素的主要來源

於應用附註3所述的本集團會計政策時，本公司董事須就未能從其他來源得知的資產與負債賬面值作出判斷、估計及假設。估計及相關假設根據過往經驗及其他被認為相關的因素作出，實際結果可能與此等估計不同。

本集團會持續檢討此等估計及相關假設。當對會計估計作出修訂時，倘有關修訂僅影響作出估計修訂的期間，則於當期確認有關修訂，而倘有關修訂影響作出修訂的期間及未來期間，則於當期及未來期間確認有關修訂。

於報告期末有重大可能使資產及負債賬面值於未來十二個月內須作重大調整的有關未來的主要假設及其他不明朗因素估計主要來源詳述如下。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

Provision of ECL for trade receivables (upon application of HKFRS 9 with transitions in accordance with note 2)

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on internal credit ratings as groupings of various debtors that have similar credit risk characteristic. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable, and available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, certain balances of trade receivables and those credit impaired are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 38 and 21 respectively.

As at 31 December 2018, the carrying amount of trade receivables was approximately HK\$104,867,000, net of allowance for doubtful debts of HK\$1,858,000.

Impairment assessment of trade receivables (before application of HKFRS 9 on 1 January 2018)

The Group made allowance for doubtful debts based on an assessment on the recoverability of trade receivables. In determining whether an allowance for doubtful debts is required, the Group took into consideration of the customers' credit history, settlement patterns, subsequent settlements and aging analysis of the trade receivables. Where the expectation of the recoverability of trade receivables was different from the original estimate, such difference would impact the carrying amount of trade receivables and allowance for doubtful debts in the period which such estimate had changed. As at 31 December 2017, the carrying amount of trade receivables was HK\$88,204,000, net of allowance for doubtful debts of HK\$887,000.

4. 估計不明朗因素的主要來源 – 續

貿易應收款項之預期信貸虧損撥備 (根據附註2之過渡條文應用香港財 務報告準則第9號後)

本集團使用撥備矩陣計算貿易應收款項的預期信貸虧損。撥備率乃基於具有相似信貸風險特點的各債務人的內部信貸評級釐定。撥備矩陣乃基於本集團過往違約率並經考慮可在毋須付出繁重成本或努力下可用的合理及有理據的前瞻性資料釐定。於每個報告日期，過往觀察所得的違約率會進行重新評估，並考慮前瞻性資料的變動。此外，貿易應收款項的若干結餘及該等經減值信貸乃就預期信貸虧損個別評估。預期信貸虧損的撥備易受估計的變動影響。有關預期信貸虧損及本集團貿易應收款項的資料分別於附註38及21披露。

於2018年12月31日，貿易應收款項的賬面值約為104,867,000港元(扣除呆賬撥備1,858,000港元)。

貿易應收款項之減值評估(於2018年 1月1日應用香港財務報告準則第9號 前)

本集團依據對貿易應收款項可收回性的評估計提呆賬撥備。於釐定是否須作出呆賬撥備時，本集團會考慮客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析。倘對貿易應收款項可收回性的預期與最初估計不同，則該等差異將會對該估計發生變化的期間的貿易應收款項賬面值及呆賬撥備產生影響。於2017年12月31日，貿易應收款項的賬面值為88,204,000港元(扣除呆賬撥備887,000港元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

Allowances of inventories – finished goods

Inventories are stated at the lower of cost and net realisable value. Net realisable value of inventories is based on estimated selling prices less any estimation costs to be incurred to completion and disposal. These estimates are based on the current market conditions, estimated selling prices of the finished goods, movement, and subsequent sales of the finished goods. It could change significantly as a result of changes in these factors. The Group will reassess the estimation at the end of each year. As at 31 December 2018, the carrying amount of finished goods is HK\$105,695,000 (2017: HK\$118,337,000).

Impairment assessment of properties under development for sale and properties held for sale

Management regularly reviews the recoverability of the Group's properties under development for sale and properties held for sale, which are situated in the People's Republic of China (the "PRC") with reference to current market environment whenever events or changes in circumstances indicate that the carrying amount of the assets may exceed its net realisable value. Appropriate write-down for estimated irrecoverable amount is recognised in profit or loss when the net realisable value is below cost. The estimates of net realisable value are determined based on the evidence available at the time the estimates are made, and the amounts of the properties under development for sale and properties held for sale are expected to realise or recover. Actual realised amount may differ from estimates, resulting in a decrease or an increase in the net realisable value of the properties under development for sale and properties held for sale and additional write-down or reversal of write-down previously recognised may be required.

As at 31 December 2018, the carrying amount of the properties under development for sale and properties held for sale are HK\$257,369,000 (2017: HK\$186,397,000) and HK\$121,974,000 (2017: nil), respectively.

4. 估計不明朗因素的主要來源－續

存貨撥備－製成品

存貨按成本與可變現淨值的較低者列賬。存貨的可變現淨值根據估計售價減完成及出售會產生的估計成本計算，該等估計數字根據市場現況、製成品的估計售價、製成品的變動及其後銷售得出，或會因該等因素變化而有重大變動，本集團會於各年末重新評估有關估計。於2018年12月31日，製成品的賬面值為105,695,000港元（2017年：118,337,000港元）。

發展中待售物業及持作出售物業之減值評估

管理層定期審閱本集團位於中華人民共和國（「中國」）之發展中待售物業及持作出售物業之可收回性，乃參考現時市場環境中之事件或情況之轉變所顯示資產之賬面值可能超過其可變現淨值。當其可變現淨值低於成本時，估計不可收回金額之適用撇減於損益中確認。釐定估計可變現淨值乃基於作出估計當時之可用證據，及發展中待售物業及持作出售物業預期可變現或收回之金額。實際變現金額或會與估計有差異，致使發展中待售物業及持作出售物業之可變現淨值減少或增加及可能需要作出額外撇減或撥回過往已確認之撇減。

於2018年12月31日，發展中待售物業及持作出售物業的賬面值分別為257,369,000港元（2017年：186,397,000港元）及121,974,000港元（2017年：無）。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY – continued

Fair value of investment properties

Some of the Group's assets are measured at fair value for financial reporting purposes. The Group has a designated team to determine the appropriate valuation techniques and key inputs for fair value measurements. In estimating the fair value of the Group's investment properties, the Group uses market-observable data to the extent they are available. Where Level 1 inputs are not available, the Group engages an independent firm of qualified professional property valuers to perform valuation of the Group's investment properties. At the end of the reporting period, management works closely with the independent firm of qualified professional property valuers to establish and determine the appropriate valuation techniques and key inputs for fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to directors of the Company. Information about the valuation techniques and key inputs used in determining the fair value of the Group's investment properties is disclosed in note 16.

As at 31 December 2018, the fair value of Investment properties was HK\$9,563,000 (2017: nil).

4. 估計不明朗因素的主要來源 – 續

投資物業之公平值

本集團部分資產以公平值計量以作財務報告之目的。本集團有一個專責團隊，以確定適當的估值方法和主要輸入數據去計量公平值。在估計本集團投資物業的公平值時，本集團使用可獲得的市場可觀察數據。倘並無第1級輸入數據，本集團委聘獨立合資格專業物業估值師對本集團的投資物業進行估值。於報告期末，管理層與獨立合資格專業物業估值師密切合作，確定公平值計量的適當估值方法及主要輸入數據。倘資產公平值發生重大變動，會向本公司董事報告波動原因。有關釐定本集團投資物業公平值所用估值方法及主要輸入數據的資料於附註16披露。

於2018年12月31日，投資物業之公平值為9,563,000港元(2017年：無)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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5. REVENUE AND SEGMENT INFORMATION

Revenue represents amounts received and receivable for the sales of fine jewellery products net of discounts and returns and sales of properties during both years.

Information reported to the executive directors of the Company, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the revenues and profits from different types of business divisions.

The Group’s operating and reportable segments under HKFRS 8 are as follows:

- (i) Manufacturing and sales of jewellery products business represents manufacturing and sales of jewellery products including rings, earrings, pendants, bangles, necklaces and bracelets (“Manufacturing and sales of jewellery products”).
- (ii) Property development business represents the development and sales of properties for the Group’s integrated and comprehensive industry park project (“Property development”).

5. 收益及分部資料

收益指於兩個年度銷售優質珠寶產品（扣除折扣及退貨）及銷售物業的已收及應收金額。

就資源分配及評估分部表現而向本公司執行董事（即主要營運決策人（「主要營運決策人」））報告之資料乃集中於各類業務部門之收益及溢利。

因此，根據香港財務報告準則第8號，本集團之經營及可報告分部如下：

- (i) 製造及銷售珠寶產品業務指製造及銷售珠寶產品，包括戒指、耳環、吊墜、手鏈、項鏈及手鐲（「製造及銷售珠寶產品」）。
- (ii) 物業發展業務指就本集團之綜合全面產業中心項目開發及銷售物業（「物業發展」）。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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5. REVENUE AND SEGMENT INFORMATION – continued

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 31 December 2018

5. 收益及分部資料－續

(a) 分部收益及業績

下列為按經營及可報告分部劃分之本集團收益及業績分析：

截至2018年12月31日止年度

		Manufacturing and sales of jewellery products 製造及 銷售珠寶產品 HK\$'000 千港元	Property development 物業發展 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分部收益			
External sales	外部銷售	314,306	207,699	522,005
Segment results	分部業績	35,408	82,545	117,953
Unallocated corporate income	未分配企業收入			141
Unallocated corporate expenses	未分配企業開支			(15,248)
Finance costs	財務費用			(1,044)
Profit before taxation	除稅前溢利			101,802

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5. REVENUE AND SEGMENT INFORMATION – continued

(a) Segment revenue and results – continued

For the year ended 31 December 2017

		Manufacturing and sales of jewellery products 製造及 銷售珠寶產品 HK\$'000 千港元	Property development 物業發展 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分部收益			
External sales	外部銷售	352,043	–	352,043
Segment results	分部業績	70,075	(2,561)	67,514
Unallocated corporate income	未分配企業收入			146
Unallocated corporate expenses	未分配企業開支			(12,863)
Finance costs	財務費用			(1,005)
Profit before taxation	除稅前溢利			53,792

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment result represents the profit earned or loss incurred by each segment and hence is arrived at without allocation of certain income and expenses (including other income, general and administrative expenses and finance costs). This is the measure reported to the CODM of the Company, for the purposes of resources allocation and assessment of segment performance.

經營分部之會計政策與附註3所述之本集團會計政策相同。分部業績指各分部賺取之溢利或所產生之虧損，因此乃按未分配若干收入及開支(包括其他收入、一般及行政開支以及財務費用)之情況計算。此乃向本公司主要營運決策人報告之方法，以供進行資源分配及評估分部表現。

5. 收益及分部資料－續

(a) 分部收益及業績－續

截至2017年12月31日止年度

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

5. REVENUE AND SEGMENT INFORMATION – continued

(b) Segment assets and liabilities

The following is an analysis of the Group's segment assets and segment liabilities by operating and reportable segment:

At 31 December 2018

5. 收益及分部資料－續

(b) 分部資產及負債

下列為按經營及可報告分部劃分之本集團分部資產及分部負債分析：

於2018年12月31日

		Manufacturing and sales of jewellery products 製造及 銷售珠寶產品 HK\$'000 千港元	Property development 物業發展 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分部資產	315,859	735,282	1,051,141
Deferred tax assets	遞延稅項資產			285
Unallocated corporate assets	未分配企業資產			12,594
Consolidated assets	綜合資產			<u>1,064,020</u>
Liabilities	負債			
Segment liabilities	分部負債	35,683	446,057	481,740
Taxation payable	應繳稅項			22,482
Deferred tax liabilities	遞延稅項負債			866
Unallocated corporate liabilities	未分配企業負債			597
Consolidated liabilities	綜合負債			<u>505,685</u>

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5. REVENUE AND SEGMENT INFORMATION – continued

(b) Segment assets and liabilities – continue

At 31 December 2017

5. 收益及分部資料－續

(b) 分部資產及負債－續

於2017年12月31日

		Manufacturing and sales of jewellery products 製造及 銷售珠寶產品 HK\$'000 千港元	Property development 物業發展 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Assets	資產			
Segment assets	分部資產	319,767	245,435	565,202
Unallocated corporate assets	未分配企業資產			21,600
Consolidated assets	綜合資產			586,802
Liabilities	負債			
Segment liabilities	分部負債	49,563	5,441	55,004
Taxation payable	應繳稅項			9,875
Deferred tax liabilities	遞延稅項負債			83
Unallocated corporate liabilities	未分配企業負債			892
Consolidated liabilities	綜合負債			65,854

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For the Year ended 31 December 2018
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5. REVENUE AND SEGMENT INFORMATION – continued

(b) Segment assets and liabilities – continued

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than deferred tax assets and unallocated corporate assets.
- all liabilities are allocated to operating segments other than taxation payable, deferred tax liabilities and unallocated corporate liabilities.

Manufacturing and sales of jewellery products (revenue recognised at a point in time)

For manufacturing and sales of jewellery products to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the wholesaler's specific location (upon delivery of goods).

Property development (revenue recognised at a point in time)

For contracts entered into with customers on sales of properties, the relevant properties specified in the contracts are not based on customer's specifications. Revenue from property developments is therefore recognised at a point in time when the completed property is transferred to customers, being at the point that the customer obtains the control of the completed property and the Group has present right to payment and collection of the consideration is probable.

5. 收益及分部資料－續

(b) 分部資產及負債－續

就監察分部表現及於分部間分配資源而言：

- 除遞延稅項資產及未分配企業資產外，所有資產均分配至經營分部。
- 除應繳稅項、遞延稅項負債及未分配企業負債外，所有負債均分配至經營分部。

製造及銷售珠寶產品（於某一時點確認收益）

就製造及銷售珠寶產品至批發市場而言，收益於貨品控制權轉移時確認，即貨品已付運至批發商的特定地點（貨品交付時）。

物業發展（於某一時點確認收益）

就銷售物業與客戶訂立的合約而言，合約中規定的相關物業並非基於客戶要求。物業發展的收益於已竣工物業轉移予客戶的時間點確認，即客戶獲得已竣工物業的控制權而本集團擁有收取付款之現時權利及可能收取代價的時間點。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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5. REVENUE AND SEGMENT INFORMATION – continued

Geographical information

Revenue from external customers, based on location of delivery to customers is as follows:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Revenue	收益		
– Hong Kong	– 香港	208,743	208,591
– Dubai	– 迪拜	103,837	142,348
– PRC	– 中國	209,425	1,104
		522,005	352,043

No individual customer contributes revenue which accounted for more than 10% of the Group's total revenue during both years.

An analysis of the Group's non-current assets (other than deferred tax assets) by their physical geographical location is as follows:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Hong Kong	香港	1,280	2,803
PRC	中國	153,943	46,713
Dubai	迪拜	320	479
		155,543	49,995

5. 收益及分部資料 – 續

地區資料

來自外界客戶的收益按向客戶交付地點劃分如下：

於兩個年度，概無個別客戶帶來收益佔本集團總收益10%以上。

本集團非流動資產（遞延稅項資產除外）按其實際地理位置劃分的分析如下：

Notes to the Consolidated Financial Statements 綜合財務報表附註

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6. OTHER INCOME

6. 其他收入

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Bank interest income	銀行利息收入	1,881	330
Scrap sales	廢棄物銷售	258	680
Rental income	租金收入	32	-
Others	其他	445	253
		2,616	1,263

7. OTHER GAINS AND LOSSES

7. 其他收益及虧損

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Written off of property, plant and equipment	撇銷物業、廠房及設備	(889)	-
Impairment loss recognised on trade receivables	貿易應收款項之已確認減值虧損	(823)	-
Reversal of allowances for doubtful debts	呆賬撥備撥回	-	1,093
Net foreign exchange gain (loss)	匯兌收益(虧損)淨額	352	(128)
		(1,360)	965

Notes to the Consolidated Financial Statements 綜合財務報表附註

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截至2018年12月31日止年度

8. FINANCE COSTS

8. 財務費用

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Interest on other borrowing	其他借款利息	–	293
Interest on bank loans	銀行貸款利息	11,673	712
Less: Amount capitalised in the cost of qualifying assets	減：合資格資產成本之 資本化金額	(7,920)	–
		3,753	1,005

Borrowing costs capitalised during the year arose on the general borrowing pool and were calculated by applying a capitalisation rate of 5.44% per annum to expenditure on qualifying assets.

於年內之資本化借款成本乃於一般借款中產生，並根據合資格資產的開支按年度資本化率5.44%計算。

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9. PROFIT BEFORE TAXATION

9. 除稅前溢利

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Profit before taxation has been arrived at after charging:	除稅前溢利於扣除下列各項後得出：		
Depreciation	折舊		
– cost of goods sold	– 已售貨品成本	537	953
– general and administrative expenses	– 一般及行政開支	1,730	1,697
– selling and distributed costs	– 銷售及分銷成本	15	–
Total depreciation	折舊總額	2,282	2,650
Directors' remuneration (note 10)	董事酬金 (附註10)		
– fees	– 袍金	636	924
– salaries and other benefits	– 薪金及其他福利	6,500	6,500
– equity-settled share option expense	– 以股本結算購股權開支	1,049	1,152
– retirement benefits scheme contributions	– 退休福利計劃供款	54	54
		8,239	8,630
Other staff's salaries and other benefits (note)	其他員工薪金及其他福利 (附註)	22,008	13,262
Other staff's equity-settled share option expense	其他員工的以股本結算購股權開支	4,471	5,092
Other staff's retirement benefits scheme contributions	其他員工的退休福利計劃供款	2,382	2,580
Total staff costs	員工成本總額	37,100	29,564
Auditor's remuneration	核數師酬金	1,800	1,800
Cost of inventories recognised as expenses (included in cost of goods sold)	已確認為開支的存貨成本 (計入已售貨品成本)	354,020	258,175
Operating lease rentals in respect of rented premises and property, plant and equipment	有關出租物業以及物業、廠房及設備的經營租賃租金	7,304	6,349
Release of prepaid lease payments	預付租賃款項撥回	286	–

Note: During the year ended 31 December 2017, provision on staff benefits for previous years included in accruals and other payables amounting approximately Renminbi (“RMB”) 14,548,000 (equivalent to approximately HK\$16,316,000) has been reversed as the directors of the Company considered that crystallisation of such provision as a liability was remote.

附註：截至2017年12月31日止年度期間，由於本公司董事認為計入應計款項及其他應付款項之過往年度員工福利撥備約人民幣(「人民幣」) 14,548,000元(相當於約16,316,000港元)產生之負債極微，因此已撥回有關撥備。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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10. DIRECTORS' REMUNERATION

Details of the emoluments paid or payable to the directors and the chief executive of the Company during both years are as follows:

10. 董事酬金

於兩個年度已付或應付本公司董事及主要行政人員的薪酬詳情載列如下：

	Fees	Salaries and other benefits	Equity-settled share option expense	Retirement benefits scheme contributions	Total	
	袍金	薪金及其他福利	以權益結算購股權開支	退休福利計劃供款	總計	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	
For the year ended 31 December 2018 截至2018年12月31日止年度						
Executive directors: 執行董事：						
Mr. Kan Kin Kwong (note (i))	簡健光先生 (附註(i))	–	3,500	215	18	3,733
Ms. Shek Mei Chun	石美珍女士	–	1,500	201	18	1,719
Mr. Chung Chi Keung	鍾志強先生	–	1,500	201	18	1,719
Independent non-executive directors: 獨立非執行董事：						
Mr. Fan Chor Ho	范佐浩先生	192	–	144	–	336
Mr. Li Cheuk Wai	李卓威先生	192	–	144	–	336
Mr. Wong Wai Keung Frederick	黃煒強先生	192	–	144	–	336
Mr. He Ding Ding (note (ii)) (appointed on 1 March 2017 and resigned on 1 March 2018)	賀丁丁先生 (附註(ii)) (於2017年3月1日獲委任 及於2018年3月1日辭任)	60	–	–	–	60
		636	6,500	1,049	54	8,239

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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10. DIRECTORS' REMUNERATION – continued

10. 董事酬金 – 續

	Fees	Salaries and other benefits	Equity-settled share option expense	Retirement benefits scheme contributions	Total
	袍金	薪金及其他福利	以權益結算購股權開支	退休福利計劃供款	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元
For the year ended 31 December 2017	截至2017年12月31日止年度				
Executive directors:	執行董事：				
Mr. Kan Kin Kwong (note (i))	–	3,500	208	18	3,726
Ms. Shek Mei Chun	–	1,500	194	18	1,712
Mr. Chung Chi Keung	–	1,500	194	18	1,712
Non-executive director:	非執行董事：				
Mr. Chu Kin Wang Peleus (resigned on 1 March 2017)	48	–	–	–	48
Independent non-executive directors:	獨立非執行董事：				
Mr. Fan Chor Ho	192	–	139	–	331
Mr. Li Cheuk Wai	192	–	139	–	331
Mr. Wong Wai Keung Frederick	192	–	139	–	331
Mr. He Ding Ding (note (ii)) (appointed on 1 March 2017 and resigned on 1 March 2018)	300	–	139	–	439
	924	6,500	1,152	54	8,630

Notes to the Consolidated Financial Statements 綜合財務報表附註

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10. DIRECTORS' REMUNERATION – continued

Notes:

- (i) Mr. Kan Kin Kwong is also Chief Executive of the Company and his emoluments disclosed above includes those for services rendered by him as Chief Executive.
- (ii) Mr. He Ding Ding has resigned as the independent non-executive director and was appointed as the deputy chief executive officer of the Company with effect from 1 March 2018.
- (iii) The executive directors' emoluments shown above were mainly for their services in connection with management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were mainly for their services as directors of the Company.

Five highest paid individuals

The five highest paid individuals included 3 (2017: 3) directors of the Company for the year ended 31 December 2018. Details of whose emoluments are included above. The emoluments of the remaining highest paid individuals are as follows:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Employees	僱員		
– salaries and other benefits	– 薪金及其他福利	1,345	1,274
– retirement benefits scheme contributions	– 退休福利計劃供款	26	33
		1,371	1,307

10. 董事酬金 – 續

附註：

- (i) 簡健光先生兼任本公司行政總裁，上述其薪酬披露包括其作為行政總裁提供服務所得的酬金。
- (ii) 賀丁丁先生已辭任獨立非執行董事職務，並獲委任為本公司副行政總裁，由2018年3月1日起生效。
- (iii) 上文所示執行董事的酬金主要為彼等就本公司及本集團管理事務提供服務。上文所示非執行董事及獨立非執行董事酬金主要為彼等作為本公司董事提供服務。

五位最高薪人士

截至2018年12月31日止年度，五位最高薪人士包括三位董事（2017年：三位）。彼等之薪酬詳情載於上文。其餘最高薪人士的薪酬如下：

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10. DIRECTORS' REMUNERATION – continued

Five highest paid individuals – continued

Their emoluments were within the following bands:

	2018 2018年 Number of employees 僱員人數	2017 2017年 Number of employees 僱員人數
Nil to HK\$1,000,000	2	2

During both years, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors have waived any emoluments during both years.

10. 董事酬金 – 續

五位最高薪人士 – 續

介乎以下範圍的薪酬：

於兩個年度期間，本集團概無向本公司董事或五位最高薪人士（包括董事及僱員）支付薪酬作為加入本集團或加入本集團後的獎勵或離職賠償。於兩個年度期間，概無董事放棄收取任何薪酬。

11. TAXATION

11. 稅項

	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
The taxation charge comprises:		
Hong Kong Profits Tax – Current year	2,008	4,478
PRC Enterprise Income Tax (“EIT”) – Current year	17,250	468
PRC Land Appreciation Tax (“LAT”)	11,340	–
Deferred tax (credit) charge (note 27)	30,598 (368)	4,946 771
	30,230	5,717

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11. TAXATION – continued

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, starting from the current year, the Hong Kong profits tax is calculated of 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

The Group is engaged in manufacturing of fine jewellery products through processing factories in the PRC under contract processing arrangement. Accordingly, under such 50:50 onshore/offshore arrangement between the Group and the processing factories, certain profits of the Group are not taxable under Hong Kong Profits Tax during both years. In addition, the processing factories of the Group is subject to the PRC EIT at a rate of 25% on the deemed profit generated in the PRC.

The provision of LAT is estimated according to the requirements set forth in the relevant PRC tax laws and regulations. LAT has been levied at progressive rates ranging from 30% to 60% on the appreciation of land value, represented by the excess of sales proceeds of properties over prescribed direct costs. Prescribed direct costs are defined to include costs of land, development and construction costs, as well as certain costs relating to the property development. According to the State Administration of Taxation’s official circulars, LAT shall be payable provisionally upon sales of the properties, followed by final ascertainment of the gain at the completion of the properties development.

11. 稅項 – 續

於2018年3月21日，香港立法會通過2017年稅務（修訂）（第7號）條例草案（「條例草案」），引入利得稅兩級制。條例草案於2018年3月28日獲簽署成為法律，並於翌日在憲報刊登。根據利得稅兩級制，合資格集團實體首2百萬港元溢利的稅率為8.25%，而超過2百萬港元溢利的稅率為16.5%。不符合利得稅兩級制之集團實體的溢利將繼續按16.5%劃一稅率繳稅。

因此，由本年度開始，香港利得稅乃根據首2百萬港元之估計應課稅溢利按稅率8.25%及超過2百萬港元之估計應課稅溢利按稅率16.5%計算。

本集團根據合約加工安排，透過在中國的加工廠從事製造優質珠寶產品，因此，根據本集團與加工廠之間50：50的在岸／離岸安排，本集團於兩個年度的若干溢利毋須繳納香港利得稅。此外，本集團的加工廠須就於中國產生的設定溢利按稅率25%繳納中國企業所得稅。

土地增值稅撥備乃根據相關中國稅法及法規的規定估計。土地增值稅就土地增值金額（即物業之銷售所得款項超出指定直接成本之部份）按累進稅率30%至60%徵收。指定直接成本界定為土地成本、發展及建築成本，及其他關於物業發展的成本。按照國家稅務總局之官方公告，銷售物業時應暫繳土地增值稅，到物業發展完成後才確認所得收益。

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11. TAXATION – continued

Taxation charge for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 稅項－續

年內稅項支出可與綜合損益及其他全面收益表內的除稅前溢利對賬如下：

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Profit before taxation	除稅前溢利	101,802	53,792
Tax at the applicable income tax rate at 16.5% (2017: 16.5%)	按適用所得稅率16.5%繳納的稅項(2017年: 16.5%)	16,797	8,876
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	1,162	3,698
Tax effect of income not taxable for tax purposes	毋須課稅收入的稅務影響	(464)	(2,952)
Effect of profit under 50:50 arrangement	50:50安排下的溢利影響	(1,816)	(4,373)
Tax effect of different tax rates of subsidiaries operating in the PRC	於中國營運附屬公司之不同稅率之影響	5,542	-
PRC LAT	中國土地增值稅	11,340	-
Tax effect of PRC LAT recognition resulting a reduction in income tax	確認中國土地增值稅導致所得稅減少之稅務影響	(1,871)	-
Tax effect of two tiered profits tax rate regime	利得稅兩級制稅率制度之稅務影響	(165)	-
Others	其他	(295)	468
Taxation charge for the year	年內稅項支出	30,230	5,717

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12. DIVIDEND

12. 股息

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Dividends recognised as distribution during the year:	年內已確認為分派之股息		
Interim dividend for 2018 of HK0.01 (2017: HK0.01) per share	2018年中期股息每股0.01港元 (2017年：0.01港元)	13,500	13,500
Final dividend for 2017 of HK0.01 (2016: HK0.03) per share	2017年末期股息每股0.01港元 (2016年：0.03港元)	13,500	13,500
		27,000	27,000

The directors proposed to declare a final dividend of HK\$0.01 per share, totalling HK\$13,500,000 and a special dividend of HK\$0.02 per share in respect of the year ended 31 December 2018, totalling HK\$27,000,000, in respect of the year ended 31 December 2018, to be paid to the shareholders whose names appear on the Company's register of members on 6 June 2019.

董事建議宣派截至2018年12月31日止年度之末期股息每股0.01港元，合共13,500,000港元，及特別股息每股0.02港元，合共27,000,000港元，予於2019年6月6日名列本公司股東名冊之股東。

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13. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Profit for the year attributable to owners of the Company and earnings for the purposes of calculating basic and diluted earnings per share	本公司擁有人應佔年內溢利及就計算每股基本及攤薄盈利之盈利	55,270	48,843
		Number of shares 股份數目	
		'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (note)	就計算每股基本盈利之普通股加權平均數 (附註)	1,350,000	1,350,000
Effect of dilutive potential ordinary shares: Share-based payments	具攤薄潛力普通股之影響：以股份支付款項	18,183	14,979
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	就計算每股攤薄盈利之普通股加權平均數	1,368,183	1,364,979

Note: Pursuant to a resolution passed by the shareholders of the Company at the extraordinary general meeting held on 12 September 2017, every one issued and unissued existing ordinary shares of HK\$0.01 each in the share capital of the Company was subdivided into three subdivided shares of one third Hong Kong cent each (the "Share Subdivision"). The Share Subdivision became effective on 13 September 2017.

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share has been adjusted for the Share Subdivision on 13 September 2017.

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃根據下列數據計算：

附註：根據本公司股東於2017年9月12日舉行之股東特別大會上通過之決議案，本公司股本中每股面值0.01港元之已發行及未發行現有普通股份已拆細為三股每股面值三分之一港仙之拆細股份（「股份拆細」）。股份拆細已於2017年9月13日生效。

就計算每股基本盈利而言，普通股加權平均數已就於2017年9月13日之股份拆細作出調整。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Plant and machinery 廠房及機械 HK\$'000 千港元	Furniture and fixtures 傢俱及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Moulds 模具 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2018	截至2018年12月31日止年度						
At 1 January 2018	於2018年1月1日						
Cost	成本	5,037	17,527	3,668	1,284	23,027	50,543
Accumulated depreciation	累計折舊	(4,758)	(13,844)	(2,293)	(1,245)	-	(22,140)
Exchange realignment	匯兌調整	-	18	45	-	518	581
Net book amount	賬面淨值	279	3,701	1,420	39	23,545	28,984
At 1 January 2018	於2018年1月1日	279	3,701	1,420	39	23,545	28,984
Additions	添置	337	1,158	-	-	114,556	116,051
Written off	撇銷	-	(850)	-	(39)	-	(889)
Surplus on revaluation arising from transfer to investment properties	轉移至投資物業所產生之重估盈餘	-	-	-	-	3,601	3,601
Transfer to investment properties	轉移至投資物業	-	-	-	-	(9,049)	(9,049)
Depreciation	折舊	(252)	(1,619)	(411)	-	-	(2,282)
Exchange realignment	匯兌調整	-	(59)	(15)	-	(5,269)	(5,343)
At 31 December 2018	於2018年12月31日	364	2,331	994	-	127,384	131,073
At 31 December 2018	於2018年12月31日						
Cost	成本	5,374	13,658	3,704	1,141	132,653	156,530
Accumulated depreciation	累計折舊	(5,010)	(11,268)	(2,695)	(1,141)	-	(20,114)
Exchange realignment	匯兌調整	-	(59)	(15)	-	(5,269)	(5,343)
At 31 December 2018	於2018年12月31日	364	2,331	994	-	127,384	131,073
Representing:	代表:						
Cost	成本	364	2,331	994	-	127,384	131,073

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截至2018年12月31日止年度

14. PROPERTY, PLANT AND EQUIPMENT – continued

14. 物業、廠房及設備 – 續

		Plant and machinery 廠房及機械 HK\$'000 千港元	Furniture and fixtures 傢俱及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Moulds 模具 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2017	截至2017年12月31日止年度						
At 1 January 2017	於2017年1月1日						
Cost	成本	5,032	16,448	2,848	1,238	–	25,566
Accumulated depreciation	累計折舊	(4,379)	(11,978)	(1,918)	(1,215)	–	(19,490)
Net book amount	賬面淨值	653	4,470	930	23	–	6,076
At 1 January 2017	於2017年1月1日	653	4,470	930	23	–	6,076
Additions	添置	5	1,079	820	46	48,711	50,661
Transfer from prepaid lease payments	轉撥自預付租賃款項	–	–	–	–	1,557	1,557
Transfer to properties under development for sale	轉撥至發展中待售物業	–	–	–	–	(27,241)	(27,241)
Depreciation	折舊	(379)	(1,866)	(375)	(30)	–	(2,650)
Exchange realignment	匯兌調整	–	18	45	–	518	581
At 31 December 2017	於2017年12月31日	279	3,701	1,420	39	23,545	28,984
At 31 December 2017	於2017年12月31日						
Cost	成本	5,037	17,527	3,668	1,284	23,027	50,543
Accumulated depreciation	累計折舊	(4,758)	(13,844)	(2,293)	(1,245)	–	(22,140)
Exchange realignment	匯兌調整	–	18	45	–	518	581
At 31 December 2017	於2017年12月31日	279	3,701	1,420	39	23,545	28,984
Representing:	代表：						
Cost	成本	279	3,701	1,420	39	23,545	28,984

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14. PROPERTY, PLANT AND EQUIPMENT – continued

Included in construction in progress was borrowing costs capitalised of HK\$1,477,000 (2017: nil).

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost or fair value to their residual values over their estimated useful lives as follows:

Plant and machinery	20% per annum
Furniture and fixtures	20% per annum
Motor vehicles	20% per annum
Moulds	30% per annum

14. 物業、廠房及設備－續

在建工程包括資本化借貸成本1,477,000港元（2017年：無）。

物業、廠房及設備的折舊採用直線法計算，以於其估計使用年期攤分其成本或公平值至剩餘價值如下：

廠房及機械	每年20%
傢俱及裝置	每年20%
汽車	每年20%
模具	每年30%

15. PREPAID LEASE PAYMENTS

15. 預付租賃款項

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
The Group's prepaid lease payments comprise: 本集團之預付租賃款項包括：			
Leasehold land in the PRC	於中國之租賃土地		
Non-current asset	非流動資產	14,863	16,890
Current asset	流動資產	316	351
		15,179	17,241

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16. INVESTMENT PROPERTIES

16. 投資物業

		HK\$'000 千港元
FAIR VALUE	公平值	
At 1 January 2018	於2018年1月1日	–
Transfer from property, plant and equipment (note)	轉移自物業、廠房及設備 (附註)	9,049
Transfer from prepaid lease payments (note)	轉移自預付租賃款項 (附註)	885
Exchange realignment	匯兌調整	(371)
At 31 December 2018		9,563

Note: During the year ended 31 December 2018, the Group changed the use of certain of its property, plant and equipment and prepaid lease payments and has leased them to independent third parties for rental income. Upon the transfer to investment properties, these properties were revalued with a gain on revaluation of approximately HK\$3,601,000. This amount net of the corresponding to deferred tax liability of approximately HK\$900,000 has been credited to property revaluation reserve.

All of the Group's properties held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and measured using the fair value model.

The fair values of the Group's investment properties at 31 December 2018, the date of transfer from property, plant and equipment/and prepaid lease payments have been arrived at on the basis of valuations carried out on the respective dates by APAC Asset Valuation and Consulting Limited, an independent qualified professional valuer. APAC Asset Valuation and Consulting Limited has appropriate qualifications and experience in the valuation of properties in the relevant locations.

附註：截至2018年12月31日止年度，本集團已更改若干物業、廠房及設備以及預付租賃款項之使用，並已將其出租予獨立第三方以賺取租金收入。轉移至投資物業後，該等物業已重估，重估收益約為3,601,000港元。有關金額於扣除相應於遞延稅項負債約900,000港元後已計入物業重估儲備內。

本集團根據經營租賃持有以賺取租金或資本增值目的之所有物業均已分類及列賬為投資物業，並以公平值模式計量。

本集團投資物業於2018年12月31日（即由物業、廠房及設備／以及預付租賃款項轉移之日期）之公平值乃根據獨立合資格專業估值師亞太資產評估及顧問有限公司於相關日期進行之估值得出。亞太資產評估及顧問有限公司於相關地點之物業估值方面擁有合適之資格及經驗。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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16. INVESTMENT PROPERTIES – continued

The fair value of certain investment properties located in the PRC is determined by using income approach. The income approach is calculated by capitalising the rental income derived from the existing tenancies with due provision for any reversionary income potential.

16. 投資物業－續

位於中國之若干投資物業之公平值乃採用收入法釐定。收入法乃將現有租約之租金收入資本化，並就任何潛在復歸收入作出適當撥備計算。

Investment properties 投資物業	Fair value 公平值		Fair value 公平值等級	Valuation techniques and key inputs 估值技術及主要輸入數據	Significant unobservable inputs 重大不可觀察輸入數據	Sensitivity 敏感度
	2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元				
Residential properties in the PRC 中國之住宅物業	9,563	–	Level 3 第3級	Income approach – term yield 收入法– 定期收益	Term yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the conditions of the properties, which is ranged from 2.0% to 2.5% 定期收益，經計及可資比較物業之市場平均售價及市場平均租金所產生之收益及為反映物業狀況而作出之調整，介乎2.0%至2.5%	The higher the term yield, the lower the fair value 定期收益越高，公平值越低
				– reversionary yield – 復歸收益	Reversionary yield, taking into account of yield generated by market average selling price and the market average rental from comparable properties and adjustment to reflect the risk associated with the future rental, which is ranged from 2.1% to 3% 復歸收益，經計及可資比較物業之市場平均售價及市場平均租金所產生之收益及為反映未來租金相關風險而作出之調整，介乎2.1%至3%	The higher the reversionary yield, the lower the fair value 復歸收益越高，公平值越低

There is no transfer into or out of Level 3 during year ended 31 December 2018.

截至2018年12月31日止年度期間，第3級並無轉入或轉出。

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17. DEPOSITS

17. 按金

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
The Group's deposits comprise:	本集團之按金包括：		
Deposit paid for acquisition of an equity investment (note)	購買股本投資之 已付按金(附註)	-	3,369
Rental deposits	租金按金	44	752
		44	4,121

Note: The amount represented a refundable deposit paid for acquisition of 5% equity interest in a private company incorporated in the PRC for a jewellery complex project, with a consideration of RMB2,850,000 (equivalent to HK\$3,369,000). The amount was refunded during the year ended 31 December 2018.

附註：有關款項指就一項珠寶綜合項目收購一間於中國註冊成立之私人公司之5%股權之已付可退回按金，代價為人民幣2,850,000元(相當於3,369,000港元)。有關款項於截至2018年12月31日止年度已獲退回。

18. INVENTORIES

18. 存貨

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Raw materials	原材料	51,764	50,255
Work in progress	在製品	9,574	11,364
Finished goods	製成品	105,695	118,337
		167,033	179,956

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19. PROPERTIES UNDER DEVELOPMENT FOR SALE

19. 發展中待售物業

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
At 1 January	於1月1日	186,397	–
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	–	27,241
Transfer from prepaid lease payments	轉撥自預付租賃款項	–	107,909
Additions	添置	326,736	42,687
Borrowing costs capitalised	資本化借貸成本	6,443	–
Transfer to properties held for sale	轉移至持作出售物業	(249,518)	–
Exchange realignment	匯兌調整	(12,689)	8,560
At 31 December	於12月31日	257,369	186,397

On 13 January 2017, the Group entered into an agreement with Jiangmen City Yingtuo Real Estate Planning Co., Ltd. (“Jiangmen Yingtuo”) for the formation of a PRC subsidiary which 70% interest would be held by the Group and 30% interest held by Jiangmen Yingtuo. On 15 February 2017, the Group and Jiangmen Yingtuo won the bidding for land use right of a land located at east of Foshan 1st Ring Road South Extension and south of Lunjiao Dachong River, Lunjiao Shilong Industrial Zone, Shunde District, Foshan, Guangdong Province, the PRC (the “Land”). On 21 September 2017, the Group has revised the development plan on the land (the “Revised Plan”) from an own-use factory space to an integrated and comprehensive industry park for fine jewellery exhibitions, and planned to sell a portion of the factory space as well as a portion of ancillary facilities. These relevant amounts were transferred from property, plant and equipment and prepaid lease payments to properties under development for sale in 2017.

於2017年1月13日，本集團與江門市盈拓地產策劃有限公司（「江門盈拓」）訂立協議以成立中國附屬公司，當中本集團持有70%權益及江門盈拓持有30%權益。於2017年2月15日，本集團與江門盈拓投得位於中國廣東省佛山市順德區倫教世龍工業區佛山一環南延線以東、倫教大涌以南地塊（「該地塊」）之土地使用權。於2017年9月21日，本集團修改地塊之發展計劃（「經修訂計劃」），由自用工廠空間更改為綜合全面產業中心以進行優質珠寶展覽會，並計劃出售部份工廠空間及部份配套設施。於2017年，該等相關款項已由物業、廠房及設備以及預付租賃款項轉移至發展中待售物業。

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20. PROPERTIES HELD FOR SALE

20. 持作出售物業

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Properties held for sale	持作出售物業	121,974	–

The properties for sale were located in the PRC. Properties for sale which are expected to be recovered in more than twelve months after the end of the reporting period are classified under current assets as it is expected to be realised in the Group's normal operating cycle.

待售物業位於中國。預期於報告期末後十二個月後收回之待售物業分類為流動資產，因其預期將於本集團正常經營週期內變現。

During the year ended 31 December 2018, properties held for sale with carrying amount of approximately HK\$122,826,000 were sold to third parties.

截至2018年12月31日止年度期間，賬面值約122,826,000港元之持作出售物業已出售予第三方。

21. TRADE AND OTHER RECEIVABLES

21. 貿易及其他應收款項

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Trade receivables	貿易應收款項	106,725	89,091
Less: Allowance for doubtful debts	減：呆賬撥備	(1,858)	(887)
		104,867	88,204
Other receivables, prepayments and deposits	其他應收款項、預付款項及訂金	38,519	22,423
		143,386	110,627

The following is an analysis of trade receivable by age net of allowance for doubtful debts, presented based on the invoice date, which approximates the respective revenue recognition dates.

下列為貿易應收款項按賬齡劃分的分析，根據與各自收益確認日期相若的發票日期及扣除呆賬撥備呈列。

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21. TRADE AND OTHER RECEIVABLES – continued

21. 貿易及其他應收款項 – 續

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
0 – 30 days	0至30日	41,983	27,052
31 – 60 days	31至60日	16,252	14,153
61 – 180 days	61至180日	36,692	40,213
181 – 365 days	181至365日	7,986	5,255
Over 1 year	一年以上	1,954	1,531
		104,867	88,204

The Group allows a credit period of up to 120 days to its customers. A longer credit period may be granted to large or long established customers with good payment history.

本集團向客戶批准的信貸期最多為120日，大型或歷史悠久且付款記錄良好的客戶可獲較長的信貸期。

Before accepting any new customers, the Group has an internal credit control system to assess the potential customers' credit quality and the board of directors has delegated management to be responsible for the determination of credit limits and credit approvals for customers. Limits attributed to customers are reviewed periodically. Approximately 50% (2017: 41%) of the trade receivables, that are neither past due nor impaired and they were assessed to be of good credit rating attributable under the credit control system used by the Group.

接受任何新客戶前，本集團設有內部信貸控制系統，以評估潛在客戶的信貸質素，董事會亦已指派管理層負責釐定客戶的信貸限額及信貸批核，並且定期檢討客戶獲批的限額。於貿易應收款項中，約50% (2017年：41%) 並無逾期或減值，因此在本集團所用的信貸控制系統下獲評估為良好信貸級別。

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21. TRADE AND OTHER RECEIVABLES – continued

The Group's management takes into consideration of customers' credit history, settlement patterns, subsequent settlements, customers' financial position and an assessment of both the current and forecast general economic conditions and aging analysis of trade receivables in determining the recoverability of the overdue trade receivables. The directors of the Company considered that the concentration of credit risk is limited due to customer base being large and unrelated.

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$52,030,000 which are past due as at the reporting date. Included in the past due balances of HK\$17,308,000 has been past due 90 days or more and is not considered as in default based on good repayment records for those customers and continuous business with the Group. The grouping is regularly reviewed by management of the Group to ensure relevant information about specific debtors is updated.

As at 31 December 2017, trade receivables of HK\$52,453,000 were past due but not impaired. Such receivables relate to a number of customers of which substantial subsequent settlements were made. The Group did not hold any collateral as security over these balances. The aging analysis of these trade receivables was as follows:

21. 貿易及其他應收款項－續

本集團管理層於釐定逾期貿易應收款項的可收回性時，會考慮客戶的信用記錄、償付方式、其後結算情況、客戶之財務狀況、對現時及預測整體經濟狀況之評估以及貿易應收款項之賬齡分析。本公司董事認為，由於客戶群龐大及互不相關，故信貸集中風險有限。

於2018年12月31日，總賬面值為52,030,000港元之賬款已計入本集團之貿易應收款項結餘，該等款項於報告日期已逾期。計入逾期結餘之17,308,000港元已逾期超過90日或以上，基於該等客戶還款紀錄良好並與本集團持續業務往來而不視作違約。有關分類由本集團管理層定期檢討，確保獲得有關特定債務人之最新相關資料。

於2017年12月31日的貿易應收款項中，52,453,000港元已逾期但並無減值，該等應收款項與多名客戶有關，彼等已於其後償付大部份應收款項。本集團並無持有任何抵押品作為該等結餘的抵押。該等貿易應收款項的賬齡分析如下：

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21. TRADE AND OTHER RECEIVABLES – continued

21. 貿易及其他應收款項 – 續

		2017 2017年 HK\$'000 千港元
Overdue by:	逾期：	
1 – 30 days	1至30日	16,975
31 – 60 days	31至60日	14,551
61 – 180 days	61至180日	19,030
181 – 365 days	181至365日	374
Over 1 year	一年以上	1,523
		52,453

Movement in the allowance for doubtful debts of trade receivables was as follows:

貿易應收款項的呆賬撥備變動如下：

		2017 2017年 HK\$'000 千港元
Balance at 1 January	於1月1日結餘	1,980
Impairment loss recognised	已確認減值虧損	1,029
Amounts recovered during the year	年內已收回款項	(2,122)
		887

Details of the impairment assessment of trade and other receivables for the year ended 31 December 2018 are stated in note 38.

有關於截至2018年12月31日止年度貿易及其他應收款項之減值評估之詳情載於附註38。

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22. BANK BALANCES AND CASH

Included in bank balances and cash are the following amounts denominated in currency other than functional currency of the relevant group entities:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
HK\$	港元	27,372	25,359
United Arab Emiratis Dirham (“Dirham”)	阿聯酋迪拉姆 (「迪拉姆」)	1,296	5,193
		28,668	30,552

Bank balances and short-term bank deposits, which carry interest at prevailing market rates ranged from 0.01% to 1.20% per annum (2017: 0.01% to 1.20% per annum) as at 31 December 2018.

22. 銀行結餘及現金

以下以有關集團實體功能貨幣以外的貨幣計值的金額計入銀行結餘及現金：

於2018年12月31日的銀行結餘及短期銀行存款乃按當時市場上的年利率0.01%至1.20% (2017年：年利率0.01%至1.20%) 計息。

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23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付款項

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Trade payables	貿易應付款項	102,626	15,202
Accruals and other payables	應計款項及其他應付款項	7,441	13,937
		110,067	29,139

Accruals and other payables mainly consist of payable of staff salaries and benefits and provisions for certain construction obligation.

應計款項及其他應付款項主要包括應付員工薪金及福利以及若干建築責任撥備。

The following is an aged analysis of trade payables presented based on invoice date at the end of each year:

於各年末按發票日期呈列的貿易應付款項的賬齡分析如下：

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
0 – 60 days	0至60日	98,154	12,570
61 – 90 days	61至90日	1,802	1,508
Over 90 days	90日以上	2,670	1,124
		102,626	15,202

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24. CONTRACT LIABILITIES

24. 合約負債

		2018 2018年 HK\$'000 千港元	2017* 2017年* HK\$'000 千港元
Property development	物業發展	214,273	454

* The amounts in the column are after the adjustments from the application of HKFRS 15.

* 此欄金額已就應用香港財務報告準則第15號作出調整。

The contract liabilities at 1 January 2018 were fully recognised as revenue in the current year.

於2018年1月1日之合約負債已於本年度全面確認為收益。

The Group receives deposits from customers when they sign the sale and purchase agreement. The deposits give rise to contract liabilities being recognised throughout the property construction period until the customer obtains control of the completed property.

本集團於簽訂買賣協議時收取客戶按金。按金構成於整個物業建設期間確認之合約負債，直至客戶取得已完工物業之控制權。

25. BANK LOANS

25. 銀行貸款

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Bank loans are repayable as follows:	銀行貸款須於下列期間償還：		
Within one year	一年內	16,735	25,580
After one year but within two years	一年後但兩年內	140,276	-
		157,011	25,580
Less: Amount due within one year included in current liabilities	減：計入流動負債之一年內到期款項	(16,735)	(25,580)
Amount due after one year	一年後到期款項	140,276	-

The variable rate bank loans carry interest rate ranging from 6% to 7.6% per annum (2017: from 6% to 6.5%) per annum. The loan is secured by property, plant and equipment, prepaid lease payments and investment properties (see note 34).

浮息銀行貸款乃按年利率介乎6%至7.6%計息(2017年：6%至6.5%)。貸款以物業、廠房及設備、預付租賃款項及投資物業提供抵押(見附註34)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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26. PROVISION FOR LONG SERVICE PAYMENTS

The provision for long service payments is determined with reference to the employees' remuneration and their years of services.

26. 長期服務金撥備

長期服務金撥備參考僱員酬金及彼等的服務年期釐定。

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
At 1 January	於1月1日	1,177	999
(Reversal of) provision for the year	年內(撥回)撥備	(191)	178
At 31 December	於12月31日	986	1,177

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27. DEFERRED TAX ASSETS (LIABILITIES)

The movements in deferred tax (liabilities) assets during the year are as follows:

27. 遞延稅項資產(負債)

於年內，遞延稅項(負債)資產的變動如下：

		Fair value change of investment property	Provision for social security funds	Accelerated tax depreciation/ accounting depreciation 加速 稅項折舊/ 會計折舊	Total
		投資物業之 公平值變動 HK\$'000 千港元	社會保障 基金撥備 HK\$'000 千港元	稅項折舊/ 會計折舊 HK\$'000 千港元	總計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	-	1,334	(646)	688
(Charge) credit to profit or loss	(自損益扣除) 計入損益	-	(1,334)	563	(771)
At 31 December 2017	於2017年12月31日	-	-	(83)	(83)
Credit to profit or loss	計入損益	-	-	368	368
Charge to other comprehensive income for the year	自年內其他全面 收益扣除	(900)	-	-	(900)
Exchange realignment	匯兌調整	34	-	-	34
At 31 December 2018	於2018年12月31日	(866)	-	285	(581)

The following is the analysis of the deferred tax balance for financial reporting purposes:

以下為作財務申報用途之遞延稅項結餘之分析：

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	285	-
Deferred tax liabilities	遞延稅項負債	(866)	(83)
		(581)	(83)

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27. DEFERRED TAX ASSETS (LIABILITIES) – continued

Deferred taxation has not been recognised in respect of certain undistributed retained profits earned by the subsidiary in the PRC amounting of HK\$51,784,000 (2017: nil) as the directors are of the opinion that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

27. 遞延稅項資產(負債) – 續

並無就中國附屬公司所賺取之若干未分派保留溢利51,784,000港元(2017年：無)確認遞延稅項，因董事認為本集團能夠控制暫時性差額之撥回時間，且暫時性差額於可見將來可能不會撥回。

28. SHARE CAPITAL

28. 股本

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Authorised:	法定：		
3,000,000,000 ordinary shares of one third Hong Kong cent each (2017: 3,000,000,000 ordinary shares of one third Hong Kong cent each)	3,000,000,000股每股面值三分之一港仙之普通股份 (2017年：3,000,000,000股每股面值三分之一港仙之普通股份)	10,000	10,000
Issued and fully paid:	已發行及繳足：		
1,350,000,000 ordinary shares of one third Hong Kong cent each (2017: 1,350,000,000 ordinary shares of one third Hong Kong cent each)	1,350,000,000股每股面值三分之一港仙之普通股份 (2017年：1,350,000,000股每股面值三分之一港仙之普通股份)	4,500	4,500

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28. SHARE CAPITAL – continued

The movements in the Company's share capital for the years ended 31 December 2017 and 2018 were as follows:

28. 股本－續

截至2017年及2018年12月31日止年度，本公司之股本變動載列如下：

		Number of ordinary shares 普通股份數目	Nominal value of ordinary shares 普通股份面值 HK\$'000 千港元
Authorised:	法定：		
At 1 January 2017	於2017年1月1日	1,000,000,000	10,000
Effect of Share Subdivision (note)	股份拆細之影響(附註)	2,000,000,000	–
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	3,000,000,000	10,000
Issued and fully paid:	已發行及繳足：		
At 1 January 2017	於2017年1月1日	450,000,000	4,500
Effect of Share Subdivision (note)	股份拆細之影響(附註)	900,000,000	–
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	1,350,000,000	4,500

Note: Pursuant to a resolution passed by the shareholders of the Company at the extraordinary general meeting held on 12 September 2017, every one issued and unissued existing ordinary share of HK\$0.01 each in the share capital of the Company was subdivided into three subdivided shares of one third Hong Kong cent each. The Share Subdivision became effective on 13 September 2017.

附註：根據本公司股東於2017年9月12日舉行之股東特別大會上通過之決議案，本公司股本中每股面值0.01港元之已發行及未發行現有普通股份已拆細為三股每股面值三分之一港仙之拆細股份。股份拆細已於2017年9月13日生效。

All shares issued rank pari passu with the then existing in issue in all respects.

所有已發行股份於所有方面與當時現有已發行股份享有同等權益。

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29. SHARE-BASED PAYMENTS

Pursuant to written resolutions passed on 14 December 2015, the Company adopted a share option scheme (the “Share Option Scheme”). The Share Option Scheme was valid for a period of 10 years commencing on 14 December 2015.

The purpose of the Share Option Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Under the Share Option Scheme, the directors of the Company may, at its discretion, grant options to subscribe for shares in the Company to eligible participants (“Eligible Participants”) who contribute to the long-term growth and profitability of the Company. Eligible Participants include (i) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of its subsidiaries or any entity (“Invested Entity”) in which any member of the Group holds an equity interest; (ii) any non-executive directors (including independent non-executive directors) of the Company, any of its subsidiaries or any Invested Entity; (iii) any supplier of goods or services to any member of the Group or any Invested Entity; (iv) any customer of any member of the Group or any Invested Entity; (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

29. 以股份支付款項

根據本公司於2015年12月14日通過的書面決議案，本公司已採納購股權計劃（「購股權計劃」）。購股權計劃由2015年12月14日起計有效10年。

購股權計劃之目的是令本集團可以向特選之參與者授予股份，以鼓勵或報答其對本集團所作之貢獻。

根據購股權計劃，本公司董事有權決定向為本公司之長遠發展和盈利能力作出貢獻之合資格參與者（「合資格參與者」）授予可認購本公司股份之購股權。合資格者包括：(i)本公司、其任何附屬公司或由本集團任何成員公司持有股份權益之任何實體（「投資實體」）之任何僱員（無論全職或兼職，包括任何執行董事，惟不包括非執行董事）；(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（包括獨立非執行董事）；(iii)本集團任何成員公司或任何投資實體之任何貨物或服務供應商；(iv)本集團任何成員公司或任何投資實體之任何顧客；(v)為本集團任何成員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個人或實體；(vi)本集團任何成員公司或任何投資實體之任何股東，或持有由本集團任何成員公司或任何投資實體所發行之任何證券之任何人士；(vii)任何向本集團任何成員公司或任何投資實體任何業務範圍或業務發展作出建議人士（專業人士或其他）或顧問；及(viii)透過合資、業務夥伴或其他商業安排而對本集團之發展和增長作出貢獻或可能作出貢獻之任何其他參與者組別或類別。

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29. SHARE-BASED PAYMENTS – continued

The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Group shall not exceed 30% of the share capital of the Company in issue from time to time.

The total number of shares which may be allotted and issued upon exercise of all options to be granted under this scheme and any other share option of the Group must not in aggregate exceed 10% of the shares in issue as at the date of passing of the relevant resolution adopting this scheme.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any twelve-month period, are subject to shareholders' approval in advance in a general meeting.

29. 以股份支付款項－續

因根據此計劃及本集團所採納之任何其他購股權計劃已授出但未行使之所有購股權獲行使而可能發行之股份最高數目，不得超過本公司不時已發行股本之30%。

因根據此計劃及本集團其他購股權計劃將予授出之購股權獲行使而可配發及發行之股份總數合共不得超過通過採納此計劃之有關決議案當日已發行股份總數之10%。

授予本公司董事、行政總裁或主要股東，或彼等任何聯繫人士之購股權，須在事前獲得獨立非執行董事批准。此外，在任何十二個月內授予本公司主要股東或獨立非執行董事、或彼等任何聯繫人士之購股權，在任何時候若超過公司已發行股份之0.1%，或其總值（以授出當日之本公司股價計算）超過5,000,000港元，須事前於股東大會上獲股東通過。

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29. SHARE-BASED PAYMENTS – continued

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, save that such period shall not be more than ten years from the date of the offer of the share options, subject to the provisions for early termination as set out in the Share Option Scheme. Unless otherwise determined by the directors at their absolute discretion, there is no requirement of a minimum period for which an option must be held before an option can be exercised. In addition, there is no performance target which must be achieved before any of the options can be exercised.

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five business days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

29. 以股份支付款項－續

授出購股權之要約可於要約日起21日內，由承授人以合計1港元之名義代價接納。所授出購股權之行使期由本公司董事決定，惟自授出購股權日期起計，不應超過十年，並受到購股權計劃中提前終止條款規定所限制。除非由董事全權酌情決定，否則購股權並無規定最少須持有至某個特定時限始可行使，此外，亦無規定須達致某個表現目標始可行使。

購股權之行使價由本公司董事決定，惟不能低於以下之最高價：(i)在購股權要約日期本公司股份在聯交所之收市價；(ii)在購股權要約日期前五個營業日內本公司股份在聯交所之平均收市價；及(iii)在要約日期本公司股份之面值。

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29. SHARE-BASED PAYMENTS – continued

A summary of movements of the outstanding share options granted to and held by the Company's participants:

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29. 以股份支付款項－續

已授予本公司參與者及彼等所持有之尚未行使購股權之變動概要：

截至2018年12月31日止年度

		Date of grant	Number of share options 購股權數目				Outstanding at 31.12.2018 於 2018年 12月31日 尚未行使	Adjusted exercise price 經調整 行使價
			Outstanding at 1.1.2018 於 2018年 1月1日 尚未行使	Lapsed during the year 年內 已失效	Cancelled during the year 年內 已註銷	Reclassified during the year 年內 重新分類		
			'000 千份	'000 千份	'000 千份	'000 千份		
Directors	董事	31.5.2017	7,470	-	-	(900)	6,570	HK\$1.07港元
Eligible persons	合資格人士	31.5.2017	30,177	(3,557)	(1,396)	900	26,124	HK\$1.07港元
Total	總計		37,647	(3,557)	(1,396)	-	32,694	

Note 1: During the year, a director was resigned and appointed as the deputy chief executive officer of the Company.

附註1：年內，一名董事辭任及獲委任為本公司副行政總裁。

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29. SHARE-BASED PAYMENTS – continued

For the year ended 31 December 2017

29. 以股份支付款項－續

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		Number of share options 購股權數目							
		Outstanding at Date of grant	Granted during the year	Exercised during the year	Lapsed during the year	Adjustment due to share subdivision	Outstanding at 31.12.2017 於2017年 12月31日	Adjusted exercise price	
		1.1.2017 於2017年 1月1日 授出日期	年內 已授出	年內 已行使	年內 已失效	因股份 拆細而調整	尚未行使	經調整行使價	
		'000 千份	'000 千份	'000 千份	'000 千份 (note 2) (附註2)	'000 千份 (note 2) (附註2)	'000 千份		
Directors	董事	31.5.2017	-	2,490	-	-	4,980	7,470	HK\$1.07港元
Eligible persons	合資格人士	31.5.2017	-	11,004	-	(945)	20,118	30,177	HK\$1.07港元
Total	總計		-	13,494	-	(945)	25,098	37,647	

Note 2: Upon the Share Subdivision became effective, pro-rata adjustments were made to the exercise prices from HK\$3.21 to HK\$1.07 and the number of share options outstanding, so as to give the participants the same proportion of the equity capital as that they were entitled to before the effect of the Share Subdivision.

附註2：於股份拆細生效後，已按比例調整行使價（由3.21港元調整至1.07港元）及尚未行使購股權數目，以向參與者提供與未計及股份拆細影響前所享有相同比例的股本。

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29. SHARE-BASED PAYMENTS – continued

No share options were exercised. The share options granted under the Share Option Scheme are exercisable commencing from 31 May 2018 to 30 May 2023 (both dates inclusive) for the first tranche (“Tranche 1”) and from 31 May 2019 to 30 May 2024 (both dates inclusive) for the second tranche (“Tranche 2”). The closing price of the Company’s shares immediately before 31 May 2017, the date on which the share options were granted was HK\$1.07 after the effect of the Share Subdivision. For Tranche 1, the fair values of the share options determined at the dates of grant using the binomial model for share options granted to directors of the Company and other eligible persons were HK\$0.37 and HK\$0.36, respectively after the effect of Share Subdivision. For Tranche 2, the fair values of the share options determined at the dates of grant using the binomial model for share options granted to directors of the Company and other eligible persons were HK\$0.42 and HK\$0.41, respectively after the effect of Share Subdivision.

29. 以股份支付款項－續

並無購股權獲行使。根據購股權計劃所授出之購股權當中，第一批購股權（「第一批」）可由2018年5月31日至2023年5月30日（包括首尾兩日）行使，而第二批購股權（「第二批」）可由2019年5月31日至2024年5月30日（包括首尾兩日）行使。本公司股份於緊接2017年5月31日（即購股權授出日期）前之收市價為1.07港元（計及股份拆細之影響後）。就第一批而言，根據二項式模型釐定授予本公司董事及其他合資格人士之購股權於授出日期之購股權公平值分別為0.37港元及0.36港元（計及股份拆細之影響後）。就第二批而言，根據二項式模型釐定授予本公司董事及其他合資格人士之購股權於授出日期之購股權公平值分別為0.42港元及0.41港元（計及股份拆細之影響後）。

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29. SHARE-BASED PAYMENTS – continued

The following assumptions were used to calculate the fair values of the share options:

	Tranche 1 第一批	Tranche 2 第二批
Grant date 授出日期	31 May 2017 2017年5月31日	31 May 2017 2017年5月31日
Grant date share price (adjusted) 授出日期之股價(經調整)	HK\$1.07 1.07港元	HK\$1.07 1.07港元
Exercise Price 行使價	HK\$1.07 1.07港元	HK\$1.07 1.07港元
Expected Life 預計年期	6 years 6年	7 years 7年
Expected Volatility 預計波幅	52%	53%
Dividend Yield 股息率	1.87%	1.87%
Risk-free interest Rate 無風險利率	1.00%	1.06%

The valuations are carried out by independent qualified professional valuers, which are not connected with the Group. The binomial model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the independent qualified professional valuers' best estimate. Changes in variables and assumptions may result in changes in the fair value of the options.

The Group recognised the expense of HK\$5,520,000 (2017: HK\$6,244,000), net of effect on share options lapsed of HK\$1,202,000 (2017: HK\$467,000) for the year ended 31 December 2018 in relation to share options granted by the Company. During the year, share options cancelled of HK\$503,000 (2017: nil) has been transferred to retained profits of the Group.

29. 以股份支付款項－續

以下為計算購股權公平值所使用之假設：

估值乃由與本集團並無關連之獨立合資格專業估值師進行，並使用二項式模型估計購股權之公平值。計算購股權公平值所用之變數及假設乃基於獨立合資格專業估值師之最佳估計。購股權之公平值可因應變數及假設之轉變而變化。

截至2018年12月31日止年度，本集團就本公司授出之購股權確認開支5,520,000港元(2017年：6,244,000港元)(扣除購股權失效之影響1,202,000港元)(2017年：467,000港元)。年內，已註銷購股權503,000港元(2017：無)已轉移至本集團之保留溢利。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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30. RETIREMENT BENEFITS SCHEME

Defined contribution scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Under the MPF Scheme, the employees are required to contribute 5% of their monthly salaries or up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer’s monthly contributions are calculated at 5% of the employee’s monthly salaries or up to a maximum of HK\$1,500 (the “mandatory contributions”). The employees are entitled to 100% of the employer’s mandatory contributions upon their retirement at the age of 65, death or total incapacity.

The employees of the Group’s factory and offices in the PRC are members of a state-managed retirement benefit plan operated by the government of the PRC. The Group are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

30. 退休福利計劃

界定供款計劃

本集團根據香港強制性公積金計劃條例運作界定供款的強制性公積金退休福利計劃（「強積金計劃」）。根據強積金計劃，僱員須作出相等於其月薪5%或最多1,500港元的供款，彼等亦可選擇作出額外供款。僱員的每月供款按僱員月薪的5%計算或最多1,500港元（「強制性供款」）。僱員可於65歲退休、身故或完全喪失工作能力時獲得100%的僱主強制性供款。

本集團中國工廠及辦事處的僱員參加由中國政府運作的國家管理退休福利計劃，本集團須按薪金成本的特定百分比向退休福利計劃作出供款，以為福利提供資金，本集團有關退休福利計劃的唯一責任為作出指定供款。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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31. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the years:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Rental expenses paid to entities under controlled by a director of the Company	向由本公司一名董事控制的實體支付租金開支	6,175	4,722

Key management personnel include directors of the Company and other senior management of the Group. The remuneration paid or payable during the years are as follows:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Short-term benefits	短期福利	8,679	9,842
Post-employment benefits	離職後福利	72	137
		8,751	9,979

The remuneration of key management personnel is determined by management of the Company having regard to the performance of individuals and market trends.

31. 關連方交易

本集團於年內與關連方進行以下交易：

主要管理人員包括本公司的董事及本集團的其他高級管理層。於年內已付或應付薪酬如下：

主要管理人員薪酬由本公司管理層參考個人表現及市場趨勢釐定。

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32. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group had future aggregate minimum lease payables under non-cancellable operating leases in respect of office premises, factory buildings and motor vehicles, as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	6,742	4,967
After one year but within five years	一年後但五年內	8,958	-
		15,700	4,967

Operating lease commitments as at 31 December 2018 included commitment to entities controlled by a director of the Company amounted to HK\$15,425,000 (2017: HK\$2,288,000).

Operating lease payments represent rentals payable by the Group for certain office premises, factory buildings and motor vehicles. Leases are negotiated for terms of one to five years.

The Group as lessor

The Group had future minimum lease payments under non-cancellable operating leases with fixed rents in respects of premises which would fall due as follows:

		2018	2017
		2018年	2017年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	183	-

The properties held have committed tenants of a year.

32. 經營租賃承擔

本集團作為承租人

本集團根據不可註銷經營租約就辦公室物業、廠房大廈及汽車的未來最低應付租賃款項總額如下：

於2018年12月31日的經營租約承擔包括向由本公司一名董事控制的實體的承擔15,425,000港元(2017年：2,288,000港元)。

經營租賃款項指本集團就若干辦公室物業、工廠大廈及汽車而應付的租金，經磋商租約年期為一至五年。

本集團作為出租人

本集團就物業根據固定租金之不可撤銷經營租賃之未來最低租賃付款到期日如下：

所持有之物業有一年期之承諾租戶。

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33. COMMITMENTS

As at 31 December 2018, the Group contracted for but not provided in the consolidated financial statements amounting to approximately RMB46,515,000 or equivalents to approximately HK\$52,950,000 and RMB288,094,000 or equivalent to HK\$327,946,000 (31 December 2017: RMB46,581,000 or equivalents to HK\$55,896,000 and RMB301,650,000 or equivalent to HK\$381,400,000) in respect of constructions works for properties for own use and properties under development for sale, respectively.

34. PLEDGE OF ASSETS

At the end of the reporting period, the following assets of the Group were pledged to banks to secure credit facilities granted to the Group:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	127,384	—
Prepaid lease payments	預付租賃款項	15,179	—
Investment properties	投資物業	9,563	—
		152,126	—

33. 承擔

於2018年12月31日，本集團就自用物業及發展中待售物業之建築工程有已訂約但未於綜合財務報表撥備分別約人民幣46,515,000元或相當於約52,950,000港元及人民幣288,094,000元或相當於327,946,000港元（2017年12月31日：人民幣46,581,000元或相當於55,896,000港元及人民幣301,650,000元或相當於381,400,000港元）。

34. 資產抵押

於報告期末，本集團下列資產已抵押予銀行作為本集團獲授信貸額度之擔保：

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35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the Company's subsidiaries, all of which are limited liability companies, at 31 December 2018 and 31 December 2017 are as follows:

35. 本公司附屬公司的詳情

於2018年12月31日及2017年12月31日，本公司的附屬公司（均為有限公司）詳情載列如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Issued and fully paid share capital/registered and paid-up capital 已發行及繳足股本/ 註冊及繳足股本		Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值比例				Principal activities 主要業務
		2018 2018年	2017 2017年	Directly 直接		Indirectly 間接		
				2018 2018年	2017 2017年	2018 2018年	2017 2017年	
				%	%	%	%	
Perfect Group International Holdings (HK) Limited 保發集團國際控股(香港)有限公司	Hong Kong 香港	Ordinary shares HK\$10,000,001 普通股 10,000,001港元	Ordinary shares HK\$10,000,001 普通股 10,000,001港元	-	-	100	100	Designing, manufacturing and exporting of fine jewellery 設計、製造及出口優質珠寶
Perfect Group China Holding (HK) Limited	Hong Kong 香港	Ordinary shares HK\$10,000 普通股 10,000港元	Ordinary shares HK\$10,000 普通股 10,000港元	-	-	100	100	Investment holding 投資控股
Perfect Group China Investment (HK) Limited	Hong Kong 香港	Ordinary shares HK\$10,000 普通股 10,000港元	Ordinary shares HK\$10,000 普通股 10,000港元	-	-	100	100	Investment holding 投資控股
廣東保發珠寶產業園開發有限公司	PRC 中國	Ordinary shares US\$30,000,000 普通股 30,000,000美元	Ordinary shares US\$30,000,000 普通股 30,000,000美元	-	-	70	70	Property development 物業發展
保發珠寶(中國)有限公司	PRC 中國	Ordinary shares US\$10,000,000 普通股 10,000,000美元	Ordinary shares US\$10,000,000 普通股 10,000,000美元	-	-	100	100	Retailing of fine jewellery 零售優質珠寶
佛山市順德區保發物業管理有限公司	PRC 中國	Ordinary shares RMB500,000 普通股 人民幣500,000元	Ordinary shares RMB500,000 普通股 人民幣500,000元	-	-	70	70	Property management 物業管理
Perfect Group International Holdings Limited 保發集團國際控股有限公司	BVI 英屬處女群島	Ordinary shares US\$10,000 普通股 10,000美元	Ordinary shares US\$10,000 普通股 10,000美元	100	100	-	-	Investment holding 投資控股

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35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY – continued

35. 本公司附屬公司的詳情—續

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Issued and fully paid share capital/registered and paid-up capital 已發行及繳足股本/ 註冊及繳足股本		Proportion of nominal value of issued capital/ registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值比例				Principal activities 主要業務	
		2018	2017	Directly 直接		Indirectly 間接			
		2018年	2017年	2018	2017	2018	2017		
				2018年	2017年	2018年	2017年		
				%	%	%	%		
Perfect Group China Holding Limited	BVI 英屬處女群島	Ordinary shares US\$10,000 普通股 10,000美元	Ordinary shares US\$10,000 普通股 10,000美元	-	-	100	100	Investment holding 投資控股	
Perfect Group China Investment Limited	BVI 英屬處女群島	Ordinary shares US\$10,000 普通股 10,000美元	Ordinary shares US\$10,000 普通股 10,000美元	-	-	100	100	Investment holding 投資控股	
Hong Kong Perfect Jewellery DMCC	Dubai 迪拜	Ordinary shares AED50,000 普通股50,000 迪拉姆	Ordinary shares AED50,000 普通股50,000 迪拉姆	-	-	100	100	Logistics and marketing activities 物流及市場 推廣活動	

The table below shown details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

下表顯示本集團擁有重大非控股權益之非全資附屬公司：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/註冊/ 經營地營	Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持擁有 權權益及投票權比例		Profit (loss) allocated to non-controlling interests 分配至非控股權益 之溢利(虧損)		Accumulated non-controlling interests 累計非控股權益	
		2018	2017	2018	2017	2018	2017
		2018年	2017年	2018年	2017年	2018年	2017年
				HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
廣東保發珠寶產業開發有限公司 and its subsidiary 廣東保發珠寶產業開發有限公司及其附屬公司	PRC 中國	30%	30%	16,302	(768)	85,075	72,134

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35. PARTICULARS OF SUBSIDIARIES OF THE COMPANY – continued

Summarised financial information, which is prepared in accordance with HKFRSs, in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before elimination of intragroup transactions.

35. 本公司附屬公司的詳情－續

有關本集團擁有重大非控股權益之附屬公司之財務資料（根據香港財務報告準則編製）概要載列如下。以下財務資料概要為抵銷集團間交易前之數額。

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Current assets	流動資產	591,490	204,701
Non-current assets	非流動資產	153,913	41,788
Current liabilities	流動負債	(320,677)	(6,041)
Non-current liabilities	非流動負債	(141,143)	–
Total equity	權益總額	283,583	240,448
Income	收入	209,392	226
Expenses	開支	(155,052)	(2,787)
Profit (loss) for the year	本年度溢利 (虧損)	54,340	(2,561)
Total comprehensive income for the year	本年度全面收益總額	42,573	7,824
Net cash inflow (outflow) from operating activities	經營活動現金流入 (流出) 淨額	138,829	(55,441)
Net cash outflow from investing activities	投資活動現金流出淨額	(115,257)	(175,916)
Net cash inflow from financing activities	融資活動現金流入淨額	136,782	232,624
Net cash inflow	現金流入淨額	160,354	1,267
Dividends paid to non-controlling interests	已付非控股權益之股息	–	–

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36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

36. 融資活動所產生負債之對賬

下表詳列本集團融資活動所產生負債之變動。融資活動所產生之負債指其現金流量已或未來現金流量將於本集團綜合現金流量表中分類為融資活動現金流量之負債。

		Interest payable 應付利息 HK\$'000 千港元	Non-controlling interest 非控股權益 HK\$'000 千港元	Bank loans 銀行貸款 HK\$'000 千港元	Dividend payable 應付股息 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	–	–	2,365	–	2,365
Financing cash flow (note)	融資現金流量(附註)	(1,005)	69,787	23,215	(27,000)	64,997
Dividend declared	宣派股息	–	–	–	27,000	27,000
Interest accrued	應計利息	1,005	–	–	–	1,005
Share of total comprehensive income for the year	應佔本年度全面收益總額	–	2,347	–	–	2,347
At 31 December 2017	於2017年12月31日	–	72,134	25,580	–	97,714
Financing cash flow (note)	融資現金流量(附註)	(11,673)	169	136,857	(27,000)	98,353
Dividend declared	已宣派股息	–	–	–	27,000	27,000
Interest accrued	應計利息	11,673	–	–	–	11,673
Share of total comprehensive income for the year	應佔本年度全面收益總額	–	12,772	–	–	12,772
Effect of foreign exchange rate changes	匯率變動之影響	–	–	(5,426)	–	(5,426)
At 31 December 2018	於2018年12月31日	–	85,075	157,011	–	242,086

Note: The cash flow represent the proceeds from addition/repayment of bank loans, interest paid, dividend paid and contribution from non-controlling shareholder in the consolidated statement of cash flows.

附註：現金流量指綜合現金流量表之新增／償還銀行貸款、已付利息、已付股息及非控股股東注資之所得款項。

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37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to owners through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged over the years.

The capital structure of the Group consists of equity attributable to owners of the Group, comprising share capital, share premium, retained profits and other reserves as disclosed in the consolidated financial statements.

Management of the Group reviews the capital structure regularly. The Group considers the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through the payment of dividends, new shares issue as well as the raising of bank loans.

37. 資本風險管理

本集團管理其資本以確保本集團將可繼續持續經營，並同時透過優化債務及權益平衡，為擁有人帶來最大回報。本集團的整體策略於該等年度維持不變。

本集團的資本架構由本集團擁有人應佔股權組成，包括綜合財務報表所披露的股本、股份溢價、保留溢利及其他儲備。

本集團管理層會定期檢討資本架構。本集團會考慮資本成本及各類資本的相關風險，並將透過派付股息、發行新股及籌集銀行貸款，以平衡其總體資本架構。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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38. FINANCIAL INSTRUMENTS

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial assets and financial liabilities are disclosed in note 3.

Categories of financial instruments

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Financial assets	財務資產		
Financial assets at amortised cost	按攤銷成本列賬之財務資產	324,432	–
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等值物)	–	148,240
Financial liabilities	財務負債		
Amortised cost	已攤銷成本	170,640	54,719

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, bank balances and cash, deposits, trade and other payables and bank loans. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

38. 財務工具

就各類財務資產及財務負債採用的重大會計政策及方法(包括確認標準、計量基準及確認收入和開支的基準)詳情，於附註3內披露。

財務工具類別

財務風險管理目標及政策

本集團的主要財務工具包括貿易及其他應收款項、銀行結餘及現金、按金、貿易及其他應付款項以及銀行借貸。該等財務工具的詳情於各相關附註內披露。有關該等財務工具的風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減低該等風險的政策載於下文。管理層管理及監察該等風險，以確保及時及有效實施適當措施。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Currency risk

The Group has limited currency exposure as the majority of the revenue were denominated in functional currency of the relevant group entities. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting date are as follows:

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Assets	資產		
HK\$	港元	27,372	27,358
RMB	人民幣	218	7,892
Dirham	迪拉姆	1,296	5,193
Liabilities	負債		
HK\$	港元	233	476

The Group mainly exposes to foreign currency of RMB, HK\$ and Dirham which are arising from relevant group entities' foreign currency denominated monetary assets and liabilities for the Group's operating activities. HK\$ and Dirham, however, are pegged to the functional currency of respective group entities, hence the Group's exposure to currency risk is not significant and no sensitivity analysis has been presented. No sensitivity analysis for the currency risk of RMB is prepared as the directors of the Company consider the net impact of such foreign currency risk is insignificant.

38. 財務工具－續

財務風險管理目標及政策－續

貨幣風險

由於本集團大部份收益以相關集團實體的功能貨幣計值，因此本集團所面對的貨幣風險有限。於報告期末，本集團以外幣計值的貨幣資產及負債的賬面值載列如下：

本集團的經營活動所用相關集團實體以外幣計值的貨幣資產與負債令本集團主要面臨人民幣、港元及迪拉姆的貨幣風險。然而，港元及迪拉姆與各集團實體的功能貨幣掛鈎，本集團面臨的貨幣風險並不重大，故並無呈列敏感度分析。由於本公司董事認為人民幣的貨幣風險之淨影響並不重大，因此並無編製有關貨幣風險的敏感度分析。

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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Interest rate risk

The Group is exposed to cash flow interest rate risk through the impact of rate changes on interest bearing financial assets and liabilities, mainly interest-bearing bank balances and bank loans (see note 25 for details) at variable interest rates. The Group currently does not have an interest rate hedging policy. However, management will consider hedging significant interest rate risk should the need arise.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation on LIBOR arising from the Group's United States dollar denominated borrowings.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the year. The analysis is prepared assuming the financial instruments outstanding at the end of the year were outstanding for the whole year. A 100 basis points increase or decrease in interest rates on bank loans and a 10 basis points increase or decrease in interest rate on bank balance are used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates on interest bearing bank balances had been 10 basis points and interest rates on interest bearing bank loans had been 100 basis points higher/lower and all of other variables were held constant, the profit for the year ended 31 December 2018 would have approximately decreased/increased by HK\$1,093,000 (2017: decreased/increased by HK\$154,000).

38. 財務工具－續

財務風險管理目標及政策－續

利率風險

本集團承受因計息財務資產及負債(主要為按浮動利率計息的銀行結餘及銀行貸款(詳情見附註25))利率變動的影響而承受現金流量利率風險。本集團目前並無利率對沖政策,然而,管理層會於有需要時考慮對沖重大利率風險。

本集團的現金流動利率風險主要集中於本集團因借款以美元計值而面對的倫敦銀行同業拆息波動。

敏感度分析

以下敏感度分析根據年末非衍生工具的利率風險釐定。分析是假設年末尚未清償的財務工具於整年均尚未清償而編製,分別採用銀行貸款利率及銀行結餘利率100個基點及10個基點的升幅或跌幅,以代表管理層對利率合理可能變動的評估。

倘計息銀行結餘及計息銀行貸款的利率分別上升/下跌10個基點及100個基點,而所有其他變數維持不變,則截至2018年12月31日止年度的溢利將減少/增加約1,093,000港元(2017年:減少/增加154,000港元)。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Credit risk and impairment assessment

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each year in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position. In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Given the long-term relationships with its customers and the financial position of these customers, management considers that the credit risk associated with balances due from wholesale customers is low. In addition, management considers the customers' credit history, settlement patterns, subsequent settlements and aging analysis of trade receivables in determining the allowance for doubtful debts and ensures that adequate allowance for doubtful debts are made for irrecoverable amount. In this regard, the directors of the Group consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk in trade receivables, with exposure spread over a number of counterparties.

The credit risk on bank balances is minimal as such amounts are placed in banks with good reputation.

38. 財務工具－續

財務風險管理目標及政策－續

信貸風險及減值評估

倘對約方未能於各年末履行彼等的責任，則本集團就各類已確認財務資產的最大信貸風險為該等列於綜合財務狀況表內的資產的賬面值。為了盡量減低信貸風險，本集團管理層已授權管理團隊，負責釐定信貸限額、信貸批核及其他監察程序，確保採取跟進行動以追討逾期債項。鑑於本集團與客戶長久以來的關係及該等客戶的財務狀況，管理層認為有關應收批發客戶的結餘的信貸風險很低。此外，管理層考慮客戶的信貸記錄、償付方式、其後結算情況及貿易應收款項的賬齡分析釐定呆賬撥備，並確保已就不可收回款額作出足夠呆賬撥備。就此，本集團董事認為可大幅減低本集團的信貸風險。

本集團於貿易應收款項並無重大集中信貸風險，有關風險分佈多名對約方。

由於銀行結餘存放於信譽良好的銀行，因此銀行結餘的信貸風險極低。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

Upon adoption of HKFRS 9 on 1 January 2018, the Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables.

Management assessed the expected loss on trade receivables individually by estimation based on historical credit loss experience, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

In addition, the directors of the Company are of the opinion that there has no default occurred for trade receivables past due 90 days or more and the balances are still considered fully recoverable due to long term/on-going relationship and good repayment record from these customers.

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group's trade receivables are grouped under a provision matrix based on shared credit risk characteristics by reference to past default experience and current past due exposure of the debtor. The following table provides information about the exposure to credit risk and ECL for trade receivables which are assessed collectively based on provision matrix during the year (not credit-impaired).

38. 財務工具－續

財務風險管理目標及政策－續

信貸風險及減值評估－續

於2018年1月1日採納香港財務報告準則第9號後，本集團應用簡化方法提供香港財務報告準則第9號所規定之預期信貸虧損，該準則允許貿易應收款項使用全期預期虧損撥備。

管理層根據過往信貸虧損經驗、債務人經營所在行業之整體經濟狀況以及於報告日期對當前及預測狀況發展方向之估計個別評估貿易應收款項之預期虧損。

此外，本公司董事認為，逾期90日或以上之貿易應收款項並無發生違約情況，且由於長期／持續的關係以及該等客戶良好的償還記錄，結餘仍被視為可全額收回。

作為本集團信貸風險管理之一部分，由於該等客戶包括大量有共同風險特徵之客戶，而該風險特徵代表客戶根據合約條款悉數付款的能力，因此本集團透過債務人之賬齡評估其客戶之減值。本集團之貿易應收款項乃根據參考債務人之過往違約經驗及當前逾期風險之共同信貸風險特徵按撥備矩陣分類。下表提供有關貿易應收款項之信貸風險及預期信貸虧損之資料，乃於年內根據撥備矩陣（非信貸減值）共同評估。

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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Credit risk and impairment assessment
– continued

38. 財務工具－續

財務風險管理目標及政策－續

信貸風險及減值評估－續

		Gross carrying amount 賬面總值 HK\$'000 千港元	Average loss rate 平均虧損率	Loss allowance 虧損撥備 HK\$'000 千港元	Net carrying amount 賬面淨值 HK\$'000 千港元
Trade receivables	貿易應收款項				
0 – 90 days past due	逾期0 – 90天	87,564	0.01%	(5)	87,559
91 – 180 days past due	逾期91 – 180天	14,492	0.08%	(12)	14,480
Over 180 days past due	逾期超過180天	3,782	25.22%	(954)	2,828
		105,838		(971)	104,867

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping is regularly reviewed by management of the Group to ensure relevant information about specific debtors is updated.

估計虧損率乃基於債務人於預期年期的過往觀察所得的違約率估計，並在毋須付出繁重成本或努力下可取得的前瞻性資料調整。本集團管理層使用該等前瞻性資料評估報告日期的現況及預測方向。本集團管理層定期檢討該等分組，以確保特定債務人相關資料已獲更新。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

		Lifetime ECL (not credit- impaired) 全期預期 信貸虧損 (非信貸減值) HK\$'000 千港元	Lifetime ECL (credit- impaired) 全期預期 信貸虧損 (信貸減值) HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2017 under HKAS 39	根據香港會計則第39號 於2017年12月31日	–	887	887
Adjustment upon application of HKFRS 9	應用香港財務報告準則 第9號後之調整	148	–	148
As at 1 January 2018 – as restated	於2018年1月1日 – 經重列	148	887	1,035
Impairment losses recognised	已確認減值虧損	823	–	823
As at 31 December 2018	於2018年12月31日	971	887	1,858

The trade receivables that are credit impaired are assessed for ECL individually. The loss allowance amount of the credit impaired trade receivables is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows with the consideration of expected future credit losses.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over three years past due, whichever occurs earlier.

38. 財務工具 – 續

財務風險管理目標及政策 – 續

信貸風險及減值評估 – 續

下表載列根據簡化法確認為貿易應收款項的全期預期信貸虧損變動。

出現信貸減值之貿易應收款項將獨立評估預期信貸虧損。已出現信貸減值之貿易應收款項之虧損撥備金額為資產賬面值與估計未來現金流量現值之差額，並已考慮預期未來信貸虧損。

倘有資料顯示債務人出現嚴重財務困難且並無實際收回可能性(例如,債務人被清盤或已進入破產程序,或貿易應收款項逾期超過三年(以較早發生者為準)),則本集團將有關貿易應收款項撇銷。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the Year ended 31 December 2018
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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Credit risk and impairment assessment – continued

In determining the ECL for other receivables and deposits, management of the Group makes periodic collective assessment as well as individual assessment on the recoverability of deposits and other receivables based on the historical default experience and forward-looking information, as appropriate, for example, the Group has considered the consistently low historical default rate in connection with payments, and concluded that credit risk inherent in the Group's outstanding other receivables and deposits are insignificant.

Management of the Group considers the bank balances that are deposited with the financial institutions with high credit rating to be low credit risk financial assets. Management of the Group considers the bank balances are short-term in nature and the probability of default is negligible on the basis of high-credit-rating issuers, and accordingly, loss allowance was considered as insignificant.

Liquidity risk

Management of the Group has built a liquidity risk management framework for managing the Group's short and medium-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining banking facilities and by continuously monitoring forecasted and actual cash flows and the maturity profiles of its financial liabilities.

38. 財務工具－續

財務風險管理目標及政策－續

信貸風險及減值評估－續

就釐定其他應收款項及按金之預期信貸虧損而言，本集團管理層已根據過往違約記錄及前瞻性資料（按適用）對按金及其他應收款項之可收回性進行定期整體評估及個別評估，例如，本集團已考慮與付款有關持續偏低之過往違約率，並總括本集團尚未收取的其他應收款項及按金之固有信貸風險並不重大。

本集團管理層認為存放於信貸評級高之金融機構之銀行結餘為低信貸風險財務資產。本集團管理層認為銀行結餘屬短期性質，而違約可能性於高信貸評級發行人之基礎上可忽略不計，因此，虧損撥備被視為極微。

流動資金風險

本集團管理層已建立流動資金風險管理框架，以管理本集團的中短期資金及流動資金管理需求。本集團透過取得銀行融資及持續監察預測及實際現金流量和其財務負債的到期概況，以管理流動資金風險。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Liquidity risk – continued

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up to reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

38. 財務工具－續

財務風險管理目標及政策－續

流動資金風險－續

下表詳列本集團就其財務負債的尚餘合約期限。下表根據本集團可被要求還款的最早日期擬定，以反映財務負債的未貼現現金流量。下表同時包括利息及本金現金流量。

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 year 須按 要求 或 少於 一年 內償還 HK\$'000 千 港元	Over 1 year	Total undiscounted cash flows 未貼現 現金 流量 總額 HK\$'000 千 港元	Carrying amount 賬面 值 HK\$'000 千 港元
				but not more than 2 years 超過 一年 但少 於 兩年 內償還 HK\$'000 千 港元		
Financial liabilities	財務負債					
At 31 December 2018	於2018年12月31日					
Trade and other payables	貿易及其他應付款項	–	13,629	–	13,629	13,629
Bank loans	銀行貸款	1.98	16,735	157,911	174,646	157,011
			30,364	157,911	188,275	170,640
At 31 December 2017	於2017年12月31日					
Trade and other payables	貿易及其他應付款項	–	29,139	–	29,139	29,139
Bank loans	銀行貸款	1.13	25,580	–	25,580	25,580
			54,719	–	54,719	54,719

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

38. FINANCIAL INSTRUMENTS – continued

Financial risk management objectives and policies – continued

Liquidity risk – continued

Note: Bank loans with a repayment on demand clause are included in the “on demand or less than 1 year” time band in the above maturity analysis. As at 31 December 2018, the aggregate carrying amounts of these bank loans amounted to HK\$16,735,000 (2017: HK\$25,580,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the borrower and the bank will exercise their discretionary rights to demand immediate repayment. The directors of the Company believe that such bank loans will be repaid within one year after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the undiscounted cash outflows amounted to HK\$16,905,000 (2017: HK\$25,870,000) at 31 December 2018.

Fair value measurements of financial instruments

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values at the end of each reporting period.

38. 財務工具－續

財務風險管理目標及政策－續

流動資金風險－續

附註：於以上到期日分析內，凡訂有須按要求還款條款的銀行貸款計入「須按要求或少於一年內償還」的時間範圍內。於2018年12月31日，該等銀行貸款賬面總額為16,735,000港元（2017年：25,580,000港元）。計及本集團的財務狀況，本公司董事並不相信借款人及銀行可能會行使其酌情權以要求即時還款。本公司董事相信，該等銀行貸款將按照貸款協議所載的預定還款日期於報告期末後一年內償還。當時，於2018年12月31日的未貼現現金流出額為16,905,000港元（2017年：25,870,000港元）。

財務工具的公平值計量

財務資產及財務負債的公平值根據普遍採納的定價模式按已貼現現金流量分析釐定。

本公司董事認為，按攤銷成本記錄於綜合財務報表內的財務資產及負債賬面值與彼等於各報告期末的公平值相若。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況表

		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元
Non-current asset	非流動資產		
Interest in subsidiaries	於附屬公司的權益	331,681	318,759
Current assets	流動資產		
Other receivables and prepayments	其他應收款項及預付款項	393	254
Amounts due from subsidiaries	應收附屬公司款項	98,891	69,118
Bank balances	銀行結餘	1,237	13,857
		100,521	83,229
Current liabilities	流動負債		
Accruals and other payables	應計費用及其他應付款項	601	845
Amounts due to subsidiaries	應付附屬公司款項	-	156
		601	1,001
Net current assets	流動資產淨額	99,920	82,228
Total assets less current liabilities	資產總值減流動負債	431,601	400,987
Share capital and reserves	股本及儲備		
Share capital	股本	4,500	4,500
Reserves (note)	儲備(附註)	427,101	396,487
		431,601	400,987

Notes to the Consolidated Financial Statements 綜合財務報表附註

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

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY – continued

39. 本公司財務狀況表 – 續

Note:

附註：

Movement of reserves

儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	93,840	278,804	–	26,519	399,163
Total comprehensive income for the year	年內全面收益總額	–	–	–	18,080	18,080
Dividend (note 12)	股息(附註12)	–	–	–	(27,000)	(27,000)
Recognition of equity-settled share-based payment (note 29)	確認以權益結算以股份支付款項(附註29)	–	–	6,711	–	6,711
Share options lapsed (note 29)	購股權失效(附註29)	–	–	(467)	–	(467)
At 31 December 2017	於2017年12月31日	93,840	278,804	6,244	17,599	396,487
Total comprehensive income for the year	年內全面收益總額	–	–	–	52,094	52,094
Dividend (note 12)	股息(附註12)	–	–	–	(27,000)	(27,000)
Recognition of equity-settled share-based payment (note 29)	確認以權益結算以股份支付款項(附註29)	–	–	6,722	–	6,722
Share options lapsed (note 29)	購股權失效(附註29)	–	–	(1,202)	–	(1,202)
Share option cancelled and transfer to retained profits	購股權註銷及轉移至保留溢利	–	–	(503)	503	–
At 31 December 2018	於2018年12月31日	93,840	278,804	11,261	43,196	427,101

Financial Summary

財務概要

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years. The financial information for the years ended 31 December 2014 is extracted from the prospectus of the Company dated 22 December 2015.

下表載列本集團於過往五個財政年度已刊發業績以及資產及負債概要。截至2014年的財務資料乃摘錄自本公司日期為2015年12月22日的招股章程。

		For the years ended 31 December 截至12月31日止年度				
		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2014 2014年 HK\$'000 千港元
Revenue	收益	522,005	352,043	322,423	458,306	516,154
Gross profit	毛利	167,985	110,184	88,944	132,077	150,505
Profit for the year	年內溢利	71,572	48,075	34,699	56,460	90,439

		As at 31 December 於12月31日				
		2018 2018年 HK\$'000 千港元	2017 2017年 HK\$'000 千港元	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元	2014 2014年 HK\$'000 千港元
Total assets	資產總值	1,064,020	586,802	486,654	354,588	553,822
Total liabilities	負債總額	505,685	65,854	73,714	339,913	192,535
Net assets	資產淨值	558,335	520,948	412,940	14,675	361,287

