



JIYI HOUSEHOLD INTERNATIONAL HOLDINGS LIMITED
集一家居國際控股有限公司

(Incorporated in the 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: 1495



Annual Report
2019
年報

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Ms. Hou Wei (*Chairlady*)

Mr. Liu Xianxiu

Mr. Yang Baikang

Non-executive Director

Mr. Hou Bo

Independent Non-executive Directors

Mr. Ye Yihui

Mr. Ho Hin Yip

Mr. Hou Lianchang

AUTHORISED REPRESENTATIVES

Ms. Hou Wei

Mr. Lo Wai Siu

COMPANY SECRETARY

Mr. Lo Wai Siu

AUDIT COMMITTEE

Mr. Ye Yihui (*Chairman*)

Mr. Ho Hin Yip

Mr. Hou Lianchang

REMUNERATION COMMITTEE

Mr. Hou Lianchang (*Chairman*)

Mr. Liu Xianxiu

Mr. Ye Yihui

NOMINATION COMMITTEE

Ms. Hou Wei (*Chairlady*)

Mr. Hou Lianchang

Mr. Ye Yihui

董事

執行董事

侯薇女士 (*主席*)

劉賢秀先生

楊柏康先生

非執行董事

侯波先生

獨立非執行董事

葉義輝先生

何衍業先生

侯聯昌先生

授權代表

侯薇女士

羅偉兆先生

公司秘書

羅偉兆先生

審核委員會

葉義輝先生 (*主席*)

何衍業先生

侯聯昌先生

薪酬委員會

侯聯昌先生 (*主席*)

劉賢秀先生

葉義輝先生

提名委員會

侯薇女士 (*主席*)

侯聯昌先生

葉義輝先生

AUDITOR

Deloitte Touche Tohmatsu *Certified Public Accountants*
Public Interest Entity Auditor registered in accordance
with the Financial Reporting Council Ordinance
35/F One Pacific Place,
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LEGAL ADVISER

Ma Tang & Co., Solicitors
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**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Estera Trust (Cayman) Ltd.
Clifton House
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Cayman Islands

HONG KONG SHARE REGISTRAR

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Wanchai, Hong Kong

REGISTERED OFFICE

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核數師

德勤•關黃陳方會計師行執業會計師
於《財務匯報局條例》下的
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香港
金鐘
金鐘道88號
太古廣場一座35樓

法律顧問

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香港
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開曼群島股份過戶登記總處

Estera Trust (Cayman) Ltd.
Clifton House
75 Fort Street, P.O. Box 1350
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Cayman Islands

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東183號
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註冊辦事處

Clifton House
75 Fort Street, P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

CORPORATE INFORMATION

公司資料

HEADQUARTERS

No.2 Xianzi Middle Road
Meixian District, Meizhou
Guangdong Province, PRC

總部

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梅州市梅縣區
憲梓中路2號

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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香港主要營業地點

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PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
1 Garden Road, Central
Hong Kong

主要往來銀行

中國銀行(香港)有限公司
香港
中環花園道1號

Industrial and Commercial Bank of China (Asia) Limited
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中國工商銀行(亞洲)有限公司
香港
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交通銀行梅州分行
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梅江區新中路14號

Guangzhou Branch, China Zheshang Bank Co, Ltd
No.921 Guangzhou Dadao Nan,
Guangzhou, Guangdong Province, PRC

浙商銀行股份有限公司廣州分行
中國廣東省廣州市
廣州大道南921號

COMPANY WEBSITE

www.gdjyiyi.com

公司網站

www.gdjyiyi.com

STOCK CODE

1495

股份代號

1495

Dear shareholders,

On behalf of the board (the "Board") of directors (the "Directors"), I am pleased to present the annual report of Jiyi Household International Holdings Limited (the "Company") together with its subsidiaries (the "Group") for the year ended 31 December 2019 ("FY2019" or the "Reporting Period"), together with the comparative figures for the corresponding year ended 31 December 2018 ("FY2018").

BUSINESS REVIEW

With the shift of the Group's strategic focus from the sale and distribution of merchandise to the provision of interior design and engineering services, despite there was a slight decrease in revenue due to significant and widespread slowdown of the world's economy, the Group had succeeded in achieving a stable growth in terms of gross profits and net profits in 2019. In FY2019, the provision of interior design and engineering services segment accounted for 65% of the total revenue (2018: 52%), while the sale and distribution of merchandise segment accounted for 35% of the total revenue (2018: 48%).

Provision of interior design and building engineering services

The Group achieved rapid growth in the provision of interior design and building engineering services to our customers and continued to achieve fruitful results in FY2019. During the Reporting Period, the Group focused on a number of sizeable corporate construction projects and also commenced work on various new projects which led to significant increase in revenue. The revenue generated from the provision of interior design and building engineering services increased by approximately RMB59.8 million or approximately 19.2%, from approximately RMB311.4 million in FY2018 to approximately RMB371.2 million in FY2019, and the Group recorded an increase in gross profit of approximately RMB22.3 million or approximately 68.4%, from approximately RMB32.6 million in FY2018 to approximately RMB54.9 million in FY2019. The gross profit margin increased from approximately 10.5% in FY2018 to approximately 14.8% in FY2019.

各位股東：

本人謹代表董事（「董事」）會（「董事會」）欣然呈獻集一家居國際控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」）截至二零一九年十二月三十一日止年度（「二零一九財政年度」或「報告期間」）的年報，連同截至二零一八年十二月三十一日止相應年度（「二零一八財政年度」）的比較數字。

業務回顧

隨著本集團之策略重心由銷售及分銷商品轉移至提供室內設計及建築工程服務，儘管收入因全球經濟顯著及普遍放緩而輕微減少，本集團已於二零一九年在毛利及純利方面成功實現穩定增長。於二零一九財政年度，提供室內設計及建築工程服務分部收入佔總收入的65%（二零一八年：52%），而銷售及分銷商品分部收入佔總收入的35%（二零一八年：48%）。

提供室內設計及建築工程服務

本集團向客戶提供室內設計及建築工程服務實現快速增長，並於二零一九財政年度繼續取得豐碩成果。於報告期間，本集團專注於若干大型企業建設項目，亦已開始多項新項目之工程，並因此令收入大幅增加。提供室內設計及建築工程服務所產生之收入由二零一八財政年度的約人民幣311.4百萬元增加約人民幣59.8百萬元或約19.2%至二零一九財政年度的約人民幣371.2百萬元，且本集團錄得毛利由二零一八財政年度的約人民幣32.6百萬元增長約人民幣22.3百萬元或約68.4%至二零一九財政年度的約人民幣54.9百萬元。毛利率由二零一八財政年度的約10.5%增長至二零一九財政年度的約14.8%。

CHAIRLADY'S STATEMENT

主席報告書

Sale and distribution of merchandise

The sale and distribution of merchandise remained a stable source of revenue to the Group. In FY2019, with the aforementioned shift of the Group's strategic focus, the Group experienced a decrease of approximately RMB85.6 million or approximately 29.7% in revenue from the sale and distribution of merchandise from approximately RMB288.1 million in FY2018 to approximately RMB202.5 million in FY2019, in particular, the revenue from building materials and furnishing products had a decrease of approximately 38.3% and approximately 14.9% respectively, while there is noticeable increase of approximately RMB12.3 million or approximately 59.2% in revenue from home improvement materials.

Overall, the Group recorded a consolidated net profit of approximately RMB13.1 million for FY2019, representing an increase of approximately RMB0.8 million or approximately 6.3% as compared with consolidated net profit of approximately RMB12.3 million for FY2018. Such increase was mainly resulted from the net effect of the increase in gross profit generated from the business segment of the provision of interior design and building engineering services of approximately RMB22.3 million and the decrease in distribution and selling expenses of approximately RMB2.0 million, offset by the increase in impairment losses under expected credit loss model of approximately RMB15.9 million, as well as the increase in the administrative expenses of approximately RMB7.5 million.

銷售及分銷商品

銷售及分銷商品仍為本集團之穩定收入來源。於二零一九財政年度，隨著上文所述本集團之策略重心之轉移，本集團錄得來自銷售及分銷商品之收入由二零一八財政年度的約人民幣288.1百萬元減少約人民幣85.6百萬元或約29.7%至二零一九財政年度的約人民幣202.5百萬元，特別是來自建材及傢俱產品之收入分別錄得減少約38.3%及約14.9%，而來自家居裝修材料之收入則大幅增加約人民幣12.3百萬元或約59.2%。

整體而言，本集團於二零一九財政年度錄得綜合純利約人民幣13.1百萬元，較二零一八財政年度之綜合純利約人民幣12.3百萬元增加約人民幣0.8百萬元或約6.3%。該增加主要由於提供室內設計及建築工程服務的業務分部產生的毛利增加約人民幣22.3百萬元，分銷及銷售開支減少約人民幣2.0百萬元，經抵銷預期信貸虧損模型下之減值虧損增加約人民幣15.9百萬元及行政開支增加約人民幣7.5百萬元後之淨影響所致。

PROSPECTS

In FY2019, the Group continued to expand its core engineering services business while maintaining a stable business of sale and distribution of merchandise. The revenue from engineering services business has continued to record a significant growth during the Reporting Period, which was mainly due to the ongoing construction of several sizeable corporate projects during the Reporting Period.

Starting from FY2019, the Group is committed to develop its strategic footprint in the Guangdong-Hong Kong-Zhuhai-Macao Greater Bay Area. In August 2019, the Group incorporated a new subsidiary, Jiyi Industrial Group (Shenzhen) Co., Ltd, with an aim to extend our two core businesses in Shenzhen, which is the sale and distribution of building and home improvement materials and furnishings, and the provision of interior design and building engineering services. The Group is currently working with various strategic partners in Shenzhen on a number of potential corporate Engineering Procurement Construction ("EPC") projects which is expected to launch in 2020.

前景

於二零一九財政年度，本集團繼續擴大其核心工程服務業務，同時維持穩定的銷售及分銷商品業務。來自工程服務業務之收入於報告期間繼續錄得大幅增長，其乃主要由於報告期間在建的若干大型企業項目所致。

自二零一九財政年度起，本集團致力於發展粵港澳大灣區之策略足跡。於二零一九年八月，本集團註冊成立一間新附屬公司集一實業集團（深圳）有限公司，以期擴充本集團於深圳之兩項核心業務，即銷售及分銷建築及家居裝修材料及傢俱以及提供室內設計及建築工程服務。本集團目前正與多名深圳策略夥伴就預期將於二零二零年啟動之若干潛在企業工程採購施工（「EPC」）項目合作。

CHAIRLADY'S STATEMENT

主席報告書

The subsidiary of the Group, Guangdong Jiyi Xinya Decoration and Design Construction Company Limited (the "Jiyi Xinya") signed an EPC contract in February 2020 with an advanced cultural and media company, and Jiyi Xinya will be the general contractor of a cultural complex construction project in the Foshan City of Guangdong Province, which includes the construction of a multi-functional holographic theater that could accommodate 2,000 people and a three-storey mall with a variety of themes surrounding the elements of celebrities and stars, animation, sports and gaming that provides interactive experience between customers and celebrities. This project is expected to be completed in the third quarter of 2020. The Group will continue to look for opportunities to participate in more EPC projects, including governmental projects, corporate projects, as well as cultural and entertainment development projects.

The Group is also actively seeking for business breakthrough and transformation with the use of information technology. The Group is currently investing resources in the development of a full-scale home design and renovation platform that provides ecological and one-stop solutions to customers from interior design, sourcing of building materials and furnishings, renovation management, to post-renovation repairs and maintenance, etc.. It is expected that the investment in information technology will enable us to deliver a better experience to our existing and potential customers and bring positive impact to the Group's businesses.

本集團之附屬公司廣東集一信雅裝飾設計工程有限公司(「集一信雅」)於二零二零年二月與一間先進文化媒體公司簽署EPC合約，集一信雅將為廣東省佛山市一項文化綜合建築項目之總承包商，該項目包括建設一個可容納2,000人之多功能全息劇院以及一個三層商場，該商場具有各種主題，圍繞名人及明星、動畫、體育及遊戲元素，為客戶提供與名人互動的體驗。預期該項目將於二零二零年第三季度完成。本集團將繼續尋求機會參與更多EPC項目，包括政府項目、企業項目以及文化及娛樂發展項目。

本集團亦正在積極尋求使用資訊科技達致業務突破及轉型。本集團目前正投資於發展全方位家居設計及裝修平台之資源，該平台為客戶提供由室內設計、建材及傢俱採購、裝修管理以至裝修後維護等生態及一站式解決方案。預期投資於資訊科技將令本集團能夠為現有及潛在客戶提供更佳體驗，並為本集團業務帶來正面影響。

CHAIRLADY'S STATEMENT

主席報告書

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank our management and all committed staff members for their contributions to the Group and the shareholders, valued customers, suppliers, and other business partners for their continuous support. Our success would not have been possible without their dedication, contributions, efforts, time and confidence.

Yours sincerely,

Hou Wei
Chairlady

Hong Kong, 31 March 2020

致謝

本人謹藉此機會代表董事會對管理層及全體盡職員工為本集團所作出的貢獻，以及股東、尊貴客戶、供應商及其他業務夥伴的持續支持，致以謝意。我們的成功與彼等之奉獻、貢獻、努力、時間投入及信任息息相關。

此致

侯薇
主席

香港，二零二零年三月三十一日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL REVIEW

Revenue by business operations

The Group is a well-established and integrated building and home improvement materials and furnishings supplier and interior design and engineering services provider in the PRC. The Group is mainly engaged in the sale and distribution of merchandise and the provision of interior design and building engineering services.

The following table sets forth the breakdown of revenue by the Group's business segments for the Reporting Period with the comparative figures of FY2018:

財務回顧

按業務營運劃分的收入

本集團是中國具規模的綜合建築及家居裝修材料以及傢俱供應商及室內設計及建築工程服務供應商。本集團主要從事銷售與分銷商品及提供室內設計及建築工程服務。

下表載列於報告期間，按本集團業務分部劃分的收入明細，連同二零一八財政年度之比較數字：

		For the year ended 31 December		
		截至十二月三十一日止年度		
		2019	2018	Changes
		二零一九年	二零一八年	變動
		RMB'000	RMB'000	%
		人民幣千元	人民幣千元	
Sale and distribution of merchandise	銷售及分銷商品			
– Building materials	– 建材	153,107	248,186	(38.3)
– Home improvement materials	– 家居裝修材料	33,136	20,817	59.2
– Furnishings	– 傢俱	16,238	19,090	(14.9)
		202,481	288,093	(29.7)
Provision of services	提供服務			
– Interior design services	– 室內設計服務	8,249	27,469	(70.0)
– Building engineering services	– 建築工程服務	362,945	283,916	27.8
		371,194	311,385	19.2
Total	總計	573,675	599,478	(4.3)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Total revenue of the Group decreased by approximately RMB25.8 million or approximately 4.3% from approximately RMB599.5 million for FY2018 to approximately RMB573.7 million for FY2019. Such decrease was mainly attributed to the decrease in revenue from sale and distribution of building materials, and was partially offset by the increase in revenue from the provision of building engineering services during the Reporting Period.

Revenue from sale and distribution of merchandise

Revenue of the Group from sale and distribution of merchandise comprising (i) sale of building materials; (ii) sale of home improvement materials; and (iii) sale of furnishings, decreased by approximately RMB85.6 million or approximately 29.7% from approximately RMB288.1 million for FY2018 to approximately RMB202.5 million for FY2019. The decrease was a combined result of the followings:

Sale of building materials

Sale of building materials decreased by approximately RMB95.1 million or approximately 38.3% from approximately RMB248.2 million for FY2018 to approximately RMB153.1 million for FY2019. Such decrease was mainly due to the decrease in sales of pipe and fittings, steel and cement, and the decrease in sales of galvanized pipe during the Reporting Period.

本集團總收入由二零一八財政年度的約人民幣599.5百萬元減少約人民幣25.8百萬元或約4.3%至二零一九財政年度的約人民幣573.7百萬元。有關減少乃主要由於報告期間來自銷售及分銷建材之收入減少，並由來自提供建築工程服務之收入增加所部分抵銷所致。

銷售及分銷商品收入

本集團銷售及分銷商品包括(i)建材銷售；(ii)家居裝修材料銷售；及(iii)傢俱銷售，所得收入由二零一八財政年度的約人民幣288.1百萬元減少約人民幣85.6百萬元或約29.7%至二零一九財政年度的約人民幣202.5百萬元。該減少乃因以下各項的綜合影響所致：

建材銷售

建材銷售由二零一八財政年度的約人民幣248.2百萬元減少約人民幣95.1百萬元或約38.3%至二零一九財政年度的約人民幣153.1百萬元。該減少乃主要由於報告期間的管道管件、鋼鐵及水泥之銷售量減少；及鍍鋅管之銷售量減少所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Sale of home improvement materials

Sale of home improvement materials increased by approximately RMB12.3 million or approximately 59.2% from approximately RMB20.8 million for FY2018 to approximately RMB33.1 million for FY2019. The increase was mainly due to the increase in sales of board and plate during the Reporting Period.

Sale of furnishings

Sale of furnishings decreased by approximately RMB2.9 million or approximately 14.9% from approximately RMB19.1 million for FY2018 to approximately RMB16.2 million for FY2019. Such decrease was mainly due to the keen market competition during the Reporting Period.

Revenue from provision of services

Revenue from provision of interior design and building engineering services increased by approximately RMB59.8 million or approximately 19.2% from approximately RMB311.4 million for FY2018 to approximately RMB371.2 million for FY2019. Such increase was contributed by the increase in number and size of corporate projects during the Reporting Period. In light of the number and size of projects secured by the Group at the moment, the Group feels confident in developing this business operation continuously in the coming few years.

家居裝修材料銷售

家居裝修材料銷售由二零一八財政年度的約人民幣20.8百萬元增加約人民幣12.3百萬元或約59.2%至二零一九財政年度的約人民幣33.1百萬元。該增加乃主要由於報告期間板材銷售量增加所致。

傢俱銷售

傢俱銷售由二零一八財政年度的約人民幣19.1百萬元減少約人民幣2.9百萬元或約14.9%至二零一九財政年度的約人民幣16.2百萬元。該減少主要由於報告期間之市場競爭激烈所致。

提供服務之收入

提供室內設計及建築工程服務之收入由二零一八財政年度的約人民幣311.4百萬元增加約人民幣59.8百萬元或約19.2%至二零一九財政年度的約人民幣371.2百萬元。該增加乃歸因於報告期間企業工程項目數目及規模增大。鑒於本集團目前已取得之項目數量及規模，本集團對該業務營運於未來數年之持續發展充滿信心。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Gross profit and gross profit margin

毛利及毛利率

The following table sets forth the breakdown of gross profit and gross profit margin by the Group's business segments for the Reporting Period with the comparative figures of FY2018:

下表載列於報告期間，按本集團業務分部劃分的毛利及毛利率明細，連同二零一八財政年度之比較數字：

		For the year ended 31 December 截至十二月三十一日止年度			
		2019 二零一九年		2018 二零一八年	
		Gross profit	Gross profit	Gross profit	Gross profit
		margin	margin	margin	margin
		毛利	毛利率	毛利	毛利率
		RMB'000	%	RMB'000	%
		人民幣千元		人民幣千元	
Sale and distribution of merchandise	銷售及分銷商品	22,023	10.9	23,374	8.1
Provision of interior design and building engineering services	提供室內設計及建築工程服務	54,865	14.8	32,578	10.5
Total	總計	76,888	13.4	55,952	9.3

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Despite of the fact that the revenue of the Group decreased by approximately RMB25.8 million or approximately 4.3% from approximately RMB599.5 million for FY2018 to approximately RMB573.7 million for FY2019, the Group's overall gross profit increased by approximately RMB20.9 million or approximately 37.4% from approximately RMB56.0 million for FY2018 to approximately RMB76.9 million for FY2019. The increase in the Group's overall gross profit was mainly due to the increase in the proportion of revenue generated from provision of interior design and building engineering services during the Reporting Period.

The gross profit margin of provision of interior design and building engineering services increased from approximately 10.5% for FY2018 to approximately 14.8% for the Reporting Period. With the increasing volume of corporate projects and the expansion of market share, the Group believed that the gross profit margin of this business will gradually rise and become more stable.

The gross profit margin of the business of sale and distribution of merchandise also increased from approximately 8.1% for FY2018 to approximately 10.9% for FY2019, which was mainly due to the enhancement in the product mix and product selection of the Group which results in a lower cost of sales during the Reporting Period.

Distribution and selling expenses

The Group's selling expenses decreased by approximately RMB2.0 million or approximately 12.9% from approximately RMB15.1 million for FY2018 to approximately RMB13.1 million for the Reporting Period. Such decrease was in line with the decrease in revenue from the business of sale and distribution of merchandise, and was also due to decrease in employee benefit expenses, water and electricity expenses, and advertising expenses of approximately RMB0.7 million, RMB0.4 million and RMB0.2 million respectively during the Reporting Period.

儘管本集團收入由二零一八財政年度的約人民幣599.5百萬元減少約人民幣25.8百萬元或約4.3%至二零一九財政年度的約人民幣573.7百萬元，惟本集團整體毛利由二零一八財政年度的約人民幣56.0百萬元增加約人民幣20.9百萬元或約37.4%至二零一九財政年度的約人民幣76.9百萬元。本集團整體毛利率增長主要由於報告期間提供室內設計及建築工程服務產生的收入比例增加。

提供室內設計及建築工程服務的毛利率由二零一八財政年度的約10.5%增長至報告期間的約14.8%。隨著企業工程量的增長及市場份額的擴張，本集團相信，該業務的毛利率將逐步增加及更為穩定。

銷售及分銷商品業務之毛利率亦由二零一八財政年度的約8.1%增加至二零一九財政年度的約10.9%，此乃主要由於報告期間本集團之產品組合及產品選擇升級，令銷售成本降低所致。

分銷及銷售開支

本集團之銷售開支由二零一八財政年度的約人民幣15.1百萬元減少約人民幣2.0百萬元或約12.9%至報告期間的約人民幣13.1百萬元。該減少與來自銷售及分銷商品業務之收益減少符合，且亦由於報告期間僱員福利開支、水電開支及廣告開支分別減少約人民幣0.7百萬元、人民幣0.4百萬元及人民幣0.2百萬元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Administrative expenses

The Group's administrative expenses increased by approximately RMB7.5 million or approximately 54.4% from approximately RMB13.9 million for FY2018 to approximately RMB21.4 million for the Reporting Period. The increase was mainly due to an increase in depreciation of right-of-use assets of approximately RMB2.0 million arising from the adoption of HKFRS 16 Leases and an increase in equity-settled share-based payment expenses of approximately RMB2.3 million in FY2019.

Finance costs – net

The Group's net finance costs increased by approximately RMB9.8 million or approximately 148.1% from approximately RMB7.0 million for FY2018 to approximately RMB16.4 million for the Reporting Period. The increase was mainly due to the increase in the finance costs arising from the issuance of convertible loan notes during the Reporting Period.

Profit for the year

As a result of the foregoing, the Group's profit for the year increased by approximately RMB0.8 million or approximately 6.3% from approximately RMB12.3 million for FY2018 to approximately RMB13.1 million for the Reporting Period.

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

As at 31 December 2019, the Group had a total cash and bank balances of approximately RMB24.2 million (2018: RMB116.4 million) mainly denominated in RMB and HK\$. The decrease in total cash and bank balances was mainly due to payments incurred into the construction projects and also loan advances to third parties during the Reporting Period.

As at 31 December 2019, the Group had net current assets of approximately RMB419.3 million, as compared to approximately RMB415.7 million as at 31 December 2018.

行政開支

本集團之行政開支由二零一八財政年度的約人民幣13.9百萬元增加約人民幣7.5百萬元或約54.4%至報告期間的約人民幣21.4百萬元。有關增加乃主要由於二零一九財政年度採納香港財務報告準則第16號租賃導致使用權資產折舊增加約人民幣2.0百萬元，以及以股本支付以股份為基礎之付款開支增加約人民幣2.3百萬元所致。

財務成本淨額

本集團之財務成本淨額由二零一八財政年度的約人民幣7.0百萬元增加約人民幣9.8百萬元或約148.1%至報告期間的約人民幣16.4百萬元。有關增加乃主要由於報告期間發行可換股貸款票據導致財務成本增加所致。

年內溢利

基於上述因素，本集團之年內溢利由二零一八財政年度約人民幣12.3百萬元增加約人民幣0.8百萬元或約6.3%至報告期間約人民幣13.1百萬元。

流動資金、財政及資本資源

於二零一九年十二月三十一日，本集團之現金及銀行結餘總額約為人民幣24.2百萬元（二零一八年：人民幣116.4百萬元），主要以人民幣及港元計值。現金及銀行結餘總額減少乃主要由於報告期間建築項目產生之付款以及墊付予第三方之貸款所致。

於二零一九年十二月三十一日，本集團之流動資產淨值約為人民幣419.3百萬元，而於二零一八年十二月三十一日則約為人民幣415.7百萬元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Acquisition of 51% of the issued shares of Xinfeng Culture

On 19 February 2019, Jiyi Entertainment Limited, a wholly owned subsidiary of the Company, entered into an investment agreement with Xinbao Culture Media Limited ("Xinbao Culture") as vendor and Tourmaline Investment Holding Limited as agent, pursuant to which Jiyi Entertainment Limited agreed to purchase 510 shares, representing 51% of the issued shares of Xinfeng Culture at an aggregate consideration of HK\$54,366,000.

Please refer to the announcement of the Company dated 19 February 2019 for more details.

BORROWINGS AND PLEDGE OF ASSETS

As at 31 December 2019, the Group had unutilised banking facilities for short term financing of approximately RMB10.6 million (2018: RMB20 million) and total bank borrowings of approximately RMB113.4 million (2018: RMB103.0 million).

The bank borrowings of the Group were secured by property, plant and equipment, investment properties and right-of-use assets (before adoption of HKFRS 16: prepaid lease payments) as at 31 December 2019 and 2018. The bank borrowings were also jointly guaranteed by Ms. Hou Wei and Mr. Deng Jianshen, husband of Ms. Hou Wei.

CAPITAL EXPENDITURE

The Group's has no material capital expenditure during the Reporting Period.

附屬公司、聯營公司及合營企業之重大收購及出售事項

收購信豐文化之51%已發行股份

於二零一九年二月十九日，集一影視投資有限公司（本公司之全資附屬公司）與信寶文化傳媒有限公司（「信寶文化」）（作為賣方）及碧璽投資控股有限公司（作為代理人）訂立投資協議，據此，集一影視投資有限公司同意購買510股股份，相當於信豐文化已發行股份之51%，總代價為54,366,000港元。

更多詳情請參閱本公司日期為二零一九年二月十九日之公告。

借款及資產抵押

於二零一九年十二月三十一日，本集團之未動用短期融資之銀行融資約為人民幣10.6百萬元（二零一八年：人民幣20百萬元），而銀行借款總額約為人民幣113.4百萬元（二零一八年：人民幣103.0百萬元）。

於二零一九年及二零一八年十二月三十一日，本集團之銀行借款由物業、廠房及設備、投資物業及使用權資產（於採納香港財務報告準則第16號前：預付租賃款項）作抵押。銀行借款亦由侯薇女士及鄧建申先生（侯薇女士的丈夫）聯合擔保。

資本開支

本集團於報告期間並無重大資本開支。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL RATIO

財務比率

		As at 於	
		31 December 2019 二零一九年 十二月 三十一日	31 December 2018 二零一八年 十二月 三十一日
Current ratio ⁽¹⁾	流動比率 ⁽¹⁾	2.1	2.7
Quick ratio ⁽²⁾	速動比率 ⁽²⁾	2.1	2.5
Gearing ratio (%) ⁽³⁾	資本負債比率(%) ⁽³⁾	38.3	21.0
Net debt to equity ratio (%) ⁽⁴⁾	淨債務權益比率(%) ⁽⁴⁾	33.7	(2.7)

- (1) Current ratio is calculated as total current assets divided by total current liabilities.
- (2) Quick ratio is calculated as total current assets less inventories and divided by total current liabilities.
- (3) Gearing ratio is calculated as total debt divided by total equity and multiplied by 100%.
- (4) Net debt to equity ratio is calculated as total borrowings net of cash and cash equivalents and restricted cash, and divided by total equity and multiplied by 100%.

- (1) 流動比率乃按流動資產總值除以流動負債總額計算。
- (2) 速動比率乃按流動資產總值減存貨再除以流動負債總額計算。
- (3) 資本負債比率乃按債項總額除以權益總額再乘以100%計算。
- (4) 淨債務權益比率乃按借款總額(扣除現金及現金等價物以及受限制現金)除以權益總額再乘以100%計算。

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in RMB and also incurs cost in HK\$ and RMB. The Group is exposed to foreign exchange risk with respect mainly to HK\$ which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of HK\$ and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

外匯風險

本集團主要以人民幣賺取收益及以港元及人民幣產生成本。本集團所面對之外匯風險主要與港元有關，本集團之表現可能因此受到影響。管理層知悉港元持續波動可能引致之外匯風險，並將密切監察其對本集團表現之影響，以判斷是否必要採取任何對沖政策。本集團現時並無任何外幣對沖政策。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PLACING OF NEW SHARES UNDER GENERAL MANDATE AND THE USE OF PROCEEDS

On 27 December 2018, the Company completed a placing of shares up to 86,400,000 new ordinary shares of the Company ("Placing Share") at a placing price of HK\$0.70 per Placing Share, representing a discount of approximately 9.1% to the closing price of HK\$0.77 on the date of the placing agreement, to not less than six places who and whose ultimate beneficial owners were third parties independent of the Company and its connected persons. The net proceeds from the placing, after deducting the related placing commission, professional fees and all related expenses, was approximately HK\$59.7 million.

The intended use and actual use of the net proceeds from the placing as at 31 December 2019 is as follows:

Intended use of the net proceeds

所得款項淨額擬定用途

- (i) Approximately HK\$53.7 million for funding of the possible acquisition of no less than 13 movies or television projects to be developed by Shenzhen Tianpeng Cultural Industry Limited, as disclosed in the announcement of the Company dated 16 November 2018; and
- (i) 約53.7百萬港元用於撥付可能收購深圳天鵬文化產業股份有限公司將予開發之不少於13項電影或電視項目（披露於本公司日期為二零一八年十一月十六日的公告）；及
- (ii) Approximately HK\$6.0 million for general working capital purposes of the Group
- (ii) 約6.0百萬港元用作本集團的一般營運資金

Details of the placing of shares by the Company are set out in the Company's announcements dated 10 December 2018 and 27 December 2018.

根據一般授權配售新股份及所得款項用途

於二零一八年十二月二十七日，本公司完成按每股配售股份0.70港元（較配售協議日期之收市價0.77港元折讓約9.1%）之配售價，向不少於六名承配人配售本公司最多86,400,000股新普通股（「配售股份」），該等承配人及其最終實益擁有人均為獨立於本公司及其關連人士之第三方。於扣除相關配售佣金、專業費用及所有相關費用後，配售所得款項淨額約為59.7百萬港元。

配售事項所得款項淨額的擬定用途及於二零一九年十二月三十一日的實際用途如下：

Actual use of the net proceeds

所得款項淨額實際用途

As at 31 December 2019, all the proceeds raised from the right issue were fully utilised as planned.

於二零一九年十二月三十一日，自供股籌集之所有所得款項已全數按計劃動用。

As at 31 December 2019, all the proceeds raised from the right issue were fully utilised as planned. 於二零一九年十二月三十一日，自供股籌集之所有所得款項已全數按計劃動用。

有關本公司配售股份之詳情載於本公司日期為二零一八年十二月十日及二零一八年十二月二十七日之公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

ISSUE OF CONVERTIBLE BONDS AND THE USE OF PROCEEDS

On 25 June 2019, the Company completed an issuance of convertible bonds to eight subscribers in an aggregate principal amount of HK\$102,100,000 with an initial conversion price of HK\$1.0 per conversion share. The net proceeds from the placing, after deducting the related professional fees and all related expenses, were approximately HK\$101.6 million.

The intended use and actual use of the net proceeds from the placing as at 31 December 2019 is as follows:

Intended use of the net proceeds

所得款項淨額擬定用途

- (i) Approximately HK\$71.5 million (representing approximately 70% of the net proceeds) will be used by the end of June 2020 for the development of construction in progress (including the beautiful countryside projects in Tangxi Town and Pantian Town of Fengshun County of Meizhou City, Tiehan Ecology city project, and Wei Long Ju project);
- (ii) 約71.5百萬港元（相當於所得款項淨額之約70%）將於二零二零年六月底前用作發展在建工程（包括位於梅州市豐順縣湯西鎮及潘田鎮之美麗鄉村項目、鐵漢生態城工程以及圍龍居工程）；

發行可換股債券及所得款項用途

於二零一九年六月二十五日，本公司完成可換股債券發行，向八名認購人發行本金總額102,100,000港元的可換股債券，初步換股價為每股兌換股份1.0港元。於扣除相關專業費用及所有相關費用後，配售所得款項淨額約為101.6百萬港元。

配售事項所得款項淨額的擬定用途及於二零一九年十二月三十一日的實際用途如下：

Actual use of the net proceeds

所得款項淨額實際用途

As at 31 December 2019, all the proceeds raised from the issue of convertible bonds were fully utilised as planned.

於二零一九年十二月三十一日，自發行可換股債券籌集之所有所得款項已全數按計劃動用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Intended use of the net proceeds

所得款項淨額擬定用途

- (ii) Approximately HK\$20.0 million (representing 20% of the net proceeds) will be used by the end of June 2020 for tender or potential acquisition;
- (ii) 約20.0百萬港元（相當於所得款項淨額之20%）將於二零二零年六月底前用於投標或潛在收購事項；
- (iii) the remaining portion of approximately HK\$10.0 million (representing approximately 10% of the net proceeds) will be used by the end of June 2020 for general working capital of the Group, as disclosed in the circular of the Company dated 14 May 2019
- (iii) 餘下部分約10.0百萬港元（相當於所得款項淨額之約10%）將於二零二零年六月底前用作本集團的一般營運資金（披露於本公司日期為二零一九年五月十四日的通函內）

Details of the issue of convertible bonds by the Company are set out in the Company's announcements dated 22 April 2019, 9 May 2019, 14 May 2019, 30 May 2019 and 25 June 2019 and circular dated 14 May 2019.

CONTINGENT LIABILITIES

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

CAPITAL COMMITMENTS

The Group had no significant outstanding capital commitment as at 31 December 2019 (2018: Nil).

Actual use of the net proceeds

所得款項淨額實際用途

As at 31 December 2019, all the proceeds raised from the issue of convertible bonds were fully utilised as planned.

於二零一九年十二月三十一日，自發行可換股債券籌集之所有所得款項已全數按計劃動用。

As at 31 December 2019, all the proceeds raised from the issue of convertible bonds were fully utilised as planned.

於二零一九年十二月三十一日，自發行可換股債券籌集之所有所得款項已全數按計劃動用。

本公司發行可換股債券之詳情載於本公司日期為二零一九年四月二十二日、二零一九年五月九日、二零一九年五月十四日、二零一九年五月三十日及二零一九年六月二十五日之公告以及日期為二零一九年五月十四日之通函。

或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債（二零一八年：無）。

資本承擔

於二零一九年十二月三十一日，本集團並無重大尚未償還之資本承擔（二零一八年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2019, the employee headcount of the Group was 126 (2018: 172) and the total staff costs, including Directors' remuneration, amounted to approximately RMB10.0 million for the Reporting Period (2018: RMB10.5 million). The slight decrease in total staff cost was a combined result of (i) the reduction in headcount of the construction engineering function, of which the Group has outsourced some of the construction engineering work to external sub-contractors; (ii) further streamlining of staffs in sale and distribution of merchandise business in FY2019; and (iii) offset by the salary increment of employees during the Reporting Period.

The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on their specific field of operation.

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including directors and senior management), the following factors are considered:

- workload, responsibility and job complexity;
- business requirements;
- individual performance and contribution to results;
- company performance and profitability;

僱員及薪酬政策

於二零一九年十二月三十一日，本集團之僱員人數為126人（二零一八年：172人），及於報告期間，總員工成本（包括董事薪酬）約為人民幣10.0百萬元（二零一八年：人民幣10.5百萬元）。總員工成本輕微減少乃由於報告期間以下各項之綜合影響所致：(i)建築工程職能之員工人數減少，當中本集團已將若干建築工程工作外判予外聘分包商；(ii)於二零一九財政年度進一步精簡銷售及分銷商品業務之員工；及(iii)由僱員加薪抵銷。

本集團為僱員提供符合行業慣例並具競爭力的薪酬待遇及各種附帶福利。本集團為所有新僱員進行入職培訓，並在彼等受僱期間不時提供持續培訓。所提供培訓的性質取決於彼等具體的工作領域。

本集團薪酬政策的目標為根據業務需求及行業慣例維持公平且具競爭力的薪酬待遇。於釐定向其僱員（包括董事及高級管理層）支付的薪酬水平時會考慮以下因素：

- 工作量、職責及工作的複雜程度；
- 業務需求；
- 個人表現及對業績作出的貢獻；
- 公司表現及盈利能力；

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

- retention considerations and the potential of individuals;
 - corporate goals and objectives;
 - market rates and changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
 - general economic situation.
- 留任因素及個人潛力；
 - 公司目標及宗旨；
 - 相關市場的市場水平及變動，包括供需變動及競爭環境轉變；及
 - 整體經濟狀況。

KEY 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 shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business Risk

Future growth of the Group relies, to a certain extent, on the successful maintenance and expansion of the Group's sales to key customers. As a result, any loss of key customers or substantial reduction in the amount of purchase by them could significantly and adversely affect the business, results of operations, financial condition and prospects of the Group. Further, the business of the Group is currently concentrated in Meizhou of Guangdong Province. Any adverse economic or market development in this region or any other regions that the Group operates may materially and adversely affect the demand for the merchandise of the Group.

主要風險及不明朗因素

本集團的財務狀況、經營業績、業務及前景可能受眾多風險及不明朗因素影響。以下為本集團識別出的主要風險及不明朗因素。除下文所述者外，可能存在本集團未獲悉或目前不屬重大但日後可能成為重大的其他風險及不明朗因素。

業務風險

本集團日後的增長在一定程度上依賴成功保持及擴大對主要客戶的銷售。因此，主要客戶流失或其購買額大幅下降可能對本集團的業務、經營業績、財務狀況及前景造成重大不利影響。此外，本集團的業務目前集中在廣東省梅州。該地區或本集團經營所在的其他任何地區的任何不利經濟或市場發展可能會對本集團商品的需求造成重大不利影響。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Operational Risk

Most of the Group's sale and distribution of merchandise are derived from merchandise procured from its suppliers. Any adverse change of the Group's relationship, including termination or change in requirements as imposed by the suppliers, with its suppliers may adversely affect the business operation of the Group. Further, the Group's operation can also be adversely affected if there occur any material delay in product delivery by the Group's suppliers.

Industrial Risk

The products and services offered by the Group are mainly used for or closely related to building or home improvement purposes. Accordingly, business, results of operations and prospects of the Group are driven, to a considerable extent, by the growth of the real estate market and the relevant government policies in China.

Financial Risk

The financial risk management of the Group are set out in note 38(b) to the consolidated financial statements.

Manpower and Retention Risk

The competition for talents in the cities that the Group operates leads to the risk that the Group is not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will continue to evaluate our remuneration system and policy from time to time and target to provide attractive remuneration package to attract, retain and motivate suitable candidates and personnel.

經營風險

本集團的大部分商品銷售及分銷源自向其供應商採購的商品。本集團與其供應商關係的任何不利變動（包括供應商所提出的終止或要求變動）可能會對本集團的業務經營造成不利影響。此外，倘本集團的供應商交付產品出現任何重大延遲，本集團的經營亦會受到不利影響。

行業風險

本集團所提供的產品及服務主要用於建築或家居裝修或與之密切相關的用途。因此，本集團的業務、經營業績及前景在很大程度上受到中國房地產市場增長以及相關政府政策的推動。

財務風險

本集團的財務風險管理載於綜合財務報表附註38(b)。

人力及挽留風險

本集團經營所在城市的人才競爭導致本集團面臨風險，即不能吸引及挽留擁有適當及所需技能、經驗及符合本集團業務目標能力的主要人員及人才。本集團將繼續不時評估薪酬系統及政策，旨在提供具吸引力的薪酬待遇，以吸引、挽留及激勵合適人選及人員。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

DIRECTORS

Executive Directors

Ms. Hou Wei (侯薇), aged 50, was appointed as a Director on 2 February 2015 and was re-designated as an executive Director on 5 June 2015. Ms. Hou is also the chairlady and chief executive officer of the Group. She is primarily responsible for the overall management, strategic planning, business development and cooperation of the Group. In September 1999, Ms. Hou joined Guangdong Jiyi Household Building Materials Chain Co., Ltd. ("Jiyi Household") as the manager of Jiyi Household and she was later appointed as the executive director of Jiyi Household in May 2004, primarily responsible for the overall management, operation, strategic planning and the supervision of the finance and purchase department. She has about 19 years of experience in retail chain store operation and distribution of housewares and building materials. Prior to joining the Group, from July 1989 to July 1999, Ms. Hou served as a teacher of Meizhou Middle School of Meizhou (梅州市梅州中學). From October 2011 to December 2016, Ms. Hou served as a member of CPPCC Guangdong Province Meixian Committee (政協廣東省梅縣委員會). In November 2011, she received the title of "Guangdong Province Outstanding Entrepreneurs" (廣東省優秀企業家) jointly awarded by Guangdong Entrepreneurs Council (廣東企業家理事會) and Guangdong Province Economists and Entrepreneurs Association (廣東省經濟學家企業家聯誼會). In November 2012, she received the title of "Green Brand Advocates of Chinese Household Building Materials" (中國建材家居綠色品牌倡導者) awarded by China Real Estate Society (中國房地產學會) and China Building Materials Daily (中國建材報). Ms. Hou received her diploma in English from Guangdong Jiaying College (廣東嘉應學院) in the PRC in June 1989 and her graduate certificate in the advanced class of business strategy (經營方略高級研修班) from the Peking University (北京大學) in the PRC in January 2013. Ms. Hou is the sister of Mr. Hou Bo, a non-executive Director, the mother of Ms. Deng Yiyi, a senior management of the Group and the sister-in-law of Ms. Deng Haiming, who is also a senior management of the Group.

董事

執行董事

侯薇女士，50歲，於二零一五年二月二日獲委任為董事並於二零一五年六月五日調任為執行董事。侯女士亦為本集團主席兼行政總裁。彼主要負責本集團的整體管理、戰略規劃及業務發展和合作。於一九九九年九月，侯女士加入廣東集一家居建材連鎖有限公司（「集一家居」）為集一家居的經理，其後於二零零四年五月獲委任為集一家居的執行董事，主要負責整體管理、經營、戰略規劃以及監督財務及採購部。彼於連鎖店營運及分銷傢俱及建材方面擁有約19年經驗。加入本集團前，侯女士於一九八九年七月至一九九九年七月擔任梅州市梅州中學教師。自二零一一年十月至二零一六年十二月，侯女士擔任政協廣東省梅縣委員會委員。於二零一一年十一月，彼獲廣東企業家理事會及廣東省經濟學家企業家聯誼會共同頒授「廣東省優秀企業家」榮銜。於二零一二年十一月，彼獲中國房地產學會及中國建材報頒發的「中國建材家居綠色品牌倡導者」榮銜。侯女士於一九八九年六月在中國的廣東嘉應學院取得英語文憑，並於二零一三年一月在中國的北京大學取得經營方略高級研修班的畢業證書。侯女士為非執行董事侯波先生的妹妹、本集團高級管理層鄧禕禕女士之母親及亦為本集團高級管理層的鄧海鳴女士的姻妹。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Liu Xianxiu (劉賢秀), aged 47, was appointed as an executive Director on 5 June 2015. He is primarily responsible for overall internal control and internal audit affairs of the Group. He joined the Group in July 2011 and served as an account manager and warehouse logistics manager of Jiyi Household until February 2013, primarily responsible for accounting and auditing and management of warehouse logistics. He was re-designated as a deputy chief financial officer of Jiyi Household from March 2013 to June 2013, and was appointed as the chief financial officer of Jiyi Household in July 2013, primarily responsible for the overall management of financial affairs. He was re-designated as the chief internal audit officer of Jiyi Household in September 2017, primarily responsible for the overall internal control and internal audit affairs. Prior to joining the Group, from July 1995 to November 2001, he served as the accountant of Meizhou Gas Company Limited (梅州市管道煤氣有限公司), a company which is principally engaged in supply of town gas in Meizhou, where he was primarily responsible for accounting. From November 2001 to November 2004, he was the finance manager of Meizhou Yanming Lake Tourist Resorts Company Limited (梅縣雁鳴湖旅遊度假村有限公司), a company which is principally engaged in the management of Yanming Lake Tourist Resorts (雁鳴湖旅遊度假村), primarily responsible for accounting and finance of such company. From November 2004 to July 2011, he served as the head of finance of Meizhou New Weima Ceramics Company Limited (梅州市新威馬陶瓷有限公司), a company which is principally engaged in the production of ceramics, primarily responsible for accounting and finance of such company. Mr. Liu received his diploma in financial management and computer application from South China Agricultural University (華南農業大學) in the PRC in July 1995. He received his qualification certificate of specialty and technology (intermediate accounting) (專業技術資格證書(中級會計)) from the Ministry of Finance of the PRC in May 2002.

劉賢秀先生，47歲，於二零一五年六月五日獲委任為執行董事。彼主要負責本集團的整體內部控制及內部審計事宜。彼於二零一一年七月加入本集團，擔任集一家居會計經理及倉儲物流經理，直至二零一三年二月為止，主要負責倉儲物流的會計、審計及管理。彼於二零一三年三月至二零一三年六月調任集一家居財務副總監，並於二零一三年七月獲委任為集一家居財務總監，主要負責整體財務管理。彼於二零一七年九月調任為集一家居的內部審計總監，主要負責整體內部控制及內部審計事務。於加入本集團前，彼於一九九五年七月至二零零一年十一月在梅州市管道煤氣有限公司(一家主要在梅州市從事煤氣供應的公司)擔任會計師，主要負責會計工作。於二零零一年十一月至二零零四年十一月，彼於梅縣雁鳴湖旅遊度假村有限公司(一家主要從事雁鳴湖旅遊度假村管理的公司)擔任財務經理，主要負責有關公司的會計及財務。於二零零四年十一月至二零一一年七月，彼於梅州市新威馬陶瓷有限公司(一家主要從事陶瓷生產的公司)擔任財務主管，主要負責該公司的會計及財務。劉先生於一九九五年七月在中國的華南農業大學取得財務管理及計算機應用文憑。彼於二零零二年五月取得中國財政部的專業技術資格證書(中級會計)。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Yang Baikang (楊柏康), aged 54, was appointed as our executive Director on 7 November 2018. He has been the vice president of the Company since 1 November 2017 and is primarily responsible for overseeing the engineering services business of the Company's subsidiary in the PRC. Mr. Yang served in various positions in different government departments in Meizhou City, Guangdong Province, PRC. He served as the deputy mayor of the People's Government of the Triangle Town of Meijiang District in Meizhou City (梅州市梅江區三角鎮人民政府) from December 1995 to March 1999; he served as the deputy secretary of the Party Committee (黨委副書記) of the People's Government of the Triangle Town of Meijiang District in Meizhou City (梅州市梅江區三角鎮人民政府) from March 1999 to July 2002; he also served as the mayor of the People's Government of the Triangle Town of Meijiang District in Meizhou City (梅州市梅江區三角鎮人民政府) from December 2000 to July 2002; he served as the deputy director of the Meizhou Municipal Real Estate Administration Bureau (梅州市房產管理局) from July 2002 to June 2007; he served as deputy director of the Meizhou Municipal Construction Bureau (梅州市建設局) from June 2007 to February 2010; and he served as deputy director of Meizhou Municipal Housing and Urban-Rural Development Bureau (梅州市住房和城鄉建設局) from February 2010 to July 2016. He obtained his diploma in political history from Jiaying Normal College (嘉應師範專科學校) in July 1986. He obtained his graduation certificate in economic management from CPC Guangdong Provincial Party School (中共廣東省委黨校) in December 2000 and obtained his graduation certificate of the postgraduate course for world economy and political majors from Graduate School of Renmin University of China (中國人民大學研究生院) in June 2002.

楊柏康先生，54歲，於二零一八年十一月七日獲委任為執行董事。彼自二零一七年十一月一日起一直擔任本公司的副總裁，主要負責監督本公司的中國附屬公司之工程服務業務。楊先生曾於中國廣東省梅州市政府的不同部門擔任多個職位。彼於一九九五年十二月至一九九九年三月出任梅州市梅江區三角鎮人民政府副鎮長；自一九九九年三月至二零零二年七月於梅州市梅江區三角鎮人民政府出任黨委副書記；並於二零零零年十二月至二零零二年七月兼任梅州市梅江區三角鎮人民政府鎮長；自二零零二年七月至二零零七年六月於梅州市房產管理局出任副局長；自二零零七年六月至二零一零年二月於梅州市建設局出任副局長；及自二零一零年二月至二零一六年七月於梅州市住房和城鄉建設局出任副局長。彼於一九八六年七月在嘉應師範專科學校取得政史系文憑，並分別於二零零零年十二月及二零零二年六月在中共廣東省委黨校取得經濟管理課程的畢業證書及在中國人民大學研究生院取得世界經濟與政治專業研究生課程研修班的結業證書。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Non-executive Directors

Mr. Hou Bo (侯波), aged 52, was appointed as a non-executive Director on 5 June 2015. He is primarily responsible for the risk management and providing supervision in the business of the Group. From September 2010 to December 2011, he has been the supervisor of Jiyi Household and from December 2011 onwards, was then appointed as the non-executive director of Jiyi Household, primarily responsible for the risk management and providing supervision in the business of Jiyi Household. Since June 2002, he has been the managing director of Meizhou Xikang Real Estate Investment Company Limited (梅州市禧康房地產投資有限公司), a company which is principally engaged in property investments, where he is primarily responsible for the overall business management. From October 2011 onwards, he has also served as the managing director of Meizhou Xikang Estate Management Company Limited (梅州市禧康物業管理有限公司), a company which is principally engaged in estate management, where he is primarily responsible for the overall business management. He received a diploma in electronics from Meizhou West Vocational and Technical College (梅州城西職業技術學校) in the PRC in July 1984. Mr. Hou is the brother of Ms. Hou Wei. He was qualified as a senior industrial construction engineer (工業建築高級工程師) recognised by the Department of Personnel of Guangdong Province (廣東省人事廳) in March 2006, and was registered as an architect with the Department of Housing and Urban Rural Construction of Guangdong Province (廣東省住房和城鄉建設廳) in August 2010.

非執行董事

侯波先生，52歲，於二零一五年六月五日獲委任為非執行董事。彼主要負責本集團的風險管理及提供業務監督。彼於二零一零年九月至二零一一年十二月為集一家居主管，並自二零一一年十二月起獲委任為集一家居非執行董事，主要負責集一家居風險管理及業務監督。彼自二零零二年六月起擔任梅州市禧康房地產投資有限公司（一家主要從事物業投資的公司）的董事總經理，主要負責整體業務管理。彼自二零一一年十月起亦已擔任梅州市禧康物業管理有限公司（一家主要從事房地產管理的公司）董事總經理，主要負責整體業務管理。彼於一九八四年七月自中國的梅州城西職業技術學校取得電子專業文憑。侯先生為侯薇女士的兄長。彼於二零零六年三月獲廣東省人事廳認可為合資格工業建築高級工程師，並於二零一零年八月於廣東省住房和城鄉建設廳註冊為建築師。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ye Yihui (葉義輝), aged 56, was appointed as an independent non-executive Director on 6 October 2015. He has been the independent director of Jiyi Household from July 2013 onwards, primarily responsible for providing independent view and advice to the board of directors of Jiyi Household including the effectiveness of the internal control system and the audit process of Jiyi Household. Mr. Ye has over 28 years of experience in areas of finance, audit and tax. Prior to joining the Group, Mr. Ye served in various positions where he was primarily responsible for the overall management of financial affairs, operation and audit management. He worked with the Audit Bureau of Meizhou Province (梅縣審計局) from 1988 to 1998, during 1995 to 1998, he served as the supervisor, where he was primarily responsible for the audit of finance and infrastructure projects; the deputy manager of Zhuhai Huacheng Certified Public Accountants (珠海華誠會計師事務所) from February 2001 onwards, where he was primarily responsible for the management of financial affairs and operation; and the manager of Meizhou Zhengde Tax Agent Office (梅州正德稅務師事務所) from November 2010 onwards, where he was primarily responsible for the overall management and operation. He received his diploma in economics and industrial enterprise management from Guangdong Radio and TV University (廣東廣播電視大學) now known as the Open University of Guangdong (廣東開放大學) in the PRC in July 1986 and his diploma in economic management from CPC Guangdong Provincial Party Committee Party School (中共廣東省委黨校) in the PRC in July 2005 through a distance learning course. He is an auditor registered with the National Audit Office of the PRC (中華人民共和國審計署) since November 1992 and an accountant registered with Ministry of Finance of the PRC (中華人民共和國財政部) since December 1992. He has been admitted as a registered certified public accountant of Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since April 1996 and a registered tax agent of Management Center of Certified Tax Agent of Guangdong Province (廣東省註冊稅務師協會) since June 1999. He has been a member of the Council of Management Center of Certified Tax Agent of Guangdong Province (廣東省註冊稅務師協會) since March 2011.

獨立非執行董事

葉義輝先生，56歲，於二零一五年十月六日獲委任為獨立非執行董事。彼自二零一三年七月起一直擔任集一家居的獨立董事，主要負責向集一家居董事會提供獨立意見及建議，包括集一家居的內部控制系統及審計流程的有效性。葉先生於財務、審計及稅務領域擁有逾28年經驗。於加入本集團前，葉先生曾擔任多個職位，主要負責整體財務管理、經營及審計管理。彼於一九八八年至一九九八年於梅縣審計局任職，於一九九五年至一九九八年任股長，主要負責財務審計及基建項目；自二零零一年二月起於珠海華誠會計師事務所擔任副經理，主要負責財務管理及營運；自二零一零年十一月起於梅州正德稅務師事務所擔任經理，主要負責整體管理及營運。彼於一九八六年七月獲中國的廣東廣播電視大學（現稱廣東開放大學）頒授經濟及工業企業管理文憑，並於二零零五年七月透過遠程學習獲中國的中共廣東省委黨校頒授經濟管理文憑。彼自一九九二年十一月起於中華人民共和國審計署註冊為審計師，並自一九九二年十二月起於中華人民共和國財政部註冊為會計師。彼自一九九六年四月獲中國註冊會計師協會認許為註冊會計師，並自一九九九年六月起為廣東省註冊稅務師協會註冊稅務師。彼自二零一一年三月起為廣東省註冊稅務師協會理事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Ho Hin Yip (何衍業), aged 46, was appointed as an independent non-executive Director on 6 October 2015. Mr. Ho has more than 20 years of financial and auditing experience. Since April 2012, he is the financial controller and joint company secretary of Dukang Distillers Holdings Limited (stock code: BKV), a company listed on the Singapore Exchange Limited, where he is responsible for the finance and accounting functions, statutory compliance and corporate governance affairs. Mr. Ho was also appointed as an independent non-executive director of each of China Ever Grand Financial Leasing Group Co., Ltd (formerly known as PME Group Limited) (stock code: 379) and Xinhua News Media Holdings Limited (stock code: 309), both are companies listed on the Main Board of the Stock Exchange, since December 2012 and December 2014, respectively. Mr. Ho received his bachelor's degree in business administration from the Chinese University of Hong Kong in December 1997. He was admitted as a member and a fellow member of The Association of Chartered Certified Accountants in August 2000 and August 2005, respectively. He has also been registered as a certified public accountant (Practising) of the Hong Kong Institute of Certified Public Accountants since February 2005.

何衍業先生，46歲，於二零一五年十月六日獲委任為獨立非執行董事。何先生於財務及審計方面擁有逾20年經驗。彼自二零一二年四月起為新加坡證券交易所有限公司上市公司杜康控股有限公司（股份代號：BKV）的財務總監及聯席公司秘書，負責財務及會計職能、法規及企業管治事宜。何先生亦分別自二零一二年十二月及二零一四年十二月獲委任為聯交所主板上市公司中國恒嘉融資租賃集團有限公司（前稱為必美宜集團有限公司）（股份代號：379）及新華通訊頻媒控股有限公司（股份代號：309）的獨立非執行董事。何先生於一九九七年十二月取得香港中文大學工商管理專業學士學位。彼於二零零零年八月及二零零五年八月分別獲英國特許公認會計師公會認許為會員及資深會員。彼自二零零五年二月起亦註冊為香港會計師公會的執業會計師。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Hou Lianchang (侯聯昌), aged 52, was appointed as an independent non-executive Director on 6 October 2015. He has over 18 years of experience in legal work focusing on corporate finance practice. Since April 2000, Mr. Hou has been a lawyer with Jing Tian Law Office of Guangdong (廣東經天律師事務所), specializing in areas such as foreign investment, mergers and acquisitions, venture capital financing, asset and shareholding restructuring, and initial public offerings in overseas markets. He is also well versed in corporate structure and governance matters. From March 2012 onwards, he serves as a board member of Shenzhen Association of Trade in Services (深圳市服務貿易協會理事). Mr. Hou received his bachelor's degree in international law and his graduate certificate in the professional graduate course of economic law (經濟法專業研究生課程進修班) from Wuhan University (武漢大學) in the PRC, in December 1989 and December 2003, respectively. He is a lawyer registered with the Ministry of Justice of the PRC (中華人民共和國司法部) since September 1995.

Mr. Hou was a director of New Heng Ye Investment Development Limited (新恒業投資發展有限公司), a limited liability company incorporated in Hong Kong with a principal business of investment holding and dissolved by deregistration by the Registrar of Companies in Hong Kong as a defunct company pursuant to section 291 of the Predecessor Companies Ordinance. The aforesaid company was inactive prior to its dissolution and was dissolved in 2009.

侯聯昌先生，52歲，於二零一五年十月六日獲委任為獨立非執行董事。彼於法律工作（專攻企業融資實務）擁有逾18年經驗。自二零零零年四月起，侯先生於廣東經天律師事務所擔任律師，專責外商投資、併購、風險資本融資、資產及股權重組以及於海外市場首次公開發售等領域。彼亦熟知企業架構及管治事宜。自二零一二年三月起，彼擔任深圳市服務貿易協會理事。侯先生分別於一九八九年十二月及二零零三年十二月在中國的武漢大學取得國際法學士學位及經濟法專業研究生課程進修班畢業證書。彼自一九九五年九月起為中華人民共和國司法部註冊律師。

侯先生曾為新恒業投資發展有限公司（一家於香港註冊成立的有限公司，主要業務為投資控股，並由香港公司註冊處處長根據前公司條例第291條作為停業公司撤銷註冊而解散）的董事。上述公司於解散前不活躍並於二零零九年解散。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

SENIOR MANAGEMENT

Ms. Deng Yiyi (鄧禕禕), aged 27, was appointed as our chief executive officer of the Company on 29 November 2019. She is responsible for the Company's strategic management, investor relations, business development, corporate finance and legal and regulatory compliance of the Group. Ms. Deng obtained a bachelor degree in Laws from the University of International Business and Economics, a master degree in Laws from the University of California, Berkeley and a Juris Doctor from the Chinese University of Hong Kong. Ms. Deng has extensive experience and knowledge in the cross-border of legal and regulatory compliance, merger and acquisition transactions, investor relations, corporate finance, private equity and in advising on initial public offerings ("IPOs") in Hong Kong and in the United States. Prior to joining the Group, Ms. Deng worked at two leading U.S. law firms, Skadden, Arps, Slate, Meagher & Flom LLP and Cooley LLP, respectively. She has worked on over 10 successful high profile IPOs in the U.S. and Hong Kong capital markets and represented a number of leading new economy companies in their cross-border merger and acquisition transactions during her tenure with these two U.S. law firms. Ms. Deng is the daughter of Ms. Hou, who is the Chairlady, an executive director, and a substantial shareholder of the Company.

高級管理層

鄧禕禕女士，27歲，於二零一九年十一月二十九日獲委任為本公司行政總裁。彼負責本公司之策略管理、投資者關係、業務發展、企業融資以及本集團法律及法規之合規事宜。鄧女士擁有對外經濟貿易大學的法律學士學位，加利福尼亞大學柏克萊分校的法律碩士學位和香港中文大學的法學博士學位。鄧女士在跨境法律和合規、併購交易、投資者關係、企業融資、私募股權以及就香港和美國進行首次公開募股上市（「首次公開募股上市」）提供意見方面擁有豐富的經驗和知識。加入本集團之前，鄧女士曾分別在兩家領先的美國律師事務所工作，分別為世達國際律師事務所和科律國際律師事務所。在這兩家美國律師事務所任職期間，她曾為超過10家國際知名企業成功在美國和香港資本市場進行首次公開募股上市工作，並曾代表多家領先的新經濟公司進行跨國併購交易事宜。鄧女士為本公司主席、執行董事及主要股東侯女士之女兒。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Lo Wai Siu (羅偉兆), aged 32, was appointed as our chief financial officer and company secretary of the Company on 19 February 2019. He is responsible for the financial and audit management, corporate finance, investment management, investor relations, administration and company secretarial matters of the Group. Mr. Lo holds a bachelor's degree in business administration in accountancy and management information systems from the City University of Hong Kong and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo has extensive experience and knowledge in the areas of financial markets, corporate and management accounting, investment management and auditing. Prior to joining the Group, he worked in the audit and assurance department of PricewaterhouseCoopers Hong Kong, and later he served key managerial roles in the regional finance department (Asia Pacific region) of two multinational asset management companies. He also served as vice president of the investment management department of a financial group before joining the Company.

Mr. Ling Yongshan (凌勇山), aged 48, was appointed as the executive vice president of the Group on 1 January 1999, primarily responsible for managing human resources, warehousing logistics and information technology of the Group. Since January 1999, he has been the deputy general manager of Jiyi Household and is primarily responsible for its overall management, including human resources management, sales and marketing, warehouse logistics and customer services. Since 9 January 2015, Mr. Ling has been a director of Meizhou Jisheng Household Building Materials Company Limited, an indirect wholly owned subsidiary of the Company. Mr. Ling received his graduate certificate in the advanced class of innovative entrepreneur (企業家自主創新高級研修班) from the School of Continuing Education, Tsinghua University (清華大學繼續教育學院) in the PRC in August 2012.

羅偉兆先生，32歲，於二零一九年二月十九日獲委任為本公司之首席財務官兼公司秘書。彼負責本集團的財務及審計管理、企業融資、投資管理、投資者關係及行政管理及公司秘書事宜。羅先生持有香港城市大學工商管理(會計與管理資訊系統)學士學位，亦為香港會計師公會會員。羅先生於金融市場、企業及管理會計、投資管理和審計領域具備豐富經驗和知識。於加入本集團前，羅先生曾於羅兵咸永道會計師事務所審計部任職，其後曾出任兩間跨國資產管理公司亞太區財務部管理要職。於加入本公司前，彼亦曾出任一間金融集團的投資管理部副總裁。

凌勇山先生，48歲，於一九九九年一月一日獲委任為本集團執行副總裁，主要負責管理本集團的人力資源、倉儲物流及信息技術。自一九九九年一月起，彼一直擔任集一家居的副總經理，主要負責其整體管理，包括人力資源管理、銷售及營銷、倉儲物流及客戶服務。凌先生自二零一五年一月九日起任本公司間接全資附屬公司梅州市集勝家居建材有限公司董事。凌先生於二零一二年八月取得中國的清華大學繼續教育學院企業家自主創新高級研修班畢業證書。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Ms. Deng Haiming (鄧海鳴), aged 63, was appointed as the chief purchasing officer of the Group on 1 February 2012 and was re-designated as the vice president of the Group in June 2016. She is primarily responsible for managing and coordinating the procurement of raw materials and equipments of the Group. From October 1998 to January 2012, she served as the general manager of various branches of Jiyi Household and was primarily responsible for its overall operation and management. From February 2012 onwards, Ms. Deng serves as the chief purchasing officer of Jiyi Household and is primarily responsible for supervising the procurement of building materials and the selection of suppliers. Since 6 April 2015, Ms. Deng has been a director of Jiyi Household. She has nearly 15 years of experience in procurement and trading of building materials. Prior to joining the Group, Ms. Deng served as the labour statistics officer of Dongfeng Enterprise Group of Guangdong Meizhou Province (廣東梅州東風企業集團) from October 1979 to May 1998, where she was primarily responsible for personnel administration. Ms. Deng received her diploma in Financial Accounting from Guangdong Radio and TV University (廣東廣播電視大學) (currently known as the Open University of Guangdong (廣東開放大學)) in the PRC in July 1991. Ms. Deng is the sister-in-law of Ms. Hou Wei.

鄧海鳴女士，63歲，於二零一二年二月一日獲委任為本集團採購主管並於二零一六年六月調任為本集團副總裁。彼主要負責管理及協調本集團的原材料及設備採購。一九九八年十月至二零一二年一月，彼為集一家居多家分公司的總經理，主要負責其整體經營及管理。自二零一二年二月起，鄧女士一直擔任集一家居的採購主管，主要負責監督建材採購以及揀選供應商。鄧女士自二零一五年四月六日起擔任集一家居董事。彼在建材採購及貿易行業積累近15年經驗。加入本集團前，鄧女士亦於一九七九年十月至一九九八年五月擔任廣東梅州東風企業集團的勞資統計主任，主要負責人事管理。鄧女士於一九九一年七月取得由中國的廣東廣播電視大學（現稱廣東開放大學）頒授的財務會計文憑。鄧女士為侯薇女士的姻姊。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. Liang Weizhen (梁威震), aged 34, was appointed as the chief sales officer of the Group on 1 January 2019. He is mainly responsible for the sales and marketing management of the Group. He joined the Group in June 2013 and worked as a construction engineer in the engineering department of Jiyi Xinya until September 2013, and was mainly responsible for supervising construction engineering work. From September 2013 to June 2014, he served as the deputy manager of the purchasing department of the Company, and was mainly responsible for managing and coordinating the Group's procurement. From June 2014 to January 2015, he was re-designated as the deputy director of the General Office, and was mainly responsible for the Group's internal administration affairs and corporate legal work. From January 2015 to January 2016, he served as the company's representative, and was mainly responsible for assisting the company secretary in handling listing-related matters and coordination between various internal departments of the Group. Since January 2016, He served as the assistant to the Chairlady and was mainly assisting the Chairlady in managing the coordination between internal departments, and was in charge of managing the Group's administration, logistics, human resources, legal affairs, warehousing and other tasks. Mr. Liang obtained a bachelor's degree in law from Guangzhou University of China in June 2009.

梁威震先生，34歲，於二零一九年一月一日獲委任為本集團銷售總監。彼主要負責本集團之銷售及市場推廣管理。彼於二零一三年六月加入本集團，於集一信雅擔任工程部門之建築工程師至二零一三年九月，主要負責監管建築工程工作。自二零一三年九月至二零一四年六月，彼擔任本集團採購部門副經理，主要負責管理及協調本集團之採購事宜。自二零一四年六月至二零一五年一月，彼獲調任為總辦事處之副總監，主要負責本集團之內部行政事務及企業法律工作。自二零一五年一月至二零一六年一月，彼擔任公司代表，主要負責協助公司秘書處理本集團上市相關事宜及各內部部門之間之協調事宜。自二零一六年一月起，彼擔任主席助理，主要協助主席管理內部部門之間之協調事宜，並負責管理本集團之行政、物流、人力資源、法律事務、倉務及其他工作。梁先生於二零零九年六月於中國廣州大學取得法學學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層履歷

Mr. Shu Peng (舒鵬), aged 40, was appointed as the chief sales officer of the Group on 1 January 2014 and subsequently resigned from his positions on 30 September 2019, primarily responsible for the marketing and sales management of the Group. He joined the Group in October 1999 and served as an accountant of Jiyi Household until June 2001, primarily responsible for financial accounting. From July 2001 to September 2004, he was re-designated as a purchasing manager of Jiyi Household, where he was primarily responsible for managing and coordinating the procurement of the Group. Mr. Shu then served in various positions where he was primarily responsible for the marketing and sales management. He was the sales manager of Jiyi Household from October 2004 to October 2009, the ceramic sales manager of the flagship mall under Jiyi Household from November 2009 to December 2012, and the general manager of the flagship mall under Jiyi Household from January 2013 to December 2013. From January 2014 onwards, he has been the chief marketing officer of Jiyi Household, primarily responsible for strategic planning and marketing of the Group. Mr. Shu has been a director of Shanghang County Jiyi Household Building Materials Company Limited, an indirect wholly owned subsidiary of the Company, since November 2011. Mr. Shu received his diploma in Electric Accounting from Hunan Technology College of Electrical Engineering (湖南省機電工程技術學校) in the PRC in July 1999, and a diploma in accounting from the Open University of China (中央廣播電視大學) in the PRC in July 2006.

舒鵬先生，40歲，於二零一四年一月一日獲委任為本集團銷售主管，其後於二零一九年九月三十日辭任其職位，主要負責本集團的營銷及銷售管理。彼於一九九九年十月加入本集團，任職集一家居的會計師直至二零零一年六月，主要負責財務會計。二零零一年七月至二零零四年九月，彼調任集一家居的採購經理，主要負責管理及協調本集團的採購。舒先生其後出任多個不同職位，主要負責營銷及銷售管理。二零零四年十月至二零零九年十月，彼擔任集一家居銷售經理；二零零九年十一月至二零一二年十二月擔任集一家居旗艦店陶瓷系列銷售經理，且於二零一三年一月至二零一三年十二月擔任集一家居旗艦店的總經理。自二零一四年一月起，彼一直擔任集一家居的營銷主管，主要負責本集團戰略規劃及營銷。舒先生自二零一一年十一月起擔任本公司間接全資附屬公司上杭縣集一家居建材有限公司的董事。舒先生於一九九九年七月在中國的湖南省機電工程技術學校取得會計電算化專業文憑，且於二零零六年七月在中國的中央廣播電視大學取得會計文憑。

REPORT OF THE DIRECTORS

董事會報告

The Board are pleased to present their report and the audited financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 42 to the consolidated financial statements.

BUSINESS REVIEW AND PERFORMANCE

A review of the business of the Group and a discussion and analysis of the Group's performance during the year under review and a discussion on the Group's future business development and outlook of the Company's business, possible risks and uncertainties that the Group may be facing and important events affecting the Company occurred during the year ended 31 December 2019 are provided in the sections headed "Chairlady's Statement" and "Management Discussion and Analysis" on pages 5 to 9 and pages 10 to 23 of this annual report. An account of the Company's relationships with its key stakeholders is included in the paragraph headed "Relationships with Employees, Suppliers and Customers" of the report of the Directors on page 55 of this annual report.

An analysis of the Group's performance during the year ended 31 December 2019 using financial performance indicators is provided in the section headed "Management Discussion and Analysis" on pages 10 to 23 of this annual report.

In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Company are provided in the section headed "Environmental, Social and Governance Report" of the on pages 79 to 92 of this annual report.

董事會欣然呈列其報告及本集團截至二零一九年十二月三十一日止年度的經審核財務報表。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之活動載於綜合財務報表附註42。

業務回顧及表現

本集團業務回顧及本集團於回顧年度表現的討論及分析，以及對本集團未來業務發展及本公司業務的前景、本集團可能面臨的可能風險及不確定因素及於截至二零一九年十二月三十一日止年度發生的影響本公司的重大事項的討論載於本年報第5至9頁的「主席報告書」及第10至23頁的「管理層討論與分析」各節。本公司與其重要持份者的關係詳情載於本年報第55頁的董事會報告的「與僱員、供應商及客戶的關係」一段。

本集團截至二零一九年十二月三十一日止年度的表現分析所採用的財務表現指標載於本年報第10至23頁的「管理層討論與分析」一節。

此外，有關參考環境及社會相關關鍵表現指標及政策以及對本公司有重大影響的相關法律法規之遵守情況而定之本集團表現的更多詳情載於本年報第79至92頁的「環境、社會及管治報告」一節。

RESULTS AND APPROPRIATIONS

The results of the Group for the Reporting Period are set out in the consolidated statement of profit or loss and other comprehensive income on page 104 to 105 of this report.

The Board does not recommend the payment of any dividend.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and note 108 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2019, calculated in accordance with the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the "Companies Law") amounted to approximately RMB477.4 million.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the Reporting Period are set out in note 16 to the consolidated financial statements.

業績及分派

本集團於報告期間之業績載於本報告第104至105頁之綜合損益及其他全面收益表內。

董事會不建議派付任何股息。

儲備

年內本集團及本公司儲備變動之詳情載於綜合權益變動表及綜合財務報表附註108。

可供分派儲備

於二零一九年十二月三十一日，本公司根據開曼群島第22章公司法（一九六一年第3號法例，經綜合及修訂）（「公司法」）計算之可供分派儲備約為人民幣477.4百萬元。

物業、廠房及設備

本集團於報告期間之物業、廠房及設備變動詳情載於綜合財務報表附註16。

REPORT OF THE DIRECTORS

董事會報告

DIVIDEND POLICY

The Company has adopted a dividend policy on 31 December 2018 (the “Dividend Policy”), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company to allow shareholders to share the Company’s profit and for the Company to retain adequate reserves for future growth.

Under the Dividend Policy, provided the Group is profitable and without affecting the normal operations of the Group, the Company may consider to declare and pay dividends to the shareholders of the Company. In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among others, the operating results, cash flow, financial condition, capital requirements of the Group, the interests of the shareholders and any other factors that the Board may consider appropriate. Declaration of the dividend by the Company is also subject to the Companies Laws, the articles of association of the Company and any applicable laws, rules and regulations.

The Dividend Policy will continue to be reviewed from time to time and there can be no assurance that a dividend will be proposed or declared in any specific periods.

SHARE CAPITAL

Details of movements in share capital of the Company during the Reporting Period are set out in note 33 to the consolidated financial statements.

股息政策

本公司已於二零一八年十二月三十一日採納股息政策（「股息政策」），據此，本公司可向本公司股東宣派及派發股息，以使股東能分享本公司之溢利成果，並為本公司未來增長保留充足儲備。

根據股息政策，倘本集團有盈利且不影響本集團的正常營運的情況下，則本公司可考慮向本公司股東宣佈及派發股息。在決定是否建議宣派股息及釐定股息的金額時，董事會應考慮（其中包括）本集團的經營業績、現金流量、財務狀況、資本要求、股東的利益及董事會可能認為適當的任何其他因素。本公司宣派股息亦須遵守公司法、本公司的組織章程細則及任何適用法律、規則及規例下的任何限制。

股息政策將持續不時作出審閱，且概不能保證將在任何既定期間建議或宣派股息。

股本

本公司於報告期間之股本變動詳情載於綜合財務報表附註33。

BORROWINGS

Details of the Group's borrowings as at 31 December 2019 are set out in note 28 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association and there is no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders of the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

DIRECTORS

The Directors during the Reporting Period and up to the date of this annual report were:

Executive Directors

Ms. Hou Wei (*Chairlady*)
Mr. Liu Xianxiu
Mr. Yang Baikang

Non-executive Director

Mr. Hou Bo

借款

於二零一九年十二月三十一日本集團借款的詳情載於綜合財務報表附註28。

優先購買權

本公司之組織章程細則並無優先購買權之條文且根據開曼群島法律並無有關權利之限制，從而令本公司須按比例向本公司現有股東發售新股份。

購買、出售或贖回本公司之上市證券

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

董事

報告期間及截至本年報日期止董事如下：

執行董事

侯薇女士(主席)
劉賢秀先生
楊柏康先生

非執行董事

侯波先生

REPORT OF THE DIRECTORS

董事會報告

Independent non-executive Directors

Mr. Ye Yihui
Mr. Ho Hin Yip
Mr. Hou Lianchang

In accordance with article 108(a) of the Company's articles of association, Ms. Hou Wei, Mr. Hou Bo and Mr. Ye Yihui will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to rule 3.13 of the Listing Rules. The Company considered all of the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in or were interested in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the Reporting Period.

獨立非執行董事

葉義輝先生
何衍業先生
侯聯昌先生

根據本公司組織章程細則第108(a)條，侯薇女士、侯波先生及葉義輝先生將於應屆股東週年大會上退任，惟合資格並願膺選連任。

本公司已自各獨立非執行董事接獲彼等各自根據上市規則第3.13條作出之獨立性年度確認。本公司認為全體獨立非執行董事均為獨立人士。

董事之服務合約

擬於應屆股東週年大會上膺選連任之各董事概無與本公司訂立任何服務合約（並非可於一年內不作賠償（法定賠償除外）而終止的合約）。

董事於競爭業務之權益

於報告期間，概無董事從事與或可能與本集團業務直接或間接競爭之任何業務或於當中擁有權益。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for disclosed elsewhere in this annual report, no transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries was a party, and in which a Director or an entity connected with a Director had or is having a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

NON-COMPETITION UNDERTAKING

The controlling shareholders of the Company entered into a deed of non-competition in favour of the Company dated 6 October 2015 ("Deed of Non-competition") as set out in the paragraph headed "Relationship with Controlling Shareholders" in the Prospectus, pursuant to which the controlling shareholders of the Company have undertaken to the Company that she/it will not, and will procure her/its close associates (other than members of the Group) not to directly or indirectly be involved in or undertake any business (other than our business) that directly or indirectly competes, or may compete, with our business or undertaking, or hold shares or interest in any companies or business that compete directly or indirectly with the business engaged by the Group from time to time. The controlling shareholders have provided an annual declaration and confirmed their compliance of all the undertakings provided under the Deed of Non-competition. There are no matters which required to be deliberated by the independent non-executive Directors in relation to the compliance and enforcement of the Deed of Non-competition and it is considered that the terms of the Deed of Non-competition have been complied by the controlling shareholders.

董事於重大合約之權益

除本年報其他地方所披露者外，本公司或其任何附屬公司並無作為一方訂立董事或與董事有關連之實體曾經或現時於當中直接或間接擁有重大權益且於年末或本年度任何時間存續之任何重大交易、安排或合約。

不競爭承諾

本公司控股股東以本公司為受益人訂立日期為二零一五年十月六日之不競爭契據（「不競爭契據」），載於招股章程「與控股股東的關係」一段，據此，本公司控股股東向本公司承諾，其將不會並將促使其緊密聯繫人（本集團成員公司除外）不直接或間接參與或進行任何與我們的業務或事業直接或間接構成競爭或可能構成競爭的業務（我們的業務除外），或於任何直接或間接與本集團不時從事的業務構成競爭的公司或業務持有股份或權益。控股股東已提供一份年度聲明並確認，彼等遵守不競爭契據所規定之全部承諾。概無與遵守及執行不競爭契據有關事項須經獨立非執行董事商討，不競爭契據之條款被認為已獲控股股東遵守。

REPORT OF THE DIRECTORS

董事會報告

CHANGE IN INFORMATION OF DIRECTOR

There are no changes in the information of Directors, which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

董事資料之變動

概無根據上市規則第13.51B(1)條須予披露之董事資料變動。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the “Biographical Details of Directors and Senior Management” section on pages 24 to 35 of this annual report.

董事及高級管理層履歷

本集團董事及高級管理層履歷載於本年報第24至35頁「董事及高級管理層履歷」一節。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2019, the interests and short positions of each director and chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, the “SFO”)), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO; as recorded in the register required to be kept 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 Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules, were as follows:

董事及最高行政人員於本公司股份及相關股份之權益及淡倉

於二零一九年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份或債權證中擁有根據證券及期貨條例第7及8分部規定須知會本公司及聯交所的權益及淡倉，或記錄於根據證券及期貨條例第352條本公司須存置之登記冊的權益及淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

REPORT OF THE DIRECTORS

董事會報告

Long positions in the shares and underlying shares of the Company

於本公司股份及相關股份之好倉

Name of Director	Nature of interest	Number of shares	Approximate percentage of the issued share capital
董事姓名	權益性質	股份數目	佔已發行股本概約百分比
			(Note 1)
			(附註1)
Ms. Hou Wei ("Ms. Hou") (Note 2)	Interest in a controlled corporation	414,788,363	60.00%
侯薇女士(「侯女士」)(附註2)	受控法團權益	414,788,363	60.00%
	Beneficial owner (Note 4)	300,000	0.04%
	實益擁有人(附註4)		
Mr. Hou Bo ("Mr. Hou") (Note 3)	Interest in a controlled corporation	5,562,000	0.81%
侯波先生(「侯先生」)(附註3)	受控法團權益	5,562,000	0.81%
	Beneficial owner (Note 4)	300,000	0.04%
	實益擁有人(附註4)		
Mr. Liu Xianxiu (Note 4)	Beneficial owner	300,000	0.04%
劉賢秀先生(附註4)	實益擁有人		
Mr. Yang Baikang (Note 4)	Beneficial owner	300,000	0.04%
楊柏康先生(附註4)	實益擁有人		
Mr. Ye Yihui (Note 4)	Beneficial owner	300,000	0.04%
葉義輝先生(附註4)	實益擁有人		
Mr. Ho Hin Yip (Note 4)	Beneficial owner	300,000	0.04%
何衍業先生(附註4)	實益擁有人		
Mr. Hou Lianchang (Note 4)	Beneficial owner	300,000	0.04%
侯聯昌先生(附註4)	實益擁有人		

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. The percentage figures were calculated based on 691,400,000 ordinary shares ("Shares") of the Company having a par value of HK\$0.1 each in issue as of 31 December 2019.
2. Ms. Hou was beneficially interested in 100% of the issued share capital of Xinling Limited ("Xinling"). Xinling was the registered holder of 414,788,363 Shares. Under Part XV of the SFO, Ms. Hou was therefore deemed to have interests in 414,788,363 Shares in which Xinling was interested.
3. Mr. Hou was beneficially interested in 100% of the issued share capital of Jiesi Global Investments Limited ("Jiesi Global"). Jiesi Global was the registered holder of 5,562,000 Shares. Under Part XV of the SFO, Mr. Hou was therefore deemed to have interests in 5,562,000 Shares in which Jiesi Global was interested.
4. As at 2 November 2018, the Company granted Share Options of 300,000 to each of the members in the Board. For details of the exercise period and vesting period of the Share Options, please refer to the paragraph headed "Share Option Scheme" in this section on page 47 of this annual report.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executive of the Company had or was deemed to have any interests or short positions in any Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of the SFO or which were required to be kept pursuant to section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

1. 相關百分比數字乃根據於二零一九年十二月三十一日本公司已發行691,400,000股每股面值0.1港元之普通股（「股份」）計算。
2. 侯女士實益擁有欣領有限公司（「欣領」）100%之已發行股本。欣領為414,788,363股股份之登記持有人。因此，根據證券及期貨條例第XV部，侯女士被視為於欣領擁有權益的414,788,363股股份中擁有權益。
3. 侯先生實益擁有傑思環球投資有限公司（「傑思環球」）100%之已發行股本。傑思環球為5,562,000股股份之登記持有人。因此，根據證券及期貨條例第XV部，侯先生被視為於傑思環球擁有權益的5,562,000股股份中擁有權益。
4. 於二零一八年十一月二日，本公司向各董事會成員授出300,000份購股權。有關購股權之行使期及歸屬期，請參閱本年報第47頁的「購股權計劃」一段。

除上文所披露者外，於二零一九年十二月三十一日，概無本公司董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中擁有或被視為擁有任何根據證券及期貨條例第7及8分部規定須知會本公司及聯交所的權益或淡倉，或根據證券及期貨條例第352條須予記錄的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

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

As at 31 December 2019, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東於本公司股份、債權證及相關股份之權益及淡倉

於二零一九年十二月三十一日，以下人士（本公司的董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或已記錄於本公司根據證券及期貨條例第336條須存置之登記冊之權益或淡倉：

Aggregate long positions in the Shares and underlying shares of the Company

於本公司股份及相關股份之好倉總額

Name of Shareholder	Nature of interest	Number of shares	Approximate percentage of the issued share capital
股東名稱／姓名	權益性質	股份數目	佔已發行股本概約百分比
			(Note 1) (附註1)
Xinling (Note 2) 欣領 (附註2)	Beneficial owner 實益擁有人	414,788,363 414,788,363	59.99% 59.99%
Brainy Economist Investment Ltd. (Note 3) 睿儒投資有限公司 (附註3)	Beneficial owner 實益擁有人	69,100,000 69,100,000	9.99% 9.99%
Liaw Lin Hsiang ("Mr. Liaw") (Note 3) 廖凌祥 (「廖先生」) (附註3)	Interest in a controlled corporation 受控法團權益	69,100,000 69,100,000	9.99% 9.99%
Yiju Holdings Limited ("Yiju Holdings") (Note 4) 溢鉅控股有限公司 (「溢鉅控股」) (附註4)	Beneficial owner 實益擁有人	55,263,000 55,263,000	8.00% 8.00%
Mr. Liu Shui ("Mr. Liu") (Note 4) 劉水先生 (「劉先生」) (附註4)	Interest in a controlled corporation 受控法團權益	55,263,000 55,263,000	8.00% 8.00%

REPORT OF THE DIRECTORS

董事會報告

Notes:

1. The percentage figures were calculated based on 691,400,000 Shares with a par value of HK\$0.1 each in issue as of 31 December 2019.
2. Xining was the registered holder of 414,788,363 Shares.
3. Mr. Liaw was beneficially interested in 100% of the issued share capital of Brainy Economist Investment Ltd. Brainy Economist Investment Ltd was the registered holder of 69,100,000 shares. Under Part XV of the SFO, Mr. Liaw was therefore deemed to have interests in 69,100,000 Shares in which Brainy Economist Investment Ltd was interested.
4. Mr. Liu was beneficially interested in 100% of the issued share capital of Yiju Holdings. Yiju Holdings was the registered holder of 55,263,000 Shares. Under Part XV of the SFO, Mr. Liu was therefore deemed to have interests in 55,263,000 Shares in which Yiju Holdings was interested.

Save as disclosed above, as at 31 December 2019, the Company had not been notified of any other persons (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 which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

1. 相關百分比數字乃根據於二零一九年十二月三十一日已發行691,400,000股每股面值0.1港元之股份計算。
2. 欣領為414,788,363股股份之登記持有人。
3. 廖先生實益擁有睿儒投資有限公司100%已發行股本。睿儒投資有限公司為69,100,000股股份之登記持有人。根據證券及期貨條例第XV部，廖先生因而被視為於睿儒投資有限公司擁有權益之69,100,000股股份中擁有權益。
4. 劉先生實益擁有溢鉅控股100%之已發行股本。溢鉅控股為55,263,000股股份之登記持有人。根據證券及期貨條例第XV部，劉先生因而被視為於溢鉅控股擁有權益的55,263,000股股份中擁有權益。

除上文所披露者外，於二零一九年十二月三十一日，本公司並無獲告知任何其他人士（本公司的董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或已記錄於本公司根據證券及期貨條例第336條須存置之登記冊之權益或淡倉。

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted on 6 October 2015 (“Share Option Scheme”), the Company may grant share options to any directors, employees, advisers, consultants, suppliers, customers and distributors who in the sole discretion of the Board, will contribute or have contributed to the growth and development of the Group so as to provide incentives or rewards for their contribution to the success of the Group’s operation. As at 2 November 2018, the Company granted share options to subscribe for a total of 36,000,000 ordinary shares of HK\$0.10 each in the Share Capital of the Company under the Share Option Scheme to certain eligible participants. Details of the grant of share options are disclosed in the announcement of the Company dated 2 November 2018.

Summary of the terms of the Share Option Scheme is as follows:

(a) Purposes

The purposes of the Share Option Scheme are to enable the Group to grant options to the eligible participants to: (i) motivate them to optimise their performance efficiently for the benefit of the Group; and (ii) attract and retain or maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Eligible Participants

Any employees (whether full time or part time), directors (including executive, non-executive and independent non-executive directors), advisers, consultants, suppliers, customers and distributors of the Group (“Eligible Participants”) who, in the sole opinion of the Board, will contribute or have contributed to the growth and development of the Group.

購股權計劃

根據於二零一五年十月六日採納之購股權計劃（「購股權計劃」），本公司可向董事會全權酌情認為將或已為本集團增長及發展作出貢獻之任何董事、僱員、顧問、諮詢師、供應商、客戶及分銷商授予購股權，以就彼等為本集團之營運的成功作出貢獻提供獎勵或回報。於二零一八年十一月二日，本公司根據購股權計劃向若干合資格人士授出購股權，以認購本公司股本中總數36,000,000股每股面值0.10港元之普通股。有關授出購股權之詳情於本公司日期為二零一八年十一月二日的公告內披露。

購股權計劃條款之概要如下：

(a) 目的

購股權計劃旨在令本集團能夠向合資格參與人授予購股權，以(i)激勵彼等為本集團的利益而優化其表現效率；及(ii)吸引及挽留合資格參與人或與合資格參與人保持持續的業務關係，而該等合資格參與人的貢獻，乃對或將對本集團的長遠發展有利。

(b) 合資格參與人

董事會全權酌情認為將或已對本集團之增長及發展作出貢獻之本集團任何僱員（不論全職或兼職）、董事（包括執行、非執行及獨立非執行董事）、顧問、諮詢師、供應商、客戶及分銷商（「合資格參與人」）。

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(c) Maximum number of Shares available for issue

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the date of listing of the Shares, being 36,000,000 Shares, unless the Company obtains the approval of the shareholders in general meeting for refreshment.

(d) Maximum entitlement of each Eligible Participant

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to:

- (i) each Eligible Participant must not exceed 1.0% of the total number of Shares in issue; and
- (ii) a substantial shareholder of the Company or an independent non-executive director must not exceed 0.1% of the total number of Shares in issue and not exceed HK\$5.0 million in aggregate value.

(c) 可供發行之股份最高數目

因根據購股權計劃及本公司任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可予配發及發行的最高股份數目，合共不得超過不時已發行股份總數的30%。根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份總數，不得超過於股份上市日期已發行股份總數的10%（即36,000,000股股份），除非本公司已於股東大會上獲股東批准更新。

(d) 各合資格參與人之最高配額

於任何12個月期間內因所授出購股權（不論已行使或尚未行使）獲行使而發行及將發行之股份總數：

- (i) 倘向各合資格參與人授出，則不得超過已發行股份總數之1.0%；及
- (ii) 倘向本公司主要股東或獨立非執行董事授出，則不得超過已發行股份總數之0.1%及總值不超過5.0百萬港元。

(e) Period within which the Shares must be taken up under an option

An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant.

(f) Minimum period, if any, for which an option must be held

No minimum period for which the option has to be held before it can be exercised is specified in the Share Option Scheme.

(g) Period open for acceptable of an option and amount payable upon acceptance

An offer of grant of an option may be accepted by an Eligible Participant within 21 days from the date of the offer of grant of the option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

(h) Basis of determining the subscription price of an option

The exercise price must be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(e) 根據購股權可認購股份之期限

購股權必須於授出日期起計10年或董事會於授出時可能訂明之有關較短期間內予以行使。

(f) 購股權必須持有之最短期間（如有）

並無於購股權計劃內訂明於可行使前須持有購股權之最短期限。

(g) 購股權可供接受之期間及於接受時應付之金額

授出購股權之要約可由合資格參與人於自授出購股權要約日期起21日內接受。於接納購股權授出要約時應付代價1.00港元。

(h) 釐定購股權認購價之基準

行使價須至少為以下各項之最高者：(i)於授出日期聯交所每日報價表所述股份之收市價；(ii)緊接授出日期前五個交易日聯交所每日報價表所述之股份平均收市價；及(iii)一股股份之面值。

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(i) Validity of the Share Option Scheme

The Share Option Scheme has a life of 10 years and will expire on 5 October 2025 unless otherwise terminated in accordance with the terms of the Share Option Scheme.

On 2 November 2018, the Company granted a total of 36,000,000 share options (the "Share Options") under the Share Option Scheme to subscribe for a total of 36,000,000 ordinary shares of the Company. The details of such grant of the Share Options are set out as follows:

Total number of Share Options granted : 36,000,000
36,000,000份
已授出購股權總數

Exercise price of the Share Options granted : HK\$0.704 per share, as stated in the daily quotations sheet issued by the Stock Exchange, the closing price of the date of grant and the date immediately before the grant were HK\$0.69. 每股股份0.704港元，誠如聯交所發佈的每日報價表所報，於授出日期及緊接授出前日期的收市價為0.69港元。
已授出購股權的行使價

Exercise period and vesting period of the Share Options : (a) approximately 1/3 of the Share Options offered, i.e. Share Options to subscribe for 1,833,334 Shares, shall become vested in the 7th month of the date of this offer letter (the "1st Vesting Date") and shall be exercisable at any time during the period commencing on the 1st Vesting Date and ending on the day immediately preceding the 1st anniversary of the 1st Vesting Date (both dates inclusive);
購股權之行使期及歸屬期 (a) 授出購股權之約三分之一（即認購1,833,334股股份的購股權）將於本要約函件日期起第7個月（「首個歸屬日期」）歸屬，並將於首個歸屬日期開始及於緊接首個歸屬日期之第1週年前當日為止（包括首尾兩日）期間內之任何時間可予行使；

(i) 購股權計劃之有效期

購股權計劃之有效期為十年，並將於二零二五年十月五日屆滿，除非根據購股權計劃之條款另行終止。

於二零一八年十一月二日，本公司根據購股權計劃授出合共36,000,000股購股權（「購股權」），以認購本公司合共36,000,000股普通股。有關購股權授出之詳情載列如下：

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- (b) approximately 1/3 of the Share Options offered, i.e. Share Options to subscribe for 1,833,333 Shares, shall become vested in the 19th month of the date of this offer letter (the “**2nd Vesting Date**”) and shall be exercisable at any time during the period commencing on the 2nd Vesting Date and ending on the day immediately preceding the 1st anniversary of the 2nd Vesting Date (both dates inclusive); and
- (b) 授出購股權之約三分之一（即認購1,833,333股股份的購股權）將於本要約函件日期起第19個月（「**第2個歸屬日期**」）歸屬，並將於第2個歸屬日期開始及於緊接第2個歸屬日期之第1週年前當日為止（包括首尾兩日）期間內之任何時間可予行使；及
- (c) approximately 1/3 of the Share Options offered, i.e. Share Options to subscribe for 1,833,333 Shares, shall become vested in the 31st month of the date of this offer letter (the “**3rd Vesting Date**”) and shall be exercisable at any time during the period commencing on the 3rd Vesting Date and ending on the day immediately preceding the 1st anniversary of the 3rd Vesting Date (both dates inclusive)
- (c) 授出購股權之約三分之一（即認購1,833,333股股份的購股權）將於本要約函件日期起第31個月（「**第3個歸屬日期**」）歸屬，並將於第3個歸屬日期開始及於緊接第3個歸屬日期之第1週年前當日為止（包括首尾兩日）期間內之任何時間可予行使

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Out of the 36,000,000 Share Options granted, 2,700,000 Share Options were granted to the Directors or substantial shareholders of the company, or any of their respective associates (as defined in the Listing Rules), details of which are as follows:

於已授出之36,000,000份購股權中，2,700,000份購股權已授予本公司之董事或主要股東或彼等各自之任何聯繫人（定義見上市規則），其詳情如下：

Name of grantee 承授人姓名	Position(s) held with the Company 於本公司擔任之職位	Number of options granted 授出之購股權數目
Ms. Hou Wei 侯薇女士	Chairlady of the Board, executive Director and substantial shareholder of the Company 董事會主席、本公司執行董事及主要股東	300,000
Mr. Liu Xianxiu 劉賢秀先生	Executive Director of the Company 本公司執行董事	300,000
Mr. Yang Baikang 楊柏康先生	Executive Director of the Company (appointed on 7 November 2018) 本公司執行董事（於二零一八年十一月七日獲委任）	300,000
Mr. Hou Bo 侯波先生	Non-executive Director and the brother of the chairlady of the Board and substantial shareholder of the Company 本公司非執行董事，並為董事會主席及主要股東之兄長	300,000
Mr. Lam On Tai 林安泰先生	Non-executive Director of the Company (resigned on 6 November 2018) 本公司非執行董事（於二零一八年十一月六日辭任）	300,000
Mr. Ye Yihui 葉義輝先生	Independent non-executive Director of the Company 本公司獨立非執行董事	300,000
Mr. Hou Lianchang 侯聯昌先生	Independent non-executive Director of the Company 本公司獨立非執行董事	300,000
Mr. Ho Hin Yip 何衍業先生	Independent non-executive Director of the Company 本公司獨立非執行董事	300,000
Ms. Deng Haiming 鄧海鳴女士	Sister-in-law of the chairlady of the Board and substantial shareholder of the Company 本公司董事會主席及主要股東之姻姊	300,000

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The following table disclose details of the Company's share options held by Directors and other employees and movements in such holding during the year ended 31 December 2019:

下表披露由董事及其他僱員持有之本公司購股權以及該等購股權於截至二零一九年十二月三十一日止年度之變動詳情：

Date of grant	授出日期	Outstanding and exercisable at the beginning of the year 於年初尚未行使及可行使	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	Outstanding and exercisable at the end of the year 於年末尚未行使及可行使
Granted to Directors	向董事授予					
2 November 2018	二零一八年十一月二日	2,700,000	(200,000)	-	-	2,500,000
Granted to employees	向僱員授予					
2 November 2018	二零一八年十一月二日	33,300,000	-	-	-	33,300,000
Total	總計	36,000,000	(200,000)	-	-	35,800,000

The following table disclose details of the Company's share options held by Directors and other employees and movements in such holding during the year ended 31 December 2018:

下表披露由董事及其他僱員持有之本公司購股權以及該等購股權於截至二零一八年十二月三十一日止年度之變動詳情：

Date of grant	授出日期	Outstanding and exercisable at the beginning of the year 於年初尚未行使及可行使	As at 2 November 2018 於二零一八年十一月二日	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	Outstanding and exercisable at the end of the year 於年末尚未行使及可行使
Granted to Directors	向董事授予						
2 November 2018	二零一八年十一月二日	-	2,700,000	-	-	-	2,700,000
Granted to employees	向僱員授予						
2 November 2018	二零一八年十一月二日	-	33,300,000	-	-	-	33,300,000
Total	總計	-	36,000,000	-	-	-	36,000,000

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The fair values of the Share Options granted under the Share Option Scheme were determined and measured using the Binomial Model on 2 November 2018. The significant inputs into the model were the exercise price shown above, risk-free interest rates of 2.02% to 2.25%, volatility of 43.4% to 46.1% and dividend yield of 0%. As any changes in the subjective input assumptions can materially affect the fair value estimates, the valuation models for the Share Options granted do not necessarily provide a reliable single measure of the fair value of the Share Options. The related accounting policy for the fair value of the Share Options granted is disclosed at note 3 to the consolidated financial statements.

The variables and assumptions used in computing the fair value of the Share Options are based on the Directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

For details of the Share Option Scheme, please refer to the paragraph headed "Statutory and General Information – D. Other Information – 1. Share Option Scheme" in Appendix IV to the prospectus dated 27 October 2015.

ARRANGEMENT TO PURCHASES SHARES OR DEBENTURES

At no time during the year ended 31 December 2019 and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

於二零一八年十一月二日根據購股權計劃授出的購股權之公平值乃使用二項式模式釐定及計量。該模式的重大輸入數據為上述所示之行使價，無風險利率為2.02%至2.25%，波幅為43.4%至46.1%，股息收益0%。由於主觀輸入假設的任何變更可能對公平值估計產生重大影響，已授出購股權的估值模型未必提供購股權公平值的可靠單一測量。已授出購股權公平值的相關會計政策披露於綜合財務報表附註3。

計算購股權公平值所使用的有關變量及假設乃基於董事之最佳估計。購股權價值隨著若干主觀假設的不同變量而有所不同。

有關購股權計劃之詳情，請參閱日期為二零一五年十月二十七日的招股章程附錄四的「法定及一般資料—D.其他資料—1.購股權計劃」一段。

購買股份或債權證之安排

於截至二零一九年十二月三十一日止年度及截至本報告日期止，本公司或其任何附屬公司概無訂立任何安排，以令本公司董事可藉收購本公司或任何其他法人團體的股份或債權證而獲得利益。

MANAGEMENT CONTRACTS

No contracts by which any person undertook the management and administration of the whole or any substantial part of the business of the Company were entered into between the Company and any person who is not a Director or not engaged in the full-time employment of the Group or existed during the Reporting Period.

MAJOR SUPPLIERS AND CUSTOMERS

During the Reporting Period, the Group's five largest customers in aggregate accounted for approximately 81.3% of the Group's total turnover. The largest customer accounted for approximately 44.8% of the Group's total turnover.

During the Reporting Period, the Group's five largest suppliers in aggregate accounted for approximately 26.3% of the Group's total purchases. The largest supplier accounted for approximately 16.8% of the Group's total purchases.

To the best of the knowledge of the Directors, none of the Directors, their respective associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in any of the five largest suppliers or customers.

RELATIONSHIPS WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The Group understands that employees are valuable assets. The Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

管理合約

於報告期間，概無本公司與並非董事或並非獲聘用為本集團全職僱員之任何人士之間訂立，且任何人士可據此承擔本公司全部或任何重大部分業務之管理及行政事宜之合約或有此類合約存在。

主要供應商及客戶

於報告期間，本集團五大客戶合共佔本集團總營業額約81.3%。最大客戶佔本集團總營業額約44.8%。

於報告期間，本集團五大供應商合共佔本集團總採購額約26.3%。最大供應商佔本集團總採購額約16.8%。

就董事所深知，概無董事、彼等各自之聯繫人或就董事所知擁有本公司股本逾5%以上之任何股東於任何五大供應商或客戶中擁有權益。

與僱員、供應商及客戶的關係

本集團明白僱員為寶貴資產。本集團提供有競爭力的薪酬待遇以吸引及激勵僱員。本集團定期檢討僱員的薪酬待遇並作出必要調整以符合市場標準。

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The Group's business is built on a customer-oriented culture, and are focused on establishing relationships with customers. The Group also understands that it is important to maintain good relationship with its suppliers and customers to fulfil its immediate and long-term goals. To maintain its market competitiveness within the industry, the Group aims at delivering constantly high standards of quality in the service to its customers. During the Reporting Period, there was no material and significant dispute between the Group and its suppliers and/or customers.

CONTINUING CONNECTED TRANSACTIONS

During the Reporting Period, the Group had continuing connected transactions with certain connected persons, details of which have been disclosed in the Prospectus. Certain continuing connected transactions are exempt from one or more of the reporting, announcement, shareholders' approval and annual review requirements for the purpose of Chapter 14A of the Listing Rules.

The following are the continuing connected transactions of the Group that are subject to the reporting and annual review requirements but otherwise exempt from the shareholders' approval requirement pursuant to Chapter 14A of the Listing Rules:

本集團業務的建立在以客戶為導向的企業文化之上，並專注於與客戶建立合作關係。本集團亦明白與供應商及客戶保持良好關係對實現其近期及長期目標至關重要。為維持於行業內的市場競爭力，本集團致力持續為客戶提供優質服務。於報告期間，本集團與其供應商及／或客戶之間並無嚴重或重大爭議。

持續關連交易

於報告期間，本集團與若干關連人士進行持續關連交易，其詳情於招股章程中披露。若干持續關連交易就上市規則第14A章而言獲豁免遵守一項或多項申報、公告、股東批准及年度審核規定。

以下為本集團根據上市規則第14A章須遵守申報及年度審核規定，但獲豁免遵守股東批准規定的持續關連交易：

Supply of merchandise by Jiyi Household to Meizhou Xikang Construction Company Limited (“Meizhou Xikang”)

On 6 October 2015, Jiyi Household entered into a master supply agreement (the “Previous Master Agreement”) with Meizhou Xikang, pursuant to which Jiyi Household agreed to supply merchandise including building materials, home improvement materials and furnishings to Meizhou Xikang, for a term of three years commenced from 1 January 2015 to 31 December 2017. The then prices for the merchandise supplied by the Group under the Previous Master Supply Agreement were determined with reference to a number of factors, including cost of purchase, product’s attributes, customers’ spending behavior and preference, local consumption power, product’s brand as well as retail prices suggested by the then suppliers of the Group, where applicable. The Group would supply the merchandise to Meizhou Xikang if the price of the products offered to Meizhou Xikang was comparable to or no less favourable to the Group than those offered to other third-party purchasers for the same or similar products.

On 12 December 2017, Jiyi Household entered into a new master supply agreement (the “Renewal Master Agreement”) with Meizhou Xikang for another term of three year commenced from 1 January 2018 to 31 December 2020 to govern, among other things, the sale and purchase of merchandise between Jiyi Household and Meizhou Xikang after the expiry of the Previous Master Agreement.

Details of the terms of the Previous Master Agreement and the Renewal Master Agreement and the transactions contemplated thereunder were set out in the Prospectus and the announcement of the Company dated 12 December 2017, respectively.

集一家居向梅州市禧康建築工程有限公司（「梅州禧康」）供應商品

於二零一五年十月六日，集一家居與梅州禧康訂立總供應協議（「前總供應協議」），據此，集一家居同意向梅州禧康供應商品（包括建材、家居裝修材料及傢俱），自二零一五年一月一日起至二零一七年十二月三十一日止為期三年。本集團根據前總供應協議供應的商品當時的價格乃參考多項因素釐定，包括採購成本、產品屬性、客戶消費習慣及偏好、當地消費力、產品品牌及本集團當時之供應商建議的零售價（倘適用）。倘梅州禧康所報產品價格對本集團而言可資比較或不遜於其他第三方買家就相同或相似產品作出的報價，本集團將向梅州禧康供應商品。

於二零一七年十二月十二日，集一家居與梅州禧康訂立新總供應協議（「更新總供應協議」），自二零一八年一月一日起至二零二零年十二月三十一日另行為期三年，以於前總供應協議屆滿後管理（其中包括）集一家居與梅州禧康之間的商品買賣。

前總供應協議及更新總供應協議之條款詳情及其項下擬進行之交易分別載於招股章程及本公司日期為二零一七年十二月十二日之公告。

REPORT OF THE DIRECTORS

董事會報告

The annual caps determined by the Directors in respect of the annual maximum aggregate value (exclusive of taxes) for such continuing connected transactions under the Renewal Master Agreement for each of the years ended 31 December 2018 and 2019 and the year ending 31 December 2020 were RMB6,252,000, RMB7,051,000 and RMB7,953,000, respectively. The total amount of sales to Meizhou Xikang pursuant to the Renewal Master Agreement for the Reporting Period was approximately RMB91,465.

Meizhou Xikang is owned as to 95% by Mr. Hou Hinxiang, the father of Ms. Hou and Mr. Hou. Accordingly, Meizhou Xikang is an associate of Ms. Hou and Mr. Hou and a connected person of the Company under Chapter 14A of the Listing Rules and the entering of the Previous Master Agreement and the Renewal Master Agreement respectively constituted continuing connected transactions for the Company.

Pursuant to rule 14A.55 of the Listing Rules, the independent non-executive Directors have conducted an annual review and confirmed that the continuing connected transaction in respect of the Renewal Master Agreement has been entered into: (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favorable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing the respective transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

截至二零一八年及二零一九年十二月三十一日止年度各年以及至二零二零年十二月三十一日止年度，董事就更新總供應協議項下持續關連交易的年度最高總值（不計稅）釐定的年度上限分別為人民幣6,252,000元、人民幣7,051,000元及人民幣7,953,000元。於報告期間根據更新總供應協議向梅州禧康作出的總銷售額約為人民幣91,465元。

梅州禧康由侯女士的父親侯欣祥先生及侯先生擁有95%權益。因此，根據上市規則第14A章，梅州禧康為侯女士及侯先生的聯繫人以及本公司的關連人士，訂立前總供應協議及更新總供應協議分別構成本公司之持續關連交易。

根據上市規則第14A.55條，獨立非執行董事已進行年度審閱，並確認有關更新總供應協議之持續關連交易已：(a)於本集團的日常及一般業務過程中進行；(b)按正常商業條款或按本集團而言，不遜於給予或可由獨立第三方獲取的條款進行；及(c)根據相關協議規限各自交易的條款進行，而有關條款屬公平合理，且符合本公司股東的整體利益。

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

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken in the normal course of business are set out in note 41 to the consolidated financial statements, of which certain transactions also constitute connected transactions as defined in Chapter 14A of the Listing Rules but were exempted from disclosure requirements under the Listing Rules. Save for the aforesaid and those transactions disclosed in the section headed "Continuing Connected Transactions" above, none of them constitutes a connected transaction required for disclosure under Chapter 14A of the Listing Rules. The Company also confirms it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

PERMITTED INDEMNITY PROVISIONS

Each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her office or otherwise in relation thereto in accordance with the Articles of Association.

Directors and officers liability insurance are currently in force and in place to protect the Directors, officers and/or the directors of the associated corporation of the Company against potential costs and liabilities arising from claims brought against them. Permitted indemnity provision are set out in such insurance contracts.

根據香港會計師公會頒佈的香港鑒證業務準則第3000號「非審核或審閱過往財務資料的鑒證工作」規定，並參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」，本公司核數師獲委聘就本集團的持續關連交易作出報告。根據上市規則第14A.56條，本公司核數師已就上述持續關連交易的審查結果及結論發出無保留意見函件。核數師函件的副本已經由本公司提交聯交所。

本公司已遵守根據上市規則第14A章之披露規定。

關聯方交易

於正常業務過程中進行的重大關聯方交易詳情載於綜合財務報表附註41，其中若干交易亦構成上市規則第14A章所界定之關連交易，惟獲豁免遵守上市規則之披露規定。除上述者及上文「持續關連交易」一節披露的該等交易外，其概無構成上市規則第14A章所規定須予披露的關連交易。本公司亦確認，其已遵守上市規則第14A章之披露規定。

准許彌償條文

根據組織章程細則，本公司各董事或其他高級職員可自本公司的資產獲取彌償，以補償彼履行職責時或就此在其他方面蒙受或產生的所有損失或責任。

董事及高級人員之責任保險目前已生效及投購，以保障董事、高級人員及／或本公司相聯法團董事毋須承擔對彼等提出之索償所產生之潛在成本及責任。准許彌償條文載於有關保險合約。

REPORT OF THE DIRECTORS

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 31 December 2019.

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out in the “Corporate Governance Report” on pages 62 to 78 of this report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the business and operation of the Group during the Reporting Period.

EVENT AFTER THE REPORTING PERIOD

An outbreak of respiratory illness caused by novel coronavirus (the “2019-nCoV”) has been spreading across the PRC and globally. Since then, major cities in the PRC have taken emergency public health measures and draconian measures including travel restrictions in an effort to contain the coronavirus outbreak.

Guangdong Jiyi, Meizhou Jisheng, Jiyi Xinya, Shanghang Jiyi, Zhongshan Jiyi and Shenzhen Jiyi, indirectly wholly-owned subsidiaries of the Company, have been directed by the respective local governments to facilitate the prevention and control measures of the novel coronavirus pneumonia epidemic (the “Epidemic”), including prolonging the Chinese New Year holidays and adopting safety reparations for resuming operation under the guidance and approval of the local government.

足夠公眾持股量

於截至二零一九年十二月三十一日止全年度，本公司維持上市規則規定之足夠公眾持股量。

企業管治

本公司採納之主要企業管治常規報告載於本報告第62至78頁的「企業管治報告」內。

遵守相關法律法規

據董事會所知，於報告期間，本集團並未有重大違反或不遵守任何對本集團業務及運營有重大影響之適用法律及法規。

報告期後事項

由新型冠狀病毒（「2019-nCoV」）引致之呼吸系統疾病爆發已於中國及全球蔓延。自當時起，中國主要城市已採取突發公共衛生事件措施及嚴厲措施（包括旅遊限制），以遏止冠狀病毒爆發。

各個地方政府已指示本公司之間接全資附屬公司廣東集一、梅州集勝、集一信雅、上杭集一、中山集一及深圳集一促成新型冠狀病毒肺炎疫情（「疫情」）之防控措施，包括延長農曆新年假期，並在地方政府指引及批准下採取恢復運作之安全準備。

Further, the Group, including Guangdong Jiayi, Meizhou Jisheng, Jiayi Xinya, Shanghang Jiayi, Zhongshan Jiayi and Shenzhen Jiayi, has implemented prevention and control measures in response to the Epidemic, such as keep close track of the employees' health situation and the development of the Epidemic, to ensure the Group's continued capacity to operate its business.

The directors of the Company will continue to assess the impact of the Epidemic on the Group's operation and financial performance and closely monitor the Group's exposure to the risks and uncertainties in connection with the Epidemic.

AUDITORS

On 20 September 2019, PricewaterhouseCoopers ("PwC") has resigned as the auditor of the Company with effect from 20 September 2019 as the Company and PwC could not reach an agreement on the audit fee for the financial year ending 31 December 2019. The Board, with the recommendation from the Audit Committee, has resolved to appoint Deloitte Touche Tohmatsu as the auditor of the Company with effect from 20 September 2019 to fill the casual vacancy following the resignation of PwC and to hold office until the conclusion of the forthcoming annual general meeting of the Company.

Please refer to the announcement of the Company dated 20 September 2019 for more details.

The consolidated financial statements for the year ended 31 December 2019 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Hou Wei
Chairlady

Hong Kong, 31 March 2020

此外，本集團（包括廣東集一、梅州集勝、集一信雅、上杭集一、中山集一及深圳集一）已為應對疫情實施防控措施，例如密切追蹤僱員健康狀況及疫情發展，以確保本集團能夠繼續經營業務。

本公司董事將繼續評估疫情對本集團營運及財務表現之影響，並密切監察本集團就疫情承受之風險及不確定因素。

核數師

於二零一九年九月二十日，羅兵咸永道會計師事務所（「羅兵咸永道」）已辭任本公司核數師，自二零一九年九月二十日起生效，原因為本公司與羅兵咸永道未能就截至二零一九年十二月三十一日止財政年度之核數費用達成協議。董事會於審核委員會推薦下，決議委任德勤•關黃陳方會計師行為本公司之核數師，自二零一九年九月二十日起生效，以填補羅兵咸永道辭任後出現之臨時空缺，並任職至本公司下屆股東週年大會結束為止。

更多詳情請參閱本公司日期為二零一九年九月二十日之公告。

截至二零一九年十二月三十一日止年度之綜合財務報表已經德勤•關黃陳方會計師行審核，其將於本公司應屆股東週年大會上退任，惟合資格並願意獲續聘連任。

代表董事會

侯薇
主席

香港，二零二零年三月三十一日

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises three executive Directors, one non-executive Director and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (“CG Code”) set out in Appendix 14 to the Listing Rules. During the year ended 31 December 2019 and up to the date of this report, the Company has complied with the code provisions under the CG Code, save and except for the deviation to code provision A.2.1 as stated below.

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Prior to 29 November 2019, the chairlady and chief executive officer of the Company were held by Ms. Hou Wei who has extensive experience in the industry. During the period from 1 January 2019 to 29 November 2019, the Board believes that Ms. Hou can provide the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies. The Board also considers that the past structure of vesting the roles of chairlady and chief executive officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. In order to further comply with the Code Provision A.2.1 of the CG Code, the Board approved and announced on 29 November 2019 that Ms. Deng Yiyi (“Ms. Deng”) has been appointed as the chief executive officer of the company with effect from 29 November 2019. Ms. Deng is the daughter of Ms. Hou, who is the Chairlady, an executive director, and a substantial shareholder of the Company. The Board will review this structure from time to time to ensure appropriate and timely action are to be taken to meet changing circumstances.

企業管治常規守則

本公司一直致力保持高水平企業管治，以保障本公司股東權益及提升企業價值及責任。董事會由三名執行董事、兩名非執行董事及三名獨立非執行董事組成。董事會已採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）之守則條文。於截至二零一九年十二月三十一日止年度及直至本報告日期，本公司已遵守企業管治守則項下之守則條文，惟以下守則條文第A.2.1條有所偏離者除外。

企業管治守則之守則條文第A.2.1條規定，主席與行政總裁的角色應有所區分，不應由同一人擔任。於二零一九年十一月二十九日前，本公司主席兼行政總裁為侯薇女士，其擁有豐富的行業經驗。於二零一九年一月一日至二零一九年十一月二十九日期間，董事會認為，侯女士可在本公司發揮強大且貫徹的領導才能，亦可有效及高效地規劃及實施業務決策及策略。董事會亦認為，過往由同一人擔任主席及行政總裁的架構不會破壞本公司董事會與管理層之間的權力平衡。為進一步遵守企業管治守則之守則條文第A.2.1條，董事會於二零一九年十一月二十九日批准及宣佈鄧禕禕女士（「鄧女士」）已獲委任為本公司行政總裁，自二零一九年十一月二十九日起生效。鄧女士為侯女士之女兒，而侯女士為本公司之主席、執行董事及主要股東。董事會將不時檢討該架構，以確保及時採取適當行動應對不斷變化的情況。

COMPLIANCE WITH MODEL CODE

The Directors have adopted the Model Code for Securities Transactions by Directors of Listed Issuer (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in dealing in the Company’s securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2019. Relevant employees who are likely to be in possession of unpublished inside information of the Group are also subject to compliance with written guidelines or no less exacting terms than the Model Code throughout the year ended 31 December 2019.

BOARD OF DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board has established three board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a “Board Committee” and collectively the “Board Committees”), to oversee different areas of the Company’s affairs.

遵守標準守則

董事已採納上市規則附錄十所載上市發行人董事進行證券交易之標準守則（「標準守則」），作為董事買賣本公司證券之操守守則。經向全體董事進行具體查詢後，全體董事已確認彼等於截至二零一九年十二月三十一日止全年度已全面遵守標準守則所載之規定交易準則。可能擁有本集團未公開內幕消息之有關僱員亦須於截至二零一九年十二月三十一日止全年度遵守書面指引，或不遜於標準守則之條款。

董事會

董事會致力為本公司提供有效及負責任之領導。董事須個別及共同地為本公司及其股東之最佳利益真誠行事。董事會已設立三個董事委員會（即審核委員會、薪酬委員會及提名委員會（各自稱為「董事委員會」及統稱為該等「董事委員會」），以監督本公司不同範疇之事務。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board currently comprises three executive Directors, namely Ms. Hou Wei (chairlady), Mr. Liu Xianxiu and Mr. Yang Baikang, one non-executive Director, Mr. Hou Bo and three independent non-executive Directors, namely, Mr. Ye Yihui, Mr. Ho Hin Yip and Mr. Hou Lianchang.

Their biographical details and (where applicable) their family relationships are set out in the section headed “Biographical Details of Directors and Senior Management” on pages 24 to 35 in this annual report. A List of Directors identifying their roles and functions is available on the Stock Exchange’s and the Company’s website.

Save as otherwise disclosed, there is no relationship between any members of the Board, and no information relating to the Directors is required to be disclosed pursuant to rules 13.51(2) and 13.51(B)(1) of the Listing Rules.

The Board sets the Group’s overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Group. It also decides on matters such as annual and interim results, major transactions, director appointments or re-appointments, investment policy, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group’s businesses to the executive Directors and members of senior management. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate.

All Directors are required to declare to the Board upon their first appointment, the directorships or other positions they are concurrently holding at other companies or organisations. These interests are updated on an annual basis as and when necessary.

董事會目前包括三名執行董事（即侯薇女士（主席）、劉賢秀先生及楊柏康先生）、一名非執行董事（侯波先生）及三名獨立非執行董事（即葉義輝先生、何衍業先生及侯聯昌先生）。

彼等之履歷及（如適用）彼等之家屬關係載於本年報第24至35頁「董事及高級管理層履歷」一節。列明董事角色及職能之董事名單可於聯交所及本公司網站查閱。

除另有披露者外，董事會任何成員之間概無關係，亦概無有關董事之資料須根據上市規則第13.51(2)及13.51(B)(1)條予以披露。

董事會制定本集團之整體目標及策略、監察及評估其營運及財務表現並審閱本集團之企業管治準則。其亦就年度及中期業績、主要交易、董事委任或續聘、投資政策、股息及會計政策等事宜作出決定。董事會已指派及授權執行董事及高級管理層成員負責執行其業務策略及管理本集團業務之日常營運。董事會定期檢討所委派職能及權力以確保有關委派仍屬合適。

全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任之董事或其他職務，有關利益申報每年及於需要時更新。

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision A.4.1 of the CG Code stipulates that non-executive Directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the executive Directors has entered into a service contract with the Company and is appointed for a specific term of three years unless terminated by not less than three months' notice in writing served by either the executive Director or the Company.

The non-executive Director and the independent non-executive Directors have each signed an appointment letter with the Company and is appointed for a specific term of three years.

CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to provision D.3.1 of the CG Code, which include: (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosure in the corporate governance report of the annual report of the Company.

委任及重選董事

企業管治守則之守則條文第A.4.1條規定，非執行董事應以特定任期委任，並須接受重選，而守則條文第A.4.2條規定，所有為填補臨時空缺而獲委任之董事須於其獲委任後之首屆股東大會上接受股東重選，且每一名董事（包括以特定任期獲委任者）須至少每三年輪值退任一次。

各執行董事已與本公司訂立服務合約，並以三年特定任期獲委任，除非執行董事或本公司發出不少於三個月書面通知終止。

非執行董事及獨立非執行董事已各自與本公司簽署委任函，並以三年特定任期獲委任。

企業管治職能

董事會根據其企業管治守則第D.3.1條履行本公司的企業管治職能，其中包括：(a)制定及檢討本公司的企業管治政策及常規；(b)檢討及監察本集團董事及高級管理層的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察本集團僱員及董事的操守準則及合規手冊（如有）；及(e)檢討本公司企業管治守則的遵守情況及在本公司年報的企業管治報告內的相關披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has performed the abovementioned corporate governance functions during the year ended 31 December 2019.

BOARD MEETINGS

The Board held seven Board meetings during the year ended 31 December 2019, and a tentative schedule for four regular Board meetings for 2019 has been provided to the Directors at the beginning of the year. The attendance of each Director at the Board meetings is set out on page 72.

Between scheduled regular Board meetings, Directors may approve various matters by way of passing written resolutions. Additional Board meetings may be arranged if required. In addition, at least 14 days' notice of a regular Board meeting shall be given and the Company aims at sending the agenda and the accompanying board papers to Directors at a reasonable time before the intended date of a Board meeting.

The Company Secretary assists in preparing the agenda for the Board meeting and ensures that all applicable rules and regulations regarding Board meetings are complied with. Minutes of the Board and Board committees' meetings are kept by the Company Secretary, which are available to all Directors for inspection.

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Group and the responsibilities of the external auditor to the shareholders are set out in the "Independent Auditor's Report" on pages 93 to 103.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

Appropriate insurance coverage has been arranged in respect of indemnification against costs, charges, losses, expenses and liabilities that may be incurred by the Directors and officers of the Company in the execution and discharge of their duties.

董事會於截至二零一九年十二月三十一日止年度內已履行上述企業管治職能。

董事會會議

董事會已於截至二零一九年十二月三十一日止年度內舉行七次董事會會議，並已於年初向董事提供四次二零一九年常規董事會會議的暫定時間表。各董事出席董事會會議的情況載於第72頁。

於常規董事會會議之間，董事可以書面決議形式批准各項事宜。若有需要，可召開額外董事會會議。此外，董事會常規會議一般須發出至少14天通知，而本公司亦致力於在董事會會議預定日期前一段合理時間向董事發出議程及隨附董事會文件。

公司秘書協助準備董事會會議之議程，並確保遵守所有有關董事會會議的適用規則及法規。公司秘書亦保存董事會及董事委員會會議記錄，並供全體董事查閱。

董事確認其編製本集團綜合財務報表的責任，及外聘核數師對股東的責任載於第93至103頁的「獨立核數師報告」內。

董事及高級人員責任保險

本公司已就彌償本公司董事及高級人員於執行及履行彼等之職責時可能產生之成本、支出、損失、開支及負債安排合適保險。

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to Code Provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills. For the year ended 31 December 2019, each of the Directors has been given relevant guideline materials to ensure that they are apprised of the latest changes in the commercial, legal and regulatory requirements in relation to the Company's businesses, and to refresh their knowledge and skills on the roles, functions and duties of a listed company director.

New Directors, on appointment, will be given an induction package containing all key legal and Listing Rules' requirements as well as guidelines on the responsibilities and obligations to be observed by a director. The package will also include the latest published financial reports of the Company and the documentation for the corporate governance practices adopted by the Board.

The Company also continuously updates Directors on the latest developments regarding Listing Rules and other applicable regulatory requirements to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are also issued to Directors where appropriate to ensure their awareness of best corporate governance practices.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. They serve actively on the Board and its committees to provide their independent and objective views.

董事之持續專業發展

根據企業管治守則之守則條文A.6.5條規定，所有董事均須參與持續專業發展，以培養及更新自己的知識及技能。截至二零一九年十二月三十一日止年度，各董事已獲提供相關指導材料，以確保彼等掌握本公司業務的商業、法律與規管環境的最新變化，並更新有關彼等作為上市公司董事的角色、職能及職責的知識及技能。

新董事在獲委任後將會取得就任資料文件，載有所有主要法律及上市規則規定，以及有關董事應遵守之責任及義務之指引。資料文件亦包括本公司最新公告之財務報告及董事會採納之企業管治常規文件。

本公司亦持續向董事提供有關上市規則及其他適用監管規定的最新資料，以確保董事遵守該等規則及提高及提升彼等對良好企業管治常規的認識，並向董事（倘合適）發出通函或指引，以確保彼其了解最佳企業管治常規。

獨立非執行董事之獨立性

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團之整體利益。彼等於董事會及其委員會上積極提供彼等之獨立及客觀的意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

In compliance with rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. Two of the independent non-executive Directors namely, Mr. Ye Yihui and Mr. Ho Hin Yip, have the appropriate professional qualifications, or accounting or related financial management expertise as required by rule 3.10(2) of the Listing Rules. The Company has received from each of the independent non-executive Directors a written confirmation of his independence and has satisfied itself of such independence in accordance with the independent guidelines as set out in rule 3.13 of the Listing Rules.

BOARD COMMITTEES

The Board is supported by three Board Committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the respective websites of the Stock Exchange and the Company.

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

為遵守上市規則第3.10(1)條及3.10A條，本公司已委任三名獨立非執行董事，超過董事會人數三分之一。按上市規則第3.10(2)條的規定，其中兩名獨立非執行董事（即葉義輝先生及何衍業先生）具備合適專業資格或會計或相關財務管理專業知識。本公司已根據上市規則第3.13條所載獨立指引，自各獨立非執行董事收取獨立性確認書，並信納全體獨立非執行董事均屬獨立。

董事委員會

董事會獲得三個董事委員會（即審核委員會、提名委員會及薪酬委員會）支援。各董事委員會均設經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於聯交所及本公司各自的網站可供查閱。

所有董事委員會均獲提供足夠資源以履行其職責，包括於被視為有需要時取得管理或專業意見。

Audit Committee

As at 31 December 2019 and the date of this report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Ye Yihui, Mr. Ho Hin Yip and Mr. Hou Lianchang. Mr. Ye Yihui, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, to oversee the external and internal audit processes, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by the Board.

There were 4 meetings of the Audit Committee held during the year ended 31 December 2019. The attendance of each Director at the Audit Committee meetings is set out on page 72. During the year under review, the members of the Audit Committee reviewed the accounting principles and practices adopted by the Group, reviewed the consolidated financial statements of the Group for the year ended 31 December 2018 and for the six months ended 30 June 2019, reviewed the risk assessment results, the internal audit activities for 2019 and discussed the audit plans for the year ended 31 December 2019 with the external auditor.

In addition, the Audit Committee held one meeting in March 2020. The Audit Committee reviewed the Group's annual results for the year ended 31 December 2019.

The Audit Committee monitors the audit and non-audit services rendered to the Group by the external auditor and ensures that the engagement of external auditor in non-audit services will not impair its audit independence or objectivity.

審核委員會

於二零一九年十二月三十一日及本報告日期，審核委員會包括三名獨立非執行董事（即葉義輝先生、何衍業先生及侯聯昌先生）。葉義輝先生具備適當專業資格及於會計事務之經驗，獲委任為審核委員會主席。

審核委員會的主要職責為透過提供有關本集團財務申報程序、風險管理及內部監控制度有效性的獨立意見協助董事會監督外部及內部審核程序、制定及檢討本集團的政策以及履行董事會指派的其他職務及職責。

於截至二零一九年十二月三十一日止年度內共舉行4次審核委員會會議。各董事於各審核委員會會議的出席情況載於第72頁。於回顧年度，審核委員會成員已檢討本集團採納之會計原則及慣例、審閱本集團截至二零一八年十二月三十一日止年度及截至二零一九年六月三十日止六個月之綜合財務報表、檢討二零一九年的風險評估結果及內部審計活動並與外部核數師討論截至二零一九年十二月三十一日止年度的審計計劃。

此外，審核委員會於二零二零年三月共舉行一次會議。審核委員會審核本集團截至二零一九年十二月三十一日止年度的年度業績。

審核委員會監控由外聘核數師向本集團提供的審核及非審核服務，並確保委聘外聘核數師提供非審核服務將不會損害其審核獨立性或客觀性。

CORPORATE GOVERNANCE REPORT

企業管治報告

For the year ended 31 December 2019, the fees in respect of the audit and non-audit services provided to the Group by Deloitte Touche Tohmatsu, is set out as follows:

於截至二零一九年十二月三十一日止年度，就德勤•關黃陳方會計師行向本集團提供的審核及非審核服務而支付的費用載列如下：

		Fee 費用 RMB 人民幣
Statutory audit services	法定審核服務	1,550,000
Non-statutory audit services	非法定審核服務	—

Remuneration Committee

薪酬委員會

As at 31 December 2019 and the date of this report, the Remuneration Committee comprises two independent non-executive Directors and one executive Director, namely Mr. Hou Lianchang, Mr. Ye Yihui and Mr. Liu Xianxiu. Mr. Hou Lianchang is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Directors regarding the Group's policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies; (ii) making recommendations to the Board on the remuneration packages of our Directors and senior management; (iii) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (iv) considering and approving the grant of share options to eligible participants pursuant to the Share Option Scheme.

於二零一九年十二月三十一日及本報告日期，薪酬委員會包括兩名獨立非執行董事及一名執行董事，即侯聯昌先生、葉義輝先生及劉賢秀先生。侯聯昌先生為薪酬委員會主席。薪酬委員會的主要職責包括（但不限於）：(i)就本集團所有董事及高級管理層的薪酬政策及架構和設立制定薪酬政策的正式及透明程序向董事提供建議；(ii)就董事及高級管理層的薪酬待遇向董事會提供建議；(iii)參照董事會的企業目標和目的，審閱及批准管理層的薪酬建議；及(iv)考慮及批准根據購股權計劃向合資格參與人授出購股權。

There was one meeting of the Remuneration Committee held during the year ended 31 December 2019. The attendance of each Director at the Remuneration Committee meeting is set out on page 72. During the year under review, the members of the Remuneration Committee reviewed the existing remuneration policy and package of all existing Directors and senior management.

於截至二零一九年十二月三十一日止年度內已舉行一次薪酬委員會會議。各董事於薪酬委員會會議的出席情況載於第72頁。於回顧年度，薪酬委員會成員已檢討全體現有董事及高級管理層的現有薪酬政策及方案。

Details of the Directors' emoluments for the year ended 31 December 2019 are set out in note 13 to the consolidated financial statements.

The emoluments paid to each of four members of senior management of the Company was between RMB0 to RMB1 million for the year ended 31 December 2019.

Nomination Committee

As at 31 December 2019 and the date of this annual report, the Nomination Committee comprises two independent non-executive Directors and one executive Director, namely Mr. Hou Lianchang, Mr. Ye Yihui and Ms. Hou Wei. Ms. Hou Wei is the Chairlady of the Nomination Committee. The primary duties of the Nomination Committee is to identify individuals suitably qualified to become Board members and select, or make recommendations to the Board on the selection of, individuals nominated for directorships.

There was one meeting of the Nomination Committee held during the year ended 31 December 2019. The attendance of each Director at the Nomination Committee meeting is set out on page 72. During the year under review, the members of the Nomination Committee reviewed the structure, size and composition of the Board and reviewed the objectives set for implementing the board diversity policy.

The Company believes that diversity of Board members can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, length of service and the legitimate interests of the Company's principal shareholders. All Board's appointment are based on the merits of the candidates and the Board believes that doing so will be consistent with achieving a diversity of perspectives.

截至二零一九年十二月三十一日止年度的董事酬金詳情載於綜合財務報表附註13。

截至二零一九年十二月三十一日止年度，本公司支付予本公司四位高級管理層成員之酬金介乎於人均人民幣0元至人民幣1百萬元之間。

提名委員會

於二零一九年十二月三十一日及本年報日期，提名委員會包括兩名獨立非執行董事及一名執行董事，即侯聯昌先生、葉義輝先生及侯薇女士。侯薇女士為提名委員會主席。提名委員會的主要職責為物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事或就此向董事會提供建議。

於截至二零一九年十二月三十一日止年度內已舉行一次提名委員會會議。各董事於提名委員會會議的出席情況載於第72頁。於回顧年度，提名委員會成員已檢討董事會的架構、規模及組成並檢討為實施董事會多元化政策而設定之目標。

本公司相信董事會多元化可透過考慮多個因素而達成，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識、服務年期及本公司的主要股東的正當利益。所有董事會的委任均根據候選人擇優遴選，而董事會相信此將與實現多元化角度一致。

CORPORATE GOVERNANCE REPORT

企業管治報告

The individual attendance records of each Director at the physical meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee and at the general meeting of the Company during the are set out below:

截至二零一九年十二月三十一日止年度，各董事出席董事會、審核委員會、薪酬委員會及提名委員會會議以及本公司股東大會之個別出席記錄載列如下：

Name of Director 董事姓名		Number of physical meetings attended/held during his/her tenure 於其任期內出席／舉行之會議數目				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會
Executive Directors 執行董事						
Ms. Hou Wei	侯薇女士	7/7	N/A 不適用	N/A 不適用	1/1	1/1
Mr. Liu Xianxiu	劉賢秀先生	7/7	N/A 不適用	1/1	N/A 不適用	1/1
Mr. Yang Baikang	楊柏康先生	7/7	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Non-executive Director 非執行董事						
Mr. Hou Bo	侯波先生	7/7	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Independent non-executive Directors 獨立非執行董事						
Mr. Ye Yihui	葉義輝先生	7/7	4/4	1/1	1/1	1/1
Mr. Ho Hin Yip	何衍業先生	7/7	4/4	N/A 不適用	N/A 不適用	1/1
Mr. Hou Lianchang	侯聯昌先生	7/7	4/4	1/1	1/1	1/1

FINANCIAL REPORTING

The Board acknowledges its responsibility to prepare the Group's financial statements which give a true and fair view of the Group's state of affairs, results and cash flows for the year and in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the disclosure requirements of the Hong Kong Companies Ordinance. The Group has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgements and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Group or cast doubts on its ability to continue as going concern.

The responsibilities of the Company's external auditors with respect to financial reporting are set out in the section headed "Independent Auditor's Report" in this annual report.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises its responsibility to ensure the Group maintains a sound and effective internal control and risk management system. However, risk-taking is an inherent element of the Group's business and operation. The Group's risk management and internal control systems are designed to management rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also designed to safeguard assets against misappropriation and unauthorised disposition and to manage operational risks. Review of the Group's internal controls covering major financial, operational and compliance control as well as risk management functions. The Group's risk management framework includes the following elements:

財務報告

董事會明白本身有責任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之披露規定編製本集團財務報表，而有關報表須真實公平反映本集團於本年度的事務狀況、業績及現金流量。本集團已根據審慎及合理判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉與可能影響本集團業務或致令本集團持續經營能力成疑之事件或狀況有關的任何重大不確定因素。

本公司外聘核數師就財務申報承擔的責任載於本年報「獨立核數師報告」一節。

內部監控及風險管理

董事會確認其確保本集團維持健全有效內部監控及風險管理系統的責任。然而，風險承擔乃本集團業務及營運內在要素。本集團的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。其亦乃為確保資產不會被不當挪用及未經授權處理以及管理經營風險而設計。對本集團內部監控的審閱涵蓋主要財務、營運及合規監控，以及風險管理職能。本集團的風險管理體系包括以下要素：

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- identify significant risks in the Group's operation environment and evaluate the impacts of those risks on the Group's business;
- develop necessary measures to manage those risks; and
- monitor and review the effectiveness of such measures.
- 識別本集團營運環境的重大風險及評估該等風險對本集團業務的影響；
- 設計必要措施管理該等風險；及
- 監控及檢討有關措施的有效性。

The implementation of risk management framework of the Group was assisted by the Group's internal audit department which was responsible for the internal audit function so that the Group could ensure new and emerging risks relevant to the Group's operation are promptly identified by management, assess the adequacy of action plans to manage these risks and monitor and evaluate the effectiveness of the action plans.

With respect to procedures and internal controls for the handling and dissemination of inside information, the Group: i) carries out its daily operation with regards to the "Guidance on Disclosure of Inside Information" issued by the Securities and Futures Commission of Hong Kong; and ii) closely communicates with its legal advisor regarding whether the relevant information is likely to have impact on the price of the shares of the Company or their trading volume and thus is considered as inside information that needs to be disclosed pursuant to the Inside Information Provisions under Part XIVA of the SFO and the Listing Rules.

本集團負責內部審計職能的內部審計部門協助實施本集團的風險管理體系，以使本集團確保涉及本集團營運的新近出現之風險可被管理層即時識別，評估管理該等風險之執行方案的充足性並監控及評估執行方案的有效性。

就有關處理及發佈內幕消息的程序及內部監控而言，本集團：i)按照香港證券及期貨事務監察委員會頒佈的「內幕消息披露指引」開展其日常營運；及ii)與其法律顧問就相關信息是否有可能對本公司股價或其交易量產生影響進行密切溝通，從而被視為須根據證券及期貨條例第XIVA部內幕消息條文及上市規則予以披露的內幕消息。

The Audit Committee is responsible for reporting to the Board the implementation of the Group's risk management, internal control policy which among other things, included the determination of risk factors, evaluation of risk level the Group could take and effectiveness of risk management measures. During the Reporting Period, a review was conducted by the Audit Committee together with the Group's internal audit department in compliance with Code Provision C.2 of the CG Code. The Board acknowledges the review of the effectiveness of the risk management and risk control systems should be an on-going process and plans to conduct reviews quarterly commencing from the coming financial year. For resolving defects and weaknesses of internal controls and accounting procedures of the Group which the external auditors and the Group's internal audit department have identified and reported to the Company, the Company would pay full attention to the recommendations made by the external auditors and the Group's internal audit department and make appropriate improvements. Based on the reports from the Group's internal control department and the Audit Committee, the Board considers the Group's risk management and internal control system is adequate and effective and the Group has complied with the provisions on risk management and internal controls as set out in the CG code.

COMPANY SECRETARY

Mr. Lo Wai Siu has been appointed as company secretary of the Company on 19 February 2019. He fulfills the requirements under rule 3.28 of the Listing Rules. The biographical details of Mr. Lo Wai Siu is set out in the paragraph headed "Biographical Details of Directors and Senior Management" of this annual report.

During the Reporting Period, Mr. Lo took no less than 15 hours of relevant professional training in compliance with rule 3.29 of the Listing Rules.

審核委員會負責向董事會報告本集團的風險管理、內部控制政策的實施情況，其中包括釐定風險因素，評估本集團可承受之風險等級及風險管理措施的有效性。於報告期間，審核委員會連同本集團內部審計部門根據企業管治守則之守則條文第C.2條進行審閱。董事會明白風險管理及風險監控系統之審閱有效性須按持續性基準，並計劃自未來財政年度起實施季度審閱。外聘核數師及本集團的內部審計部門已識別本集團的內部監控及會計程序的正在解決的瑕疵及薄弱環節，並已向本公司報告。本公司將充分重視外部核數師及本集團的內部審計部門作出的推薦建議並作出適當改善措施。基於本集團內部控制部門及審核委員會的報告，董事會認為本集團的風險管理及內部控制系統乃為充分有效及本集團已遵守企業管治守則所載之風險管理及內部控制的條文。

公司秘書

羅偉兆先生已於二零一九年二月十九日獲委任為本公司之公司秘書。彼達到上市規則第3.28條之要求。羅偉兆先生之履歷載於本年報「董事及高級管理層履歷」一段。

於報告期間，羅先生已根據上市規則第3.29條接受不少於15小時之相關專業培訓。

CORPORATE GOVERNANCE REPORT

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SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. The Company shall in each year hold a general meeting as its annual general meeting. All general meetings other than annual general meetings shall be called extraordinary general meetings ("EGM").

Right to convene EGM

Any two or more members of the Company, at the date of the deposit of a written requisition holding not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings, shall at all times have the right to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must specify the objects of the meeting, signed by the requisitionists and deposit it with the Company Secretary of the Company at the Company's principal place of business in Hong Kong at Room 1405, 14th Floor, Jubilee Centre, 18 Fenwick Street, Wanchai, Hong Kong.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the EGM to be held within a further 21 days, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the EGM, but any EGM shall not be held after the expiration of three months from the date of deposit of the requisition.

An EGM so convened by the requisitionists shall be convened in the same manner, as nearly possible, as that in which meetings are to be convened by the Board.

股東權利

本公司股東大會為股東及董事會提供溝通機會。本公司應每年舉行股東大會作為其股東週年大會。除股東週年大會以外的所有股東大會為股東特別大會（「股東特別大會」）。

召開股東特別大會的權利

任何兩名或以上於書面請求發出日期持有不少於十分之一有權於股東大會上投票的本公司已繳足股本的股東，隨時有權要求董事會就該請求處理指定的任何事務召開股東特別大會。

書面請求必須述明會議的目的，由請求人簽署並交予本公司公司秘書，地址為本公司的香港主要營業地點香港灣仔分域街18號捷利中心14樓1405室。

倘董事會於該請求書交付日期起計21天內未有正式落實將於往後21天內召開股東特別大會，請求人或任何佔全體一半以上總表決權的人士可自行召開股東特別大會，惟任何股東特別大會不得在交付請求日期起計三個月屆滿後舉行。

由請求人如此召開的股東特別大會須盡可能以接近董事會召開股東大會的方式召開。

Right to put enquiries to the Board

Shareholders may, at any time, direct questions or requests for information to the Directors or management through the communication channel provided in “Contact Us” section in the Company’s website at www.gdjiji.com or in writing and sent by post to the Company’s principal place of business in Hong Kong.

Right to put forward proposals at general meetings

As a matter of Cayman Islands law, no shareholders are permitted to propose new resolutions at the general meetings if the intention to propose the new resolutions is not specified in the notice convening the general meeting. However, procedures for proposing candidate(s) for election as Directors at a shareholder’s meeting are set out in the Corporate Governance section of the “Investor Relations” section of the Company’s website at www.gdjiji.com.

向董事會作出查詢的權利

股東可於任何時間透過本公司網站 (www.gdjiji.com)的「聯繫我們」一節所提供的溝通渠道或以書面及郵寄至本公司香港主要營業地點向董事或管理層指出疑問或要求資料。

於股東大會提呈議案的權利

就開曼群島法例而言，倘提呈新決議案的意向並未於召開股東大會的通告上指明，概無股東獲准於股東大會提呈新決議案。然而，於股東大會上建議董事候選人的程序載於本公司網站 (www.gdjiji.com)的「投資者關係」一節的企業管治一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTORS RELATIONS

The Company believes that communicating with its shareholders, investors and other stakeholders by electronic means, particularly through its website, is an efficient way of distributing information in a timely and convenient manner. The Company's website has a dedicated "Investor Relations" section which publishes the following information:

- the Board, committee charters, key corporate governance policies and constitutional documents;
- announcements, press and release made to the market and media;
- annual and half yearly reports and all material information lodged with the Stock Exchange; and
- notices of general meetings and explanatory materials, if any.

During the year ended 31 December 2019, there had been no significant change in the Company's constitutional documents.

投資者關係

本公司相信透過電子方式（特別是其網站）與其股東、投資者及其他持份者溝通乃為及時和便捷的資料發佈方式。本公司網站具有公告以下資料的「投資者關係」章節：

- 董事會、委員會章程、主要企業管治政策及章程文件；
- 公告、向市場及媒體作出的新聞發佈；
- 年度及半年度報告及呈交聯交所的所有重大資料；及
- 股東大會通告及說明材料（如有）。

於截至二零一九年十二月三十一日止年度，本公司章程文件並無重大變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group is committed to ethical corporate citizenship and to promoting sustainability in all of its activities. We demonstrate these commitments through transparent and responsible management of our environment and social values. These values respect and are informed by those of all of our stakeholders, including the communities with which we interact. The requirements listed below apply to the Group's operations. Every subsidiary, each manager and employee, as well as any contractor performing work on behalf of the Group must support this policy.

STAKEHOLDER ENGAGEMENT

The Group understands the importance of developing long-term relationships and constant dialogues with various stakeholders. We seek to balance the views and interests of these various constituencies through constructive conversation.

Shareholders

The Company has established a number of efficient channels of distributing information to its shareholders. The Company regularly reviews these channels to ensure its effectiveness and ensure effective and timely dissemination of relevant information to its shareholders at all times. Shareholders are also encouraged to raise any question to the Company Secretary.

Customers

The Group is committed to providing quality services and products to achieve customer satisfaction. Customer feedback is invaluable as the Group operates in extremely competitive markets. Under different product categories, we have a designated team serving key customers. We also have experienced sales attendants on site who would introduce brands and products based on customers' requirement, and assist the customers by offering advice and guidance on product functions, features, dimensions and installations. To better serve our customers or potential customers who do not visit our sales outlets, we have service hotlines for handling inquiries from them.

本集團致力於成為遵守道德的企業公民及於其所有活動中推廣可持續發展。我們透過透明及負責任的環境及社會價值觀踐行該等承諾。該等價值觀尊重我們所有持份者（包括我們接觸的社區）且彼等知悉該等價值觀。下文所列要求適用於本集團的營運。每間附屬公司、每名經理及僱員以及代表本集團開展工作的任何承包商須支持本政策。

與持份者溝通

本集團深知與各持份者發展長期關係及持續對話的重要性。我們透過具建設性的交談平衡各支持者的意見及權益。

股東

本公司建立多個有效渠道以向其股東分發資料。本公司定期檢討該等渠道以確保其效用以及確保隨時有效及時向其股東發佈有關資料。本公司亦鼓勵股東向公司秘書提問。

客戶

本集團致力於提供優質服務及產品以令客戶滿意。由於本集團經營所在市場之競爭極其激烈，故客戶反饋極其重要。不同產品類別項下均有指定團隊服務主要客戶。我們亦於現場指派有經驗的銷售服務人員，其根據客戶需求介紹品牌及產品，並透過就產品功能、特點、尺寸及安裝提供意見及指引協助客戶。為更好地服務未前往我們銷售門店的客戶或潛在客戶，我們已備有服務熱線以處理其問詢。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employees

The Group had 126 employees as at 31 December 2019. The Group offers competitive remuneration packages commensurate with industry practice and provides various fringe benefits to employees. The Group conducts induction training for all of its new employees and on-going training from time to time during their employment. The nature of training offered depends on their specific field of operation. As the Group continues its expansion, opportunities are always available for hardworking employees.

Suppliers

The Group is committed to upholding laws and regulations that are relevant to its business and closely monitor the Group's policies relating to maintaining of business ethics.

Government

The Group is mainly engaged in the sale and distribution of merchandise and the provision of interior design and engineering services. These activities are mainly subject to the jurisdictions of laws of the PRC. Along with different government laws, rules and regulations, each operating company makes tremendous effort to ensure that it is complied with the relevant laws and regulations.

ENVIRONMENTAL

Environmental Conversation and Emission Reduction

Environmental conservation remains a key focus for the Group. Therefore, we are dedicated to maintaining our energy consumption and emission at low level in every single step. The conscientious use of resources and adoption of best practices across the Group's businesses underlie its commitment to safeguarding the environment. The Group encourages environmental protection, complies with relevant environmental legislations and promotes awareness towards environmental protection to the employees.

僱員

於二零一九年十二月三十一日，本集團有126名僱員。本集團向僱員提供與行業常規相稱的具競爭力薪酬待遇及提供多項附加福利。本集團為其所有新僱員開展入職培訓及於其僱用期間不時提供持續培訓。所提供培訓的性質視乎其特定營運領域而定。由於本集團繼續擴張，努力工作僱員的機會無時不在。

供應商

本集團致力於遵守與其業務有關的法律及法規並緊密監視本集團與商業道德有關的政策。

政府

本集團主要從事銷售及分銷商品以及提供室內設計及工程服務。該等活動主要須遵守中國法律司法權區的規定。連同不同政府法律、規則及法規，各營運公司作出巨大努力以確保遵守相關法律及法規。

環境

環境保護及減排

環境保護仍為本集團的主要關注點。因此，我們於每個步驟中例行節能及按低水平排放。於本集團的業務中謹慎使用資源及採納最佳常規彰顯其保護環境的承諾。本集團鼓勵保護環境、遵守相關環境法律及向僱員強調環保意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In light of the nature of business and operation, the Group does not involve in production of related air, water, land pollutions, greenhouse gas, hazardous waste and non-hazardous waste and does not have any direct or significant impact on the environment and natural resources. Nevertheless, the Group is aware that the daily operation of the office and warehouse consume paper, electricity and water. The Group recognises the impact caused by these consumptions and the production of waste. For the past several years, the Group has been putting emphasis in energy conservation, rolling out IT initiatives to help decrease unnecessary wastage and reduce carbon emission and adopting different policies on use of resources with an aim to reduce the impact on the environment.

Use of Resources

The Group is committed to protecting the environment by enhancing our operational efficiency and energy efficiency to reduce energy, water, paper and waste by following initiatives:

Paper

- Using E-fax to minimise printing needs
- Handling documents electronically except for formal documents
- Using recycled paper and double-sided printing except for formal and confidential documents

Paper Consumption: 1.1 tonnes (2018: 1.2 tonnes)

Total consumption of paper of the Group was about 1.5 tonnes (FY2018: 1.2 tonnes).

就業務性質及經營而言，本集團並無造成空氣污染、水質污染及土地污染，亦無產生溫室氣體、有害廢棄物及無害廢棄物，對環境及自然資源並未產生任何直接或重大影響。儘管如此，本集團了解了辦公室之日常運營及倉庫紙張消耗、耗電及耗水情況。本集團確認該等消耗及廢棄物生產造成之影響。於過去多年來，本集團一直強調能源保護，不斷在資訊科技方面推行各項措施，以期減少不必要的廢棄物及降低碳排放量，並針對資源使用採納不同政策旨在減少對環境的影響。

使用資源

本集團致力於透過以下措施提高我們的營運效率及能源效率，減少能源、水、紙張及廢棄物以保護環境：

紙張

- 使用網上傳真，盡量減少印刷需求
- 以電子方式處理文件（正式文件除外）
- 使用循環紙張及雙面打印紙張（正式及機密文件除外）

紙張耗用量：1.1噸（二零一八年：1.2噸）

本集團的總耗紙量為約1.5噸（二零一八財政年度：1.2噸）。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Electricity

- The use of electricity in the office of the Group must comply with the principles of power saving, safety first, high efficiency and low consumption
- Light and electronic appliances like air-conditioners, computers, photocopy machines, printers in workplace must be turned off when not in use

Electricity Consumption: 484,293 kwh (FY2018: 876,612 kwh)

Total consumption of electricity at the Group's headquarter and other subsidiaries in the PRC was 359,916 kWh (kilowatt-hour) (FY2018: 583,164 kWh) and 124,377 kWh (FY2018: 293,448 kWh) respectively, which produced about 283 tonnes carbon (FY2018: 458 tonnes carbon) and 98 tonnes carbon (FY2018: 230 tonnes carbon) respectively (Assuming that 0.785 kg (kilogram) of carbon will be produced by 1 kWh electricity consumption).

Water

Posting notices at common areas of the office reminding staff members to reduce water consumption and the importance of water saving.

Water Consumption: 4,538 m³ (FY2018: 4,734 m³)

Total consumption of water at the Group's headquarter and other subsidiaries in the PRC was 3,621 m³ (cubic meter) (FY2018: 4,155 m³) and 917 m³ (FY2018: 579 m³) respectively. The Group had not encountered any issue in sourcing water that is fit for purpose.

The consumption of electricity and water reported above are stated in the total amount of their measuring units. As the Group is operating a variety of store portfolios, intensity data (e.g per store or per gross sales area) were not prepared because such indicators may not be meaningful.

電力

- 本集團辦公室用電必須遵守節能、安全第一、高效及低消耗的原則
- 照明及電子設備（如工作場所內的空調、電腦、複印機及打印機）須確保於不再使用時關閉

耗電：484,293千瓦時（二零一八財政年度：876,612千瓦時）

本集團總部及中國其他附屬公司總耗電量分別為359,916千瓦時（二零一八財政年度：583,164千瓦時）及124,377千瓦時（二零一八財政年度：293,448千瓦時），分別產生約283噸碳（二零一八財政年度：458噸碳）及98噸碳（二零一八財政年度：230噸碳）（假設1千瓦時耗電量將產生0.785千克碳）。

水

在辦公室公用地方張貼告示，提醒員工節約用水及其重要性。

用水：4,538立方米（二零一八財政年度：4,734立方米）

本集團總部及中國其他附屬公司總耗水量為3,621立方米（二零一八財政年度：4,155立方米）及917立方米（二零一八財政年度：579立方米）。本集團並未於求取適用水源時遇到任何問題。

上述報告的耗電量及耗水量乃以其計量單位之總量呈列。由於本集團經營多種店舖組合，故強度數據（如按店舖或按銷售面積）並未編寫，因有關指標可能不具意義。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stationery and Furniture

Reusing stationery, furniture and equipment among offices and branches instead of buying new ones or disposing of such materials.

文具及傢俬

在辦公室及分公司重用文具、傢俬及設備，代替購買新用品或棄用該等用品。

Waste

Encouraging recycling through installation of plastic, paper and aluminum recycling boxes at the headquarters.

廢棄物

透過在總部設置膠樽、廢紙及鋁罐回收箱，鼓勵循環再造。

Packaging

During the course of the Group's business operation, it does not generally involve the use of packaging materials and thus its impacts on the environment are considered to be minimal.

包裝

於本集團業務運營過程中通常不涉及使用包裝材料，因此其對環境之影響視為微乎其微。

The Environment and Natural Resources

During the year, with the support of pursuing green practices of the entire Group, we achieved a decrease of approximately 44.8% and approximately 8.3% in consumption of electricity and paper respectively. The consumption of water of the Group decreased by approximately 4.1% during the year ended 31 December 2019.

環境及自然資源

年內，在整個集團支持推行綠色運動下，電及紙張消耗分別減少約44.8%及約8.3%。於截至二零一九年十二月三十一日止年度，本集團的水耗下降約4.1%。

Save as disclosed above, the Group's business has no direct or significant impact on the environment and natural resources

除上述者外，本集團的業務對環境及自然資源並未產生直接或重大的影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL

Employment

The Group adopts fair and open recruitment mechanism with all positions being openly recruited regardless of age, gender, race, nationality, religion, marital status or disability. Apart from internal transfers, all vacancies are published to public via different recruiting channels such as advertisement, online recruitment channels, recruitment fairs, recruitment through Personnel Exchange Center and recommendation.

A formal induction together with a tour of the workplace is provided to all employees on the first day of employment. This aims to welcome the new employees and give them a better understanding of the Group. A brief introduction of employee handbook is provided to ensure new employees are aware of relevant policies and code of conduct. Employee handbook together with various guidelines and benefits are uploaded on the Group's intranet network for the access for all staff members.

As at 31 December 2019, the Group complied with the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and all other relevant Hong Kong/PRC employment laws and regulations that deal with working hours and rest period and had a total of 126 (as at 31 December 2018: 172) full time employees. Breakdowns of the current employees by position and gender, age and years of service are set forth below respectively:

社會

僱傭

本集團採納公平公開的招聘機制，所有崗位均會進行公開招聘，不論年齡、性別、種族、國籍、宗教信仰、婚姻狀況或殘疾與否。除內部調職外，所有空缺均會透過廣告、網上招聘渠道、招聘會、人才交流中心招聘及推薦等不同招聘渠道對外公開。

全部僱員均於入職首日接受正式入職培訓並參觀工作場所，旨在迎新及加深彼等對本集團的瞭解。制定僱員手冊簡介以確保新入職僱員知悉相關政策及行為操守。僱員手冊連同各項指引及福利均上載至本集團內聯網以供全體員工瀏覽。

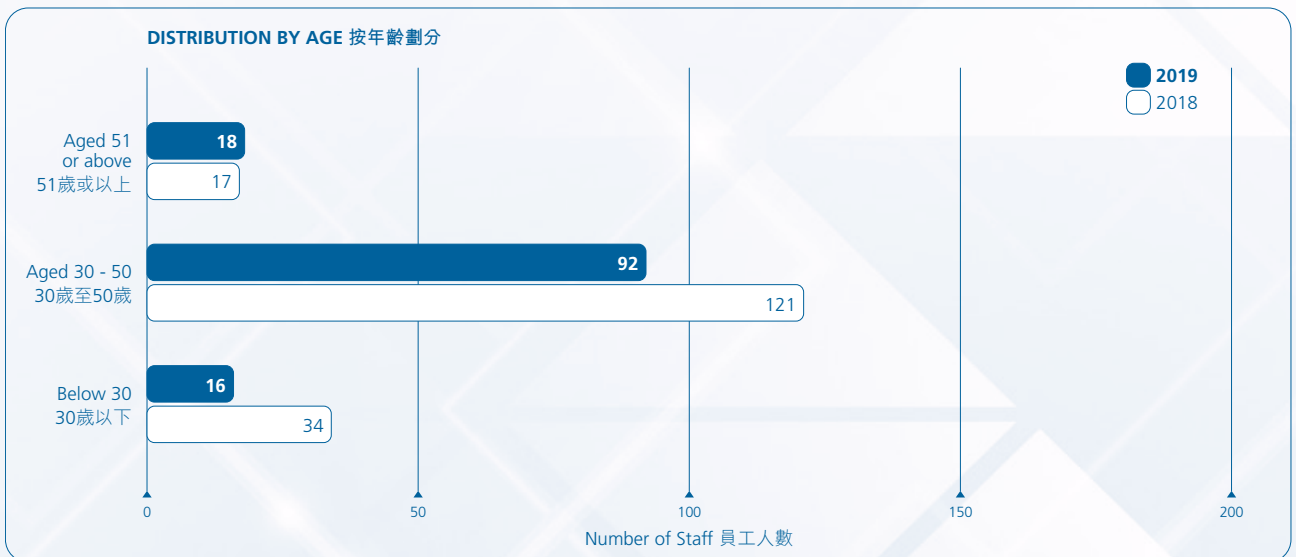
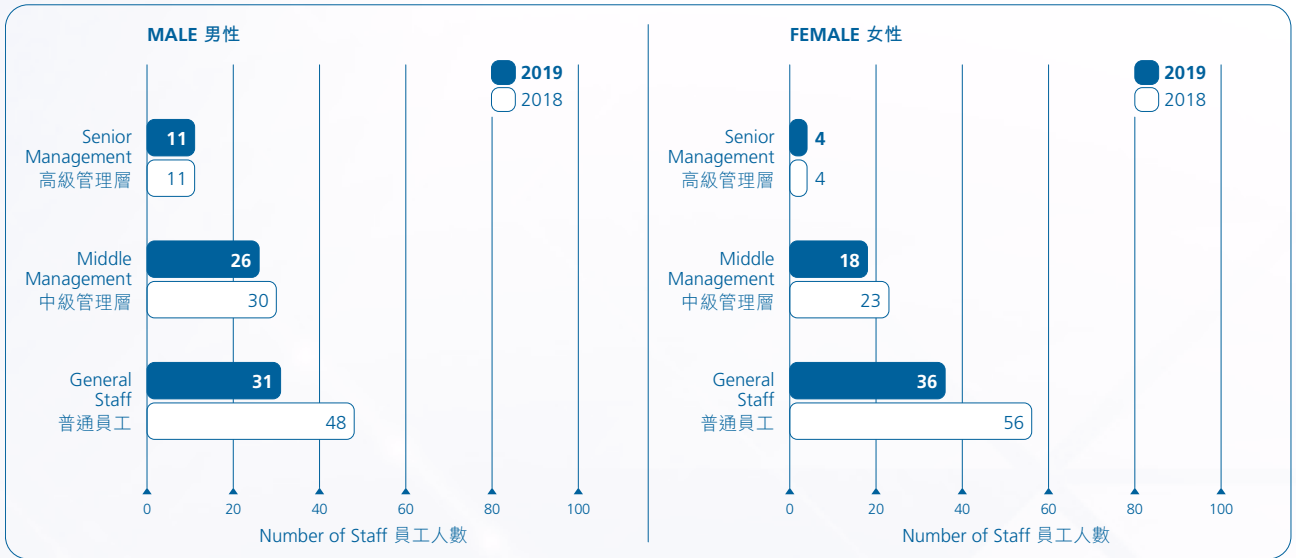
於二零一九年十二月三十一日，本集團遵守香港法例第57章僱傭條例及有關工作時間及假期的所有其他相關香港／中國僱傭法律及法規，共有126名（於二零一八年十二月三十一日：172名）全職僱員。分別按職位、性別、年齡以及年資劃分的現有僱員分析載列如下：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

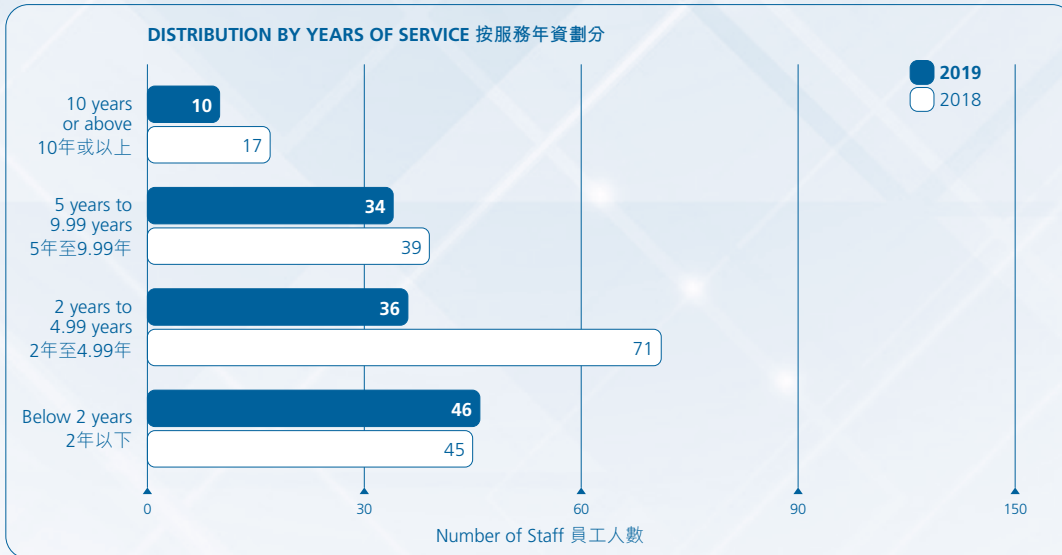
STAFF DISTRIBUTION BY POSITION AND GENDER

按職位及性別劃分



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告



The Group achieved relatively lower turnover rate in general frontline positions and young workforce, as well as expanded its total headcount due to business expansion. The total number of employees was decreased by approximately 26.7%. Such decrease was mainly contributed by the reduction of headcounts in the engineering department and the reduction of salespersons in the retail stores department. On the other hand, the turnover rate for the management team was comparatively low which was reflected by the steady number of senior management employees.

The Group strives to provide a work environment with equal opportunities regardless of gender and age. As at 31 December 2019, the Group's male to female employee maintained at nearly 1:1. The Group had also recruited from a diverse age group. Around 73% of our workforce were fell in the age group of 30–50, while around 13% and 14% were in the age groups of below 30 and 51 or above, respectively.

本集團錄得一般前線職位及年青人員的流失率相對較低，並因業務拓展而擴充其總人數。僱員總數減少約26.7%。有關減少主要歸因於工程部門員工人數減少及零售店舖部門之售貨員減少。另一方面，高級管理人員數目穩定，反映出管理團隊的流失率相對較低。

本集團致力提供平等機會的工作環境而不論性別及年齡。於二零一九年十二月三十一日，本集團的男女僱員比例維持於近1:1。本集團亦已從不同年齡組別招聘人手。約73%的員工來自30至50歲的年齡組別，約13%及14%員工分別來自30歲以下及51歲或以上的年齡組別。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Health and Safety

The Group strives to promote safety awareness, improve occupational environment and reduce occupational risks. The Group continuously promotes safety awareness among employees and committed to providing a healthy and safe working environment for our employees and complies with the relevant laws and regulations. The Group has dedicated adequate resources and effort to uphold and improve the Group's safety management measures in order to reduce the risks relating to labour safety, such as:

Guidelines

- Adopting written guidelines and policies for work safety and occupational health safety
- Ensuring a healthy and safe workplace and compliance with all relevant workplace health and safety laws

Insurance

- Maintaining various insurance policies of endowment insurance, medical insurance, unemployment insurance, industrial injury insurance, maternity insurance, and housing accumulation fund for employees' compensation and liability

Other safety Measures

- Conducting fire drill regularly and demonstration of the use of fire extinguisher so as to enhance the fire safety awareness
- Providing regular training sessions on accident prevention and management to the employees

Work Related Injury

- There was no injury case related to work during the years ended 31 December 2019 and 2018

健康與安全

本集團致力提高安全意識，改善工作環境，降低職業安全風險。本集團不斷提高僱員的安全意識，致力為僱員提供健康安全的工作環境，並遵守相關法律及法規。本集團投放充裕資源，努力實踐及改善本集團的安全管理措施，減低與勞工安全有關的風險，例如：

指引

- 就工作安全及職業健康安全事宜採納書面指引及政策
- 確保工作環境健康安全，並遵循一切相關職業安全及健康法例

保險

- 為僱員之補償及責任投購多項保險（養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金）

其他安全措施

- 定期舉辦火警演習，示範滅火器用法，提高防火意識
- 向僱員提供有關事故防止及管理的常規培訓課程

工傷

- 於截至二零一九年及二零一八年十二月三十一日止年度並無任何工傷事件

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

DEVELOPMENT AND TRAINING

The Group believes that investing in employees is essential to the future strength and success of its business. The Group conducts various internal trainings for different level of staff members. There is a general regular training section to all employees once a month during the morning meeting. For new employees, they are required to take a one-weeks' training on specific job duty. The managers of each department will take turns to different departments to provide training on product knowledge, sales skills, store management, market development and business operation and etc.

Besides, the Group also encourages and offers the opportunities for its staff members to take external training from the suppliers.

All these trainings are designed to enhance and broaden employees' skill sets.

The Group encourages communication and interaction of the staff members with the management. The Group provides a wide spectrum of informal communication platforms regularly. There are advisory boxes in the office, and regular experience sharing between middle and senior management. Through these gatherings, management is alerted to the issues raised by staff members and can carry out responsive measures to improve operations if appropriate. Besides, this enhanced the sense of belongs of staff members.

發展及培訓

本集團認為投資於僱員對其業務的未來壯大及成功至關重要。本集團為各級別員工舉行各項內部培訓。於每月一次的早會上均設有面向所有僱員的一般定期培訓環節。就新僱員而言，彼等須參加為期一周的專項工作培訓。各部門經理輪流為各部門提供有關產品知識、銷售技巧、倉儲管理、市場開發及業務營運等方面的培訓。

此外，本集團亦鼓勵員工及為其提供機會參與供應商提供的外部培訓。

所有此等培訓均旨在提升及拓展僱員的技能組合。

本集團鼓勵員工與管理層進行溝通及交流。本集團定期提供廣泛的非正式溝通平台。辦公室設有諮詢箱，中高級管理層之間亦會分享經驗。透過此等聚會，管理層留意到員工提出的事宜，並可採取對應措施以改善營運（倘適用）。此外，此舉亦增強了員工的歸屬感。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Furthermore, the Group arranged some regular and irregular activities to facilitate as communication platforms for the management and staff members such as follows:

- Chinese New Year Gathering (“新春團拜會”) is the most prestigious event of the year, attended by all staff in the Group. Lots of lucky draws and games make the evening full of energy and excitement. This event provided chances to appreciate all of the staff members with for the effort during the year.
- The Group believes that happy staff makes happy customers and endeavor to provide happy working environment. The Group promotes the relationship between staff to make them like family members. To promote work life balance, the Group organised wellness activities like climbing the Baisui Mountain (“百歲山”團隊素質拓展活動) and Tianbaigong Mountain (“天伯公”團隊素質拓展活動) in the past years.

Labour Standards

The Group believes in nurturing and developing top talents regardless of race, gender, age, religious belief, pregnancy, marital status, family status or disability.

The Group also has policies to ensure all employees and job applicants enjoy equal opportunities and fair treatment. All employees have the right to complain in case of discrimination, suspected misconduct and illegal acts via established procedures. The Group will investigate each complaint thoroughly, resolving it fairly and in the strictest confidence. The Group is also in compliance with all relevant laws and regulations.

此外，本集團為管理層及員工安排若干定期及不定期活動以加強交流，例如：

- 新春團拜會乃一年中最受歡迎的活動，本集團全體員工均會參加。大量幸運抽獎及遊戲令該晚充滿活力及刺激。該活動可令全體員工分享年度成果。
- 本集團認為快樂的員工會帶來快樂的客戶並致力提供快樂的工作環境。本集團促進員工之間的關係以令彼等猶如家庭成員。為促進工作與生活平衡，本集團組織健康活動，如往年之「百歲山」團隊素質拓展活動及「天伯公」團隊素質拓展活動。

勞工標準

本集團重視培育及發展優秀人才，不分種族、性別、年齡、宗教信仰、懷孕、婚姻狀況、家庭狀況或殘疾與否。

本集團亦設有政策以確保所有僱員及求職者均可享有同等機會及公平待遇。倘在規定程序內出現任何歧視、疑視不當行為及違法行為，所有僱員均有權投訴。本集團將對各次投訴進行徹底調查，公平解決及高度保密。本集團亦遵守所有相關法律法規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Supply Chain Management

The Group believes that sourcing and selection of suppliers play a crucial part in enriching our brand and product mix. The assessment on suppliers places emphasis on their market positioning, image of their brand projected, product design, production capacity, quality and price range, anticipated market acceptance of their products, supply lead time, reliability, creditworthiness and past experiences in conducting business with them. The Group's procurement team regularly looks for quality suppliers in the market, and will engage new suppliers upon their satisfaction of our internal review and approval, which includes interview with their responsible personnel and site visit to the suppliers' premises.

Product Responsibility

To enhance customers' satisfaction of the merchandise, the Group has stringent control over the quality of merchandise. The Group carefully selects suppliers, and pursuant to the supply or distribution agreements. The Group's suppliers shall ensure the quality of products and may also be required to provide us with the after-sale services for the products sold to the Group. The Group conducts inspections on the quality, measurement and other specifications of the merchandise before accepting delivery from the suppliers. The Group is entitled to return or exchange the products to the suppliers if they are found to be defective or otherwise in unsaleable condition.

供應鏈管理

本集團認為供應商的來源及篩選對於豐富我們的品牌及產品組合而言至關重要。對供應商的評估側重於其市場定位、設立的品牌形象、產品設計、生產能力、質量及價格範圍、其產品的預期市場接納程度、供應提前期、可靠性、信譽及與其進行業務的過往經驗。本集團的採購團隊定期於市場物色優質供應商，並待其符合我們的內部審批要求時聘用新供應商，這包括與其負責人訪談及到供應商工廠進行現場視察等。

產品責任

為提升客戶對商品的滿意度，本集團對商品質量實行嚴加控制。本集團審慎選擇供應商，並遵守供應或分銷協議。本集團之供應商須確保產品質量，及亦或會就其銷售予本集團的產品要求提供售後服務。本集團於接納供應商的交付前就商品的質量、尺寸及其他規範進行檢查。倘發現殘次或因其他問題而不可出售，本集團有權向供應商退換產品。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In general, no products return or exchange by customers is allowed except for malfunctions of or manufacturing defects in products. Nevertheless, to foster customer loyalty and enhance customer satisfaction, the Group may allow product return or exchange to be made with a valid receipt within seven days after purchase provided that the merchandise is in good and saleable condition. The Group also offers product warranty period of one to three years depending on the nature of merchandise. During the warranty period, the Group provides maintenance and repair services to the customers for free and will also exchange any defective products for free on the condition that such products have been installed in accordance with the manual and were used under normal conditions. Defective products could be returned to the suppliers for repair or replacement if the relevant supplier is found to be liable for such defect.

For the years ended 31 December 2019 and 31 December 2018, the Group has not identified any non-compliance cases relating to product responsibility.

Anti-Corruption

The Group takes its fraud prevention or anti-corruption responsibilities very seriously. In addition to the ongoing review of the effectiveness of the internal control systems, the Group has established a whistleblowing policy to direct employees to report to the Group's internal audit department about possible improprieties in any matter related to the Group. The Group also established policy and guidelines about fraud prevention. They are Commercial Bribery Control Rule (《商業賄賂防範守則》), Financial Fraud and Complaint Rule and Fraud Prevention (《財政舞弊防範及檢舉制度》), Inspection and Reporting Procedures (《反腐審查及報告程序》) and Management Override Prevention Policy (《防止管理層越權政策》).

During the years ended 31 December 2019 and 31 December 2018, no legal case regarding corruption was brought against the Group or its employees. Also, there were no material cases of non-compliance with laws and regulations on anti-money laundering in the PRC and Hong Kong.

一般而言，不允許客戶退換產品，除非產品出現故障或製造缺陷。然而，為培養客戶忠誠度及提升客戶滿意度，本集團允許在購買七天內憑有效收據退換產品，惟商品須完好及可銷。本集團亦根據商品的性質提供一至三年的保修期。於保修期間，本集團向客戶提供免費保養及維修服務，及對根據手冊組裝且在正常條件下使用的殘次產品進行免費更換。倘發現相關供應商須對有關殘次承擔責任，則殘次產品將退還予供應商，以進行維修或更換。

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，本集團並未發現任何有關產品責任的不合規事件。

反貪污

本集團嚴格履行其預防詐騙及反貪污的責任。除持續檢討內部監控系統的有效性外，本集團已建立僱員直接舉報政策，以就有關本集團的任何事宜的可能不正當行為向本集團內部審核部門報告。本集團亦制定有關預防詐騙的政策及指引，即《商業賄賂防範守則》、《財政舞弊防範及檢舉制度》、《反腐審查及報告程序》及《防止管理層越權政策》。

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，並無發生有關本集團或其僱員貪污的法律案件。此外，並無發生不遵守中國及香港有關反洗錢法律法規的重大案件。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Community Investment

The awareness of corporate social responsibility has been increasing in the market. The Group realises the importance of different stakeholders' expectations. In achieving long term, stable and healthy business prosperity and growth, the Group strives to balance the interests between stakeholders and is committed to improve the community's wellbeing.

The Group encourages the employees to play an active role in the communities where they live and work. In the past years, the Group was engaged in different events with an aim to fulfill its social responsibility. For example, in the past few years, the Group launched "Jiyi Inspirational Student Fund" (集一勵志助學金) for the poor but outstanding students in Meizhou Jiaying University (梅州市嘉應大學), aiming at providing better environment for those hardworking and ambitious students to achieve their dreams.

The Group will continue to explore other means to contribute more to the environment and strive to facilitate the building of a healthy and sustainable society.

社區投資

市場上企業社會責任意識不斷增強。本集團意識到不同股東預期的重要性。為實現長期、穩健的業務繁榮及增長，本集團致力於維持股東間的利益平衡，並完善社區福利。

本集團一直鼓勵僱員積極參與生活及工作所在社區之事務。於過往多年內，本集團從事不同事宜以履行其社會責任。例如，於過往幾年內，本集團向梅州市嘉應大學品學兼優的貧困生發放「集一勵志助學金」，以為該等勤奮好學，有志向的學生提供更好的環境，以實現彼等之夢想。

本集團將持續探索其他方式以為環境作出更多貢獻，並致力於促進建設健康及可持續發展社會。

Deloitte.

德勤

TO THE SHAREHOLDERS OF
JIYI HOUSEHOLD INTERNATIONAL HOLDINGS LIMITED

集一家居國際控股有限公司

(incorporated in the Cayman Islands with limited liability)

致集一家居國際控股有限公司股東

(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of JiYi Household International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 104 to 283, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, 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.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("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

我們已審計集一家居國際控股有限公司（「貴公司」）及其附屬公司（統稱為「貴集團」）列載於第104至283頁的綜合財務報表，包括於二零一九年十二月三十一日之綜合財務狀況表，以及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，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」）真實而中肯地反映了貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），我們獨立於貴集團，並已根據守則履行其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

關鍵審計事項

Impairment assessment of trade receivables and contract assets

貿易應收款項以及合約資產之減值評估

We identified the impairment assessment of trade receivables and contract assets as a key audit matter due to the significance of trade receivables and contract assets to the Group's consolidated financial position and the involvement of significant management judgements in evaluating the expected credit losses ("ECL") of the Group's trade receivables and contract assets.

我們已識別貿易應收款項及合約資產之減值評估為關鍵審核事項，原因為貿易應收款項及合約資產對貴集團之綜合財務狀況而言屬重大，且於評估貴集團之貿易應收款項及合約資產之預期信貸虧損（「預期信貸虧損」）時涉及重大管理層判斷。

關鍵審計事項

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

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to the impairment assessment of trade receivables and contract assets included:

我們就貿易應收款項及合約資產之減值評估所進行之程序包括：

- Obtaining an understanding of the key controls on how the management estimates the ECL allowance for trade receivables and contract assets;
了解管理層估計貿易應收款項及合約資產預期信貸虧損撥備的主要控制；

Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment assessment of trade receivables and contract assets (Continued) 貿易應收款項以及合約資產之減值評估 (續)

As at 31 December 2019, the Group's net trade receivables and contract assets amounted to approximately RMB231 million and RMB273 million, which represented approximately 25% and 29% of total assets of the Group, respectively. The management of the Group estimates the amount of lifetime ECL of trade receivables and their related contract assets based on individual assessment for those which had been determined as significant balance or credit impaired whereas the remaining balance are assessed by means of provision matrix through groupings of various debtors that have similar loss patterns, after considering internal credit ratings of trade receivables and their related contract assets, ageing, repayment history and/or past due status and forward-looking information that is reasonable and supportable available without undue costs or effort. Estimated losses are based on historical observed default rates over the expected life of the trade receivables and their related contract assets and are adjusted for forward-looking information.

於二零一九年十二月三十一日，貴集團之貿易應收款項及合約資產淨額約為人民幣231百萬元及人民幣273百萬元，分別佔貴集團資產總值約25%及29%。貴集團管理層按釐定為大額或已出現信貸減值之貿易應收款項及其有關合約資產之個別評估，估計貿易應收款項及其相關合約資產之全期預期信貸虧損金額，而餘額則以撥備矩陣方式評估，並在考慮貿易應收款項及其相關合約資產的內部信貸評級、賬齡、還款記錄及／或逾期狀況及合理可靠且毋須不必要成本或資源即可獲得的前瞻性資料後，對具類似風險模式的各類債務人進行分組。估計虧損乃基於在貿易應收款項及其相關合約資產預計年期內過往觀察所得的違約率得出，並就前瞻性資料作出調整。

- Challenging management's basis and judgement in identifying of significant or credit impaired trade receivables and contract assets and grouping of the remaining balance of trade receivables and contract assets into different categories in the provision matrix with reference to ageing, repayment history and/or past due status of trade receivables and contract assets; 質疑管理層識別大額及已出現信貸減值之貿易應收款項及合約資產以及將貿易應收款項及合約資產餘額分為撥備矩陣中不同類別之基準及判斷，當中參考貿易應收款項及合約資產之賬齡、還款歷史及／或逾期狀況。
- Assessing the reasonableness in determining i) estimated loss rate applied for the significant or credit impaired trade receivables and their related contract assets, ii) estimated loss rate applied in each category in the provision matrix and iii) forward-looking information, with reference to financial information of debtors (if available), default rates and recovery rates published by a credit rating agency, historical default rates and settlement records of debtors, ageing analysis of trade receivables and contract assets and current economic conditions; 評估釐定以下各項之合理性：i)適用於大額或已出現信貸減值之貿易應收款項及其相關合約資產之虧損率；ii)撥備矩陣中各類別適用之估計虧損率；及iii)前瞻性資料，當中參考債務人之財務資料（倘可供查閱）、違約率及信貸評級機構公佈之收回率、債務人之過往違約率及償付記錄、貿易應收款項及合約資產之賬齡分析以及目前經濟環境；

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Key audit matter 關鍵審計事項

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Impairment assessment of trade receivables and contract assets (Continued) 貿易應收款項以及合約資產之減值評估 (續)

As disclosed in Note 10 to the consolidated financial statements, the Group recognised an allowance for lifetime ECL amounted to approximately RMB1,663,000 and RMB4,862,000 of trade receivables and contract assets during the year ended 31 December 2019, respectively. The accounting policies and estimation uncertainty in relation to the impairment assessment of trade receivables and contract assets are set out in Notes 3 and 4 to the consolidated financial statements, respectively.

誠如綜合財務報表附註10所披露，截至二零一九年十二月三十一日止年度，貴集團確認貿易應收款項及合約資產之全期預期信貸虧損撥備分別約為人民幣1,663,000元及人民幣4,862,000元。有關貿易應收款項及合約資產之減值評估之會計政策及估計不確定性分別載於綜合財務報表附註3及4。

- Testing the integrity of information used by management to estimate the ECL allowance of individual debtors and develop the provision matrix, including trade receivables and contract assets ageing analysis as at 31 December 2019, on a sample basis, by comparing individual items in the analysis with the relevant sales agreements, sales invoices and other supporting documents;
抽樣測試管理層用於估計個別債務人之預期信貸虧損撥備及制定撥備矩陣之資料之完整性，有關資料包括貿易應收款項及合約資產於二零一九年十二月三十一日之賬齡分析，透過比較分析中之個別項目與相關銷售協議、銷售發票及其他支持文件；
- Evaluating the competence, capabilities and objectivity of the independent qualified professional valuer and obtaining an understanding of their scope of work and terms of engagement; and
評估獨立合資格專業估價師之勝任能力、能力及客觀性，並了解其工作範圍及委聘條款；及
- Challenging the valuation technique and reasonableness of the significant inputs used by the management and the valuer in the valuations based on information obtained from the independent sources.
根據自獨立資料來源取得之資料，質疑管理層及估價師於估值中所用估值方法及重大輸入數據之合理性。

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獨立核數師報告

Key audit matter 關鍵審計事項

Revenue recognition on contract work of interior design and building engineering services 室內設計及建築工程服務合約工程的收入確認

We identified the revenue recognition on contract work of interior design and building engineering services as a key audit matter due to the involvement of significant management estimation in measuring the progress for performance obligations of incomplete services contracts.

由於計量未完成服務合約之履約責任進度涉及重大管理層估計，故我們已識別室內設計及建築工程服務合約工程之收入確認為關鍵審計事項。

The Group recognised contract revenue by reference to the progress towards complete satisfaction of the performance obligations at the end of the reporting period which measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The recognition of contract revenue therefore involves significant management's judgements and estimation of the progress and outcome of the project, particularly in estimating the budgeted contract costs based on the agreements, quotations or other correspondences from time to time provided by the subcontractors, suppliers or vendors involved and the experience of the management.

貴集團參考於報告期末完滿達成履約責任進度確認合約收入，有關進度按當時已履行工作產生之合約成本相對估計合約成本總額之比例計量。因此，確認合約收入涉及管理層對項目進度及結果之重大判斷及估計，尤其是估計預算合約成本，其乃根據參與其中之分包商、供應商或銷售商不時提供之協議、報價或其他通訊以及管理層之經驗而估計。

Construction revenue and contract assets are estimated by using the percentage of completion method, which is calculated based on the costs incurred on each construction contract at the end of the reporting period divided by the total estimated costs for the contract and then multiplied by the estimated construction revenue expected to be earned.

建築收入及合約資產乃使用完成百分比方法進行估計，有關金額按各建築合約於報告期間末已產生之成本除以合約之估計成本總額，再乘以預期將賺取之估計建築收入計算。

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

Our procedures in relation to the revenue recognition on contract work of interior design and building engineering services included:

我們就室內設計及建築工程服務合約工程之收入確認所進行之程序包括：

- Obtaining an understanding of the key controls over the processes that the management performed in relation to the estimation of total contract costs and the determination of the status of completion of the service contracts;
了解管理層就估計合約成本總額及釐定服務合約之完成狀況所進行之程序中之關鍵控制；
- Understanding from project managers about the status of completion of selected contracts at the end of reporting period;
向項目經理了解有關選定合約於報告期末之完成狀況；
- Evaluating the reasonableness of estimated total contract costs to be incurred by checking against the agreements, quotations, invoices or other correspondences from time to time provided by subcontractors, suppliers or vendors involved, on a sample basis; and
透過檢查參與其中之分包商、供應商或銷售商不時提供之協議、報價、發票或其他通訊，抽樣評估將予產生之估計總合約成本之合理性；及

INDEPENDENT AUDITOR'S REPORT

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Key audit matter 關鍵審計事項

Revenue recognition on contract work of interior design and building engineering services *(Continued)* 室內設計及建築工程服務合約工程的收入確認 (續)

As disclosed in Note 5 to the consolidated financial statements, the revenue recognised from provision of interior design and building engineering services amounted to approximately RMB371 million during the year ended 31 December 2019. The accounting policies and estimation uncertainty in relation to the revenue recognition on contract work are set out in Notes 3 and 4 to the consolidated financial statements, respectively. 誠如綜合財務報表附註5所披露，於截至二零一九年十二月三十一日止年度確認來自提供室內設計及建築工程服務之收入約人民幣371百萬元。有關合約工程收入確認之會計政策及估計不確定性分別載於綜合財務報表附註3及4。

How our audit addressed the key audit matter 我們的審計如何處理關鍵審計事項

- Evaluating the reasonableness of the progress towards complete satisfaction of the performance obligations of service contracts by comparing the percentage calculated based on costs incurred at the end of the reporting period against that calculated based on confirmations from surveyors on a sample basis, and investigating any significant differences identified. 抽樣評估完滿達成履行服務合約履約責任之進度之合理性，透過比較根據報告期末所產生成本計算之百分比與根據測量師之確認計算之百分比，以及調查任何所識別之重大差額。

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OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those statements on 29 March 2019.

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.

其他事項

貴集團截至二零一八年十二月三十一日止年度之綜合財務報表乃由另一名核數師審核，該核數師已於二零一九年三月二十九日就該等報表發表無保留意見。

其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀相關信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。如果根據我們已進行之工作，我們認為其他信息存在重大錯誤陳述，我們須報告有關事實。就此而言，我們並無任何事項需要報告。

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擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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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.

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.

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

治理層負責監督 貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並根據我們之協定委聘條款僅向 閣下（作為整體）出具包括我們意見的核數師報告，除此之外別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響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。

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獨立核數師報告

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

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

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別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，設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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.

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 Lau Chi Kin, Kinson.

除其他事項外，我們與治理層溝通了計劃的審計範圍及時間以及重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

我們亦向治理層提交聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係及其他事項，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，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是劉志健。

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

31 March 2020

德勤•關黃陳方會計師行

執業會計師

香港

二零二零年三月三十一日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Revenue from contracts with customers	客戶合約收入	5	573,675	599,478
Cost of sales	銷售成本		(496,787)	(543,526)
Gross profit	毛利		76,888	55,952
Other income	其他收入	7	8,114	1,011
Other gains and losses	其他收益及虧損	8	915	(633)
Distribution and selling expenses	分銷及銷售開支		(13,123)	(15,075)
Administrative expenses	行政開支		(21,429)	(13,882)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下之減值虧損，扣除撥回	10	(18,272)	(2,328)
Finance costs	財務成本	9	(16,364)	(6,594)
Profit before tax	除稅前溢利		16,729	18,451
Income tax expense	所得稅開支	11	(3,659)	(6,159)
Profit for the year	年內溢利	12	13,070	12,292

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

		NOTE 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Other comprehensive income (expense):	其他全面收益(開支):			
<i>Item that will not be reclassified to profit or loss:</i>	不會重新分類至損益之項目:			
Gain on revaluation upon transfer from property, plant and equipment and right-of-use assets/prepaid lease payments to investment properties, net of related income tax	自物業、廠房及設備以及使用權資產/預付租賃款項轉撥至投資物業時之重估收益, 扣除相關所得稅		<u>22,590</u>	<u>3,695</u>
<i>Item that may be reclassified subsequently to profit or loss:</i>	其後可能重新分類至損益之項目:			
Exchange differences arising on translation of foreign operations	換算海外業務所產生之匯兌差額		<u>(493)</u>	<u>(593)</u>
Other comprehensive income for the year, net of income tax	年內其他全面收益, 扣除所得稅		<u>22,097</u>	<u>3,102</u>
Total comprehensive income for the year	年內全面收益總額		<u>35,167</u>	<u>15,394</u>
Earnings per share	每股盈利	15		
– Basic (RMB cents)	– 基本(人民幣分)		<u>1.89</u>	2.41
– Diluted (RMB cents)	– 攤薄(人民幣分)		<u>1.87</u>	2.41

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2019 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	42,763	58,427
Right-of-use assets	使用權資產	17	7,886	–
Prepaid lease payments	預付租賃款項	19	–	2,495
Investment properties	投資物業	18	59,040	9,454
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	20	19,407	–
Contract assets	合約資產	22	3,987	–
Deferred tax assets	遞延稅項資產	32	6,122	3,970
Non-current other receivables and deposits	非流動其他應收款項及按金	23	6,722	7,817
			145,927	82,163
Current assets	流動資產			
Inventories	存貨	21	12,068	41,315
Prepaid lease payments	預付租賃款項	19	–	87
Amounts due from related parties	應收關聯方款項	26	24,320	7,570
Loan receivables	應收貸款	24	125,946	–
Trade and other receivables	貿易及其他應收款項	23	328,056	302,125
Contract assets	合約資產	22	269,404	194,312
Bank balances and cash	銀行結餘及現金	25	24,209	116,391
			784,003	661,800
Current liabilities	流動負債			
Trade and bills payables and other payables	貿易及票據應付款項以及 其他應付款項	27	131,335	125,001
Bank borrowings	銀行借款	28	113,400	103,000
Lease liabilities	租賃負債	31	1,589	–
Convertible loan notes	可換股貸款票據	29	91,496	–
Contract liabilities	合約負債	30	7,541	2,811
Income tax payables	應付所得稅		19,369	15,266
			364,730	246,078

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

AT 31 DECEMBER 2019 於二零一九年十二月三十一日

		NOTES 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Net current assets	流動資產淨值		419,273	415,722
Total assets less current liabilities	總資產減流動負債		565,200	497,885
Non-current liabilities	非流動負債			
Lease liabilities	租賃負債	31	9,996	—
Deferred tax liabilities	遞延稅項負債	32	19,642	4,163
			29,638	4,163
Net assets	資產淨值		535,562	493,722
Capital and reserves	股本及儲備			
Share capital	股本	33	58,208	58,190
Reserves	儲備		477,354	435,532
Total equity	權益總額		535,562	493,722

The consolidated financial statements on pages 104 to 283 were approved and authorised for issue by the board of directors on 31 March 2020 and are signed on its behalf by:

第104至283頁的綜合財務報表已於二零二零年三月三十一日獲董事會批准及授權刊發，並由下列董事代表簽署：

Ms. Hou Wei
侯薇女士
DIRECTOR
董事

Mr. Liu Xianxiu
劉賢秀先生
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

		Share capital	Share premium	Convertible loan notes equity reserve	Merger reserve	Property revaluation reserve	Translation reserve	Share-based payments reserve	Statutory reserves	Retained profits	Total
		股本	股份溢價	可換股貸款票據權益儲備	合併儲備	物業重估儲備	匯兌儲備	以股份為基礎之付款儲備	法定儲備	保留溢利	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	35,638	243,832	-	(54,850)	-	1,550	-	9,802	99,689	335,661
Profit for the year (originally stated)	年內溢利(原列)	-	-	-	-	-	-	-	-	12,073	12,073
Adjustment on change in accounting policy of investment properties (see Note 2)	投資物業會計政策變動之調整(見附註2)	-	-	-	-	-	-	-	-	219	219
Profit for the year (restated)	年內溢利(經重列)	-	-	-	-	-	-	-	-	12,292	12,292
Other comprehensive expense for the year (originally stated)	年內其他全面開支(原列)	-	-	-	-	-	(593)	-	-	-	(593)
Adjustment on change in accounting policy of investment properties (see Note 2)	投資物業會計政策變動之調整(見附註2)	-	-	-	-	3,695	-	-	-	-	3,695
Other comprehensive income (expense) for the year (restated)	年內其他全面收益(開支)(經重列)	-	-	-	-	3,695	(593)	-	-	-	3,102
Total comprehensive income (expense) for the year (restated)	年內全面收益(開支)總額(經重列)	-	-	-	-	3,695	(593)	-	-	12,292	15,394
Issue of rights shares (Note 33(a))	發行供股股份(附註33(a))	15,035	75,175	-	-	-	-	-	-	-	90,210
Transaction costs attributable to issue of rights shares	發行供股股份應佔交易成本	-	(960)	-	-	-	-	-	-	-	(960)
Placing of new shares (Note 33(b))	配售新股份(附註33(b))	7,517	45,102	-	-	-	-	-	-	-	52,619
Transaction costs attributable to placing of new shares	配售新股份應佔交易成本	-	(148)	-	-	-	-	-	-	-	(148)
Recognition of equity-settled share-based payments (Note 34)	確認以股本支付以股份為基礎之付款(附註34)	-	-	-	-	-	-	946	-	-	946
Transfer to statutory reserve (Note)	轉撥至法定儲備(附註)	-	-	-	-	-	-	-	5,905	(5,905)	-
At 31 December 2018 (restated)	於二零一八年十二月三十一日(經重列)	58,190	363,001	-	(54,850)	3,695	957	946	15,707	106,076	493,722
Adjustments on adoption of HKFRS 16 (see Note 2)	採納香港財務報告準則第16號時調整(見附註2)	-	-	-	-	-	-	-	-	359	359
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	58,190	363,001	-	(54,850)	3,695	957	946	15,707	106,435	494,081
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	13,070	13,070
Other comprehensive income (expense) for the year	年內其他全面收益(開支)	-	-	-	-	22,590	(493)	-	-	-	22,097
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	-	22,590	(493)	-	-	13,070	35,167
Issue of convertible loan notes (Note 29)	發行可換股貸款票據(附註29)	-	-	2,827	-	-	-	-	-	-	2,827
Transaction costs attributable to issue of convertible loan notes	發行可換股貸款票據應佔交易成本	-	-	(16)	-	-	-	-	-	-	(16)
Exercise of share options (Note 33(c))	行使購股權(附註33(c))	18	135	-	-	-	-	(26)	-	-	127
Recognition of equity-settled share-based payments (Note 34)	確認以股本支付以股份為基礎之付款(附註34)	-	-	-	-	-	-	3,376	-	-	3,376
Transfer to statutory reserve (Note)	轉撥至法定儲備(附註)	-	-	-	-	-	-	-	1,159	(1,159)	-
At 31 December 2019	於二零一九年十二月三十一日	58,208	363,136	2,811	(54,850)	26,285	464	4,296	16,866	118,346	535,562

Note: According to the relevant rules and regulations in the People's Republic of China (the "PRC"), each of the Company's PRC subsidiaries shall transfer 10% of their net income after tax, based on the subsidiary's PRC statutory accounts, as statutory reserves, until the balance reaches 50% of the respective subsidiary's registered capital. Further appropriations can be made at the directors' discretion. The statutory reserves can be used to offset any accumulated losses or convert into paid-up capital of the respective subsidiary.

附註：根據中華人民共和國(「中國」)之相關規則及法規，本公司之各中國附屬公司須轉撥其除稅後收入淨額(自附屬公司之中國法定賬目得出)之10%為法定儲備，直至有關結餘達有關附屬公司註冊資本之50%為止。董事可酌情作出進一步分配。法定儲備可用於抵銷有關附屬公司之任何累計虧損或轉換為繳足資本。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	16,729	18,451
Adjustments for:	就以下各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,111	7,741
Depreciation of right-of-use assets	使用權資產折舊	2,022	-
Changes in fair value of investment properties	投資物業公平值變動	(1,298)	(254)
Finance costs	財務成本	16,364	6,594
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型項下之減值虧損，扣除撥回	18,272	2,328
Initial fair value adjustments on non-current deposits	非流動按金之初步公平值調整	-	650
Interest income	利息收入	(6,975)	(224)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	28	309
(Reversal) provision for write-down of inventories	存貨撇減(撥回)撥備	(24)	641
Release of prepaid lease payments	解除預付租賃款項	-	91
Share-based payment expenses	以股份為基礎之付款開支	3,376	946
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	55,605	37,273
Decrease (increase) in inventories	存貨減少(增加)	29,271	(3,829)
Increase in trade and other receivables	貿易及其他應收款項增加	(26,520)	(61,015)
Increase in contract assets	合約資產增加	(83,805)	(142,795)
Increase in trade and bills payables and other payables	貿易及票據應付款項以及其他應付款項增加	12,815	65,300
Increase (decrease) in contract liabilities	合約負債增加(減少)	4,730	(10,795)
Cash used in operations	經營所用現金	(7,904)	(115,861)
Income tax paid	已付所得稅	(3,042)	(3,286)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(10,946)	(119,147)
INVESTING ACTIVITIES	投資活動		
Loan advances to third parties	墊付予第三方之貸款	(231,980)	-
Advance to related parties	向關聯方墊款	(23,852)	(7,570)
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產	(11,256)	-
Purchase of property, plant and equipment	購買物業、廠房及設備	(802)	(9)
Repayment of loan receivables from third parties	償還應收第三方貸款	98,800	-
Interest received	已收利息	2,190	224
Repayment for rental deposits	退還租賃按金	75	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	-	303
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(166,825)	(7,052)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
FINANCING ACTIVITIES	融資活動		
Proceeds from bank borrowings	銀行借款所得款項	113,400	104,300
Net proceeds on issue of convertible loan notes	發行可換股貸款票據之所得款項淨額	89,295	-
Net proceeds from exercising of share options (Note 33(c))	行使購股權之所得款項淨額 (附註33(c))	127	-
Repayment of bank borrowings	償還銀行借款	(103,000)	(89,500)
Interest paid	已付利息	(13,495)	(6,594)
Repayment of lease liabilities	償還租賃負債	(1,180)	-
Net proceeds from issue of rights shares	發行供股股份之所得款項淨額	-	89,250
Net proceeds from placing of new shares	配售新股份之所得款項淨額	-	52,471
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	85,147	149,927
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少) 增加淨額	(92,624)	23,728
CASH AND CASH EQUIVALENTS AT 1 JANUARY	於一月一日之現金及現金等價物	116,391	92,970
Effect of foreign exchange rate changes	外幣匯率變動影響	442	(307)
CASH AND CASH EQUIVALENTS AT 31 DECEMBER, represented by Bank balances and cash	於十二月三十一日之現金及現金等價物，以銀行結餘及現金表示	24,209	116,391

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1. GENERAL

Jiyi Household International Holdings Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The controlling shareholder of the Company and its subsidiaries (collectively referred as to the “Group”) is Xinling Limited, a company incorporated in the British Virgin Islands (“BVI”) which is wholly-owned by Ms. Hou Wei. The address of the Company’s registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the address of its principal place of business is Room 1405, 14/F., Jubilee Centre, 18 Fenwick Street, Wanchai, Hong Kong.

The Company is an investment holding company and the principal activities of the Company’s principal subsidiaries are set out in Note 42.

The functional currency of the Company is Hong Kong dollars (“HK\$”) while the consolidated financial statements of the Group are presented in Renminbi (“RMB”) to enable the shareholders of the Company to have a more accurate picture of the Group’s financial position and performance.

1. 一般資料

集一家居國際控股有限公司（「本公司」）根據開曼群島公司法（經修訂）於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司上市。本公司及其附屬公司（統稱為「本集團」）之控股股東為欣領有限公司，一間於英屬處女群島（「英屬處女群島」）註冊成立之公司，由侯薇女士全資擁有。本公司註冊辦事處的地址為Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands，而其主要營業地點的地址則為香港灣仔分域街18號捷利中心14樓1405室。

本公司為一間投資控股公司，而本公司主要附屬公司之主要業務載於附註42。

儘管本公司之功能貨幣為港元（「港元」），惟本集團之綜合財務報表以人民幣（「人民幣」）呈列，以便本公司股東更準確了解本集團之財務狀況及表現。

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本

於本年度強制生效之新訂香港財務報告準則及其修訂本

本集團已於本年度首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂香港財務報告準則及其修訂本：

香港財務報告準則第16號	租賃
香港（國際財務報告詮釋委員會）－詮釋第23號	所得稅處理之不確定性
香港財務報告準則第9號（修訂本）	具有負補償之提早還款特性
香港會計準則第19號（修訂本）	計劃修訂、縮減或結算
香港會計準則第28號（修訂本）	於聯營公司及合營企業之長期權益
香港財務報告準則（修訂本）	二零一五年至二零一七年期間之香港財務報告準則年度改進

除下文所述外，於本年度應用其他新訂香港財務報告準則及其修訂本並無對本集團於本年度及過往年度之財務狀況及表現及／或該等綜合財務報表所載之披露資料造成重大影響。

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

HKFRS 16 Leases

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

Definition of a lease

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

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

As a lessee

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第16號租賃

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

租賃的定義

本集團已選擇可行權宜方法，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）－詮釋第4號釐定安排是否包含租賃識別為租賃之合約應用香港財務報告準則第16號，而並無對先前並未識別為包含租賃之合約應用該準則。因此，本集團並無重新評估於首次應用日期前已存在之合約。

就於二零一九年一月一日或之後訂立或修訂之合約而言，本集團於評估合約是否包含租賃時根據香港財務報告準則第16號所載之規定應用租賃之定義。

作為承租人

本集團已追溯應用香港財務報告準則第16號，累計影響於首次應用日期（二零一九年一月一日）確認。

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

HKFRS 16 Leases (Continued)

As a lessee (Continued)

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

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

- i. relied on the assessment of whether leases are onerous by applying HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;
- ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;
- iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and
- iv. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group’s leases with extension and termination options.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

於二零一九年一月一日，本集團確認額外租賃負債，並按賬面值計量使用權資產，猶如自開始日期起已應用香港財務報告準則第16號，惟透過應用香港財務報告準則第16.C8(b)(i)號過渡使用相關集團實體於首次應用日期之增量借款利率進行貼現。於首次應用日期之任何差額會於年初保留溢利中確認，並無重列比較資料。

當於過渡時應用香港財務報告準則第16號項下之經修訂追溯法時，本集團按逐項租賃基準就先前根據香港會計準則第17號分類為經營租賃之租賃應用以下可行權宜方法（以與各租賃合約相關者為限）：

- i. 依賴透過應用香港會計準則第37號撥備、或然負債及或然資產作為減值檢討之替代方法而評估租賃是否屬虧損性；
- ii. 選擇不就租期於首次應用日期之12個月內結束之租賃確認使用權資產及租賃負債；
- iii. 於首次應用日期計量使用權資產時撇除初始直接成本；及
- iv. 根據於首次應用日期之事實及情況於事後釐定本集團附帶續租及終止選擇權之租賃之租期。

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

HKFRS 16 Leases (Continued)

As a lessee (Continued)

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied by the relevant group entities is 10.1%.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

於就先前分類為經營租賃之租賃確認租賃負債時，本集團已應用相關集團實體於首次應用日期之增量借款利率。相關集團實體所應用之加權平均增量借款利率為10.1%。

		At 1 January 2019 於 二零一九年 一月一日 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經 營租賃承擔	22,858
Lease liabilities discounted at relevant incremental borrowing rates	按相關增量借款利率貼現之租賃負債	16,552
Less: Recognition exemption – short-term leases Practical expedient – leases with lease term ending within 12 months from the date of initial application	減：確認豁免—短期租賃 可行權宜方法—租期於首次應用日期 起計12個月內 完結之租賃	(685) (3,306)
Lease liabilities relating to operating leases recognised upon application of HKFRS 16 as at 1 January 2019	於二零一九年一月一日與於應用香港財 務報告準則第16號時確認之 經營租賃有關之租賃負債	12,561
Analysed as Current	分析為 流動	1,343
Non-current	非流動	11,218
		<u>12,561</u>

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

HKFRS 16 Leases (Continued)

As a lessee (Continued)

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

於二零一九年一月一日供自用之使用權資產賬面值包括以下各項：

		Right-of-use assets
		使用權資產
	<i>Notes</i>	<i>RMB'000</i>
	<i>附註</i>	<i>人民幣千元</i>
Right-of-use assets relating to operating leases recognised upon application of HKFRS 16	與於應用香港財務報告準則第16號時確認之經營租賃有關之使用權資產	14,540
Reclassified from prepaid lease payments	自預付租賃款項重新分類	2,582
Adjustments on rental deposits at 1 January 2019	於二零一九年一月一日對租賃按金之調整	177
Less: Accrued lease liabilities relating to rent-free period provided at 1 January 2019	減：於二零一九年一月一日與獲提供免租期相關之應計租賃負債	(6,481)
		<u>10,818</u>

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

HKFRS 16 Leases (Continued)

As a lessee (Continued)

Notes:

- (a) Upfront payments for leasehold lands in the People’s Republic of China (the “PRC”) for own used properties were classified as prepaid lease payments as at 31 December 2018. Upon application of HKFRS 16, the current and non-current portion of prepaid lease payments amounting to RMB87,000 and RMB2,495,000 respectively were reclassified to right-of-use assets.
- (b) Before the application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which HKAS 17 applied under other receivables. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, RMB177,000 was adjusted to refundable rental deposits paid and right-of-use assets.
- (c) These relate to accrued lease liabilities for leases of properties in which the lessors provided rent-free period. The carrying amount of the lease incentive liabilities under trade and bills payables and other payables as at 1 January 2019 was adjusted to right-of-use assets at transition.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第16號租賃（續）

作為承租人（續）

附註：

- (a) 於二零一八年十二月三十一日，自用物業之中華人民共和國（「中國」）租賃土地之前期付款分類為預付租賃款項。於應用香港財務報告準則第16號時，分別為人民幣87,000元及人民幣2,495,000元之預付租賃款項之流動及非流動部分已重新分類為使用權資產。
- (b) 於應用香港財務報告準則第16號前，本集團將已付之可退回租賃按金視為其他應收款項項下香港會計準則第17號適用之租賃下之權利及義務。根據香港財務報告準則第16號項下之租賃付款定義，有關按金為並非與相關資產使用權有關之付款，並經調整以反映於過渡時之貼現影響。因此，人民幣177,000元已獲調整至已付之可退回租賃按金及使用權資產。
- (c) 該等與出租人提供免租期之物業租賃之應計租賃負債有關。貿易及票據應付款項以及其他應付款項項下之租賃優惠負債於二零一九年一月一日之賬面值於過渡時調整至使用權資產。

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

HKFRS 16 Leases (Continued)

As a lessor

In accordance with the transitional provisions in HKFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with HKFRS 16 from the date of initial application and comparative information has not been restated.

Upon application of HKFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group’s consolidated statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第16號租賃（續）

作為出租人

根據香港財務報告準則第16號之過渡性條文，本集團毋須於過渡時對本集團為出租人之租賃作出任何調整，惟自首次應用日期起根據香港財務報告準則第16號入賬該等租賃，且並無重列比較資料。

於應用香港財務報告準則第16號時，已訂立惟於首次應用日期後開始有關現有租賃合約項下之相同相關資產之新租賃合約按猶如現有租賃於二零一九年一月一日修訂入賬。應用對本集團於二零一九年一月一日之綜合財務狀況表並無影響。然而，自二零一九年一月一日起，有關於修改後之經修訂租期之租賃付款於經延長租賃期按直線基準確認為收入。

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

Summary of the effect of changes in accounting policies of investment properties

To better reflect the value of investment properties held by the Group, enhance the comparability of financial information with the peers, assist the Company’s management and investors to keep abreast of the financial condition of the Group on a timely basis, the Group has changed the accounting policies for investment properties from the cost model to the fair value model with effect from 1 April 2019 and the board of directors approved such changes on the same date. The Group has adopted this amendment retrospectively and the effect of the changes in the Group’s accounting policies on the results for the current and preceding years by line items presented on the consolidated statement of profit or loss and other comprehensive income is as follows:

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

投資物業會計政策變動之影響概要

為更佳反映本集團持有之投資物業價值、提升同業間財務資料可比性以及協助本公司管理層及投資者及時緊貼本集團之財務狀況，本集團已將投資物業之會計政策由成本模型更改為公平值模型，自二零一九年四月一日起生效，而董事會已於同日批准有關變動。本集團已追溯採納該修訂，有關本集團會計政策變動對本年度及過往年度業績之影響按於綜合損益及其他全面收益表列示之項目劃分如下：

		2018 (originally stated) 二零一八年 (原列) RMB'000 人民幣千元	2018 Effect of restatement 二零一八年 重列影響 RMB'000 人民幣千元	2018 (restated) 二零一八年 (經重列) RMB'000 人民幣千元
Revenue from contracts with customers	客戶合約收入	599,478	-	599,478
Cost of sales	銷售成本	(543,526)	-	(543,526)
Gross profit	毛利	55,952	-	55,952
Other income	其他收入	1,011	-	1,011
Other gains and losses	其他收益及虧損	(887)	254	(633)
Distribution and selling expenses	分銷及銷售開支	(15,075)	-	(15,075)
Administrative expenses	行政開支	(13,942)	60	(13,882)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下之減值虧損，扣除撥回	(2,328)	-	(2,328)
Finance costs	財務成本	(6,594)	-	(6,594)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

Summary of the effect of changes in accounting policies of investment properties (Continued)

投資物業會計政策變動之影響概要（續）

		2018 (originally stated) 二零一八年 (原列) RMB'000 人民幣千元	2018 Effect of restatement 二零一八年 重列影響 RMB'000 人民幣千元	2018 (restated) 二零一八年 (經重列) RMB'000 人民幣千元
Profit before tax	除稅前溢利	18,137	314	18,451
Income tax expenses	所得稅開支	(6,064)	(95)	(6,159)
Profit for the year	年內溢利	<u>12,073</u>	<u>219</u>	<u>12,292</u>
Other comprehensive income (expense):	其他全面收益（開支）：			
Item that will not be reclassified to profit or loss:	將不會重新分類至損益之項目：			
Gain on revaluation upon transfer from property, plant and equipment and prepaid lease payments to investment properties, net of related deferred tax	自物業、廠房及設備以及預付租賃款項轉撥至投資物業時之重估收益，扣除有關遞延稅項	-	3,695	3,695
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：			
Exchange differences arising from translation of foreign operations	換算海外業務所產生之匯兌差額	(593)	-	(593)
Other comprehensive (expense) income for the year, net of income tax	年內其他全面（開支）收益，扣除所得稅	<u>(593)</u>	<u>3,695</u>	<u>3,102</u>
Total comprehensive income for the year	年內全面收益總額	<u>11,480</u>	<u>3,914</u>	<u>15,394</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

Summary of the effect of changes in accounting policies of investment properties (Continued)

投資物業會計政策變動之影響概要（續）

		2019 (Recognition of investment properties using cost model) 二零一九年 (使用成本 模型確認 投資物業) RMB'000 人民幣千元	2019 Effect of change in accounting policy 二零一九年 會計政策 變動影響 RMB'000 人民幣千元	2019 (Recognition of investment properties using fair value model) 二零一九年 (使用公平值 模型確認 投資物業) RMB'000 人民幣千元 (audited) (經審核)
Revenue from contracts with customers	客戶合約收入	573,675	–	573,675
Cost of sales	銷售成本	(496,787)	–	(496,787)
Gross profit	毛利	76,888	–	76,888
Other income	其他收入	8,114	–	8,114
Other gains and losses	其他收益及虧損	(383)	1,298	915
Distribution and selling expenses	分銷及銷售開支	(13,123)	–	(13,123)
Administrative expenses	行政開支	(21,589)	160	(21,429)
Impairment losses under expected credit loss model, net of reversal	預期信貸虧損模型下之減值虧損·扣除撥回	(18,272)	–	(18,272)
Finance costs	財務成本	(16,364)	–	(16,364)
Profit before tax	除稅前溢利	15,271	1,458	16,729
Income tax expenses	所得稅開支	(3,373)	(286)	(3,659)
Profit for the year	年內溢利	11,898	1,172	13,070

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

Summary of the effect of changes in accounting policies of investment properties (Continued)

投資物業會計政策變動之影響概要（續）

	2019 (Recognition of investment properties using cost model) 二零一九年 (使用成本 模型確認 投資物業) RMB'000 人民幣千元	2019 Effect of change in accounting policy 二零一九年 會計政策 變動影響 RMB'000 人民幣千元	2019 (Recognition of investment properties using fair value model) 二零一九年 (使用公平值 模型確認 投資物業) RMB'000 人民幣千元 (audited) (經審核)
Other comprehensive income:			
Item that will not be reclassified to profit or loss:			
Gain on revaluation upon transfer from property, plant and equipment and right-of-use assets to investment properties, net of related deferred tax	其他全面收益： 將不會重新分類至損益之項目： 自物業、廠房及設備以及使用權資產轉撥至投資物業時之重估收益，扣除有關遞延稅項	-	22,590
		-	22,590
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising from translation of foreign operations	其後可能重新分類至損益之項目： 換算海外業務所產生之匯兌差額	(493)	-
		(493)	(493)
Other comprehensive income for the year, net of income tax	年內其他全面收益，扣除所得稅	(493)	22,590
		(493)	22,097
Total comprehensive income for the year	年內全面收益總額	11,405	23,762
		11,405	35,167

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

Summary of the effect of changes in accounting policies of investment properties (Continued)

The effect of the changes in accounting policies described above on basic and diluted earning per share as follows:

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

投資物業會計政策變動之影響概要（續）

上文所述有關每股基本及攤薄盈利之會計政策變動之影響如下：

		2019 (Recognition of investment properties using cost model) 二零一九年 (使用成本 模型確認 投資物業)	Effect of change in accounting policy 會計政策 變動影響	2019 (Recognition of investment properties using fair value model) (audited) 二零一九年 (使用公平值 模型確認 投資物業) (經審核)
Earning per share	每股盈利			
- Basic	- 基本	RMB人民幣1.72 cents分	RMB人民幣0.17 cents分	RMB人民幣1.89 cents分
- Diluted	- 攤薄	RMB人民幣1.70 cents分	RMB人民幣0.17 cents分	RMB人民幣1.87 cents分
		2018 (originally stated) 二零一八年 (原列)	Effect of restatements 重列影響	2018 (restated) 二零一八年 (經重列)
Earning per share	每股盈利			
- Basic	- 基本	RMB人民幣2.37 cents分	RMB人民幣0.04 cents分	RMB人民幣2.41 cents分
- Diluted	- 攤薄	RMB人民幣2.37 cents分	RMB人民幣0.04 cents分	RMB人民幣2.41 cents分

At 1 January 2018, there were no investment properties held by the Group and the changes in accounting policies described above have no impact to any line items presented in the consolidated statement of financial position of the Group as at 1 January 2018 and therefore, the consolidated statement of financial position as at 1 January 2018 has not been presented.

於二零一八年一月一日，本集團並無持有投資物業及上文所述之會計政策變動並無影響本集團於二零一八年一月一日之綜合財務狀況表呈列之任何項目，因此，並無呈列於二零一八年一月一日之綜合財務狀況表。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

Summary of the effect of adoption of HKFRS 16 and changes in accounting policies of investment properties

採納香港財務報告準則第16號及投資物業會計政策變動之影響概要

The effects of adoption of HKFRS 16 and changes in accounting policies described above for certain line items presented in the consolidated statement of financial position of the Group as at 1 January 2019 are as follows. Line items that were not affected by the changes have not been included.

上文所述採納香港財務報告準則第16號及會計政策變動對本集團於二零一九年一月一日之綜合財務狀況表呈列之若干項目之影響如下。不受有關變動影響之項目並無包括在內。

		31 December 2018 (originally stated) 二零一八年 十二月 三十一日 (原列) RMB'000 人民幣千元	Effect of change in accounting policy 會計政策 變動影響 RMB'000 人民幣千元	31 December 2018 (restated) 二零一八年 十二月 三十一日 (經重列) RMB'000 人民幣千元	Effect of adoption of HKFRS 16 採納香港 財務報告 準則第16號 之影響 RMB'000 人民幣千元	1 January 2019 (restated) 二零一九年 一月一日 (經重列) RMB'000 人民幣千元
Non-current Assets	非流動資產					
Right-of-use assets	使用權資產	-	-	-	10,818	10,818
Prepaid lease payments	預付租賃款項	(a) 2,495	-	2,495	(2,495)	-
Investment properties	投資物業	1,377	8,077	9,454	-	9,454
Deferred tax assets	遞延稅項資產	3,970	-	3,970	(1,620)	2,350
Non-current other receivables and deposits	非流動其他應收款項及 按金					
- Rental deposits paid	- 已付租賃按金	(b) 634	-	634	(177)	457
Current Assets	流動資產					
Prepaid lease payments	預付租賃款項	(a) 87	-	87	(87)	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

Summary of the effect of adoption of HKFRS 16 and changes in accounting policies of investment properties (Continued)

採納香港財務報告準則第16號及投資物業會計政策變動之影響概要（續）

		31 December 2018 (originally stated) 二零一八年 十二月 三十一日 附註 RMB'000 人民幣千元	Effect of change in accounting policy 會計政策 變動影響 RMB'000 人民幣千元	31 December 2018 (restated) 二零一八年 十二月 三十一日 （經重列） RMB'000 人民幣千元	Effect of adoption of HKFRS 16 採納香港 財務報告 準則第16號 之影響 RMB'000 人民幣千元	1 January 2019 (restated) 二零一九年 一月一日 （經重列） RMB'000 人民幣千元
Current Liabilities	流動負債					
Trade and bills payables and other payables – Accrued lease liabilities	貿易及票據應付款項以及其 他應付款項 – 應計租賃負債	(c) (6,481)	–	(6,481)	6,481	–
Lease liabilities	租賃負債	–	–	–	(1,343)	(1,343)
Non-current liabilities	非流動負債					
Lease liabilities	租賃負債	–	–	–	(11,218)	(11,218)
Deferred tax liabilities	遞延稅項負債	–	(4,163)	(4,163)	–	(4,163)
Total effect on net assets	對資產淨值之影響總額	2,082	3,914	5,996	359	6,355
Capital and Reserves	股本及儲備					
Retained profits and statutory reserve	保留溢利及 法定儲備	121,564	219	121,783	359	122,142
Property revaluation reserve	物業重估儲備	–	3,695	3,695	–	3,695
Total effect on equity	對權益之影響總額	121,564	3,914	125,478	359	125,837

Note: For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening consolidated statement of financial position as at 1 January 2019 as disclosed above.

附註：就根據間接方法呈報截至二零一九年十二月三十一日止年度經營活動之現金流量而言，營運資金變動已根據上文所披露於二零一九年一月一日之期初綜合財務狀況表計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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

Summary of the effect of adoption of HKFRS 16 and changes in accounting policies of investment properties (Continued)

The effects of changes in accounting policies described above for certain line items presented in the consolidated statement of financial position of the Group as at 31 December 2019 are as follows. Line items that were not affected by the changes have not been included and no additional disclosures of the effects of adoption of HKFRS 16 as at 31 December 2019 is required.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

採納香港財務報告準則第16號及投資物業會計政策變動之影響概要（續）

上文所述會計政策變動對本集團於二零一九年十二月三十一日之綜合財務狀況表呈列之若干項目之影響如下。不受有關變動影響之項目並無包括在內，且毋須就採納香港財務報告準則第16號於二零一九年十二月三十一日之影響作出額外披露。

		31 December 2019 (Recognition of investment properties using cost model) 二零一九年 十二月三十一日 (使用成本 模型確認 投資物業) RMB'000 人民幣千元	Effect of change in accounting policy 會計政策 變動影響 RMB'000 人民幣千元	31 December 2019 (Recognition of investment properties using fair value model) 二零一九年 十二月三十一日 (使用公平值 模型確認 投資物業) RMB'000 人民幣千元 (audited) (經審核)
Investment properties	投資物業	11,722	47,318	59,040
Deferred tax liabilities	遞延稅項負債	-	(19,642)	(19,642)
Total effect on net assets	對資產淨值之影響總額	11,722	27,676	39,398
Retained profits	保留溢利	116,955	1,391	118,346
Property revaluation reserve	物業重估儲備	-	26,285	26,285
Total effect on equity	對權益之影響總額	116,955	27,676	144,631

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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 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 17	Insurance Contracts ¹
Amendments to HKFRS 3	Definition of a Business ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1 and HKAS 8	Definition of Material ⁴
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform ⁴

- 1 Effective for annual periods beginning on or after 1 January 2021
- 2 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
- 3 Effective for annual periods beginning on or after a date to be determined
- 4 Effective for annual periods beginning on or after 1 January 2020

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, *the Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本

本集團並無提早應用以下已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本：

香港財務報告準則第17號	保險合約 ¹
香港財務報告準則第3號 （修訂本）	業務的定義 ²
香港財務報告準則第10號及 香港會計準則第28號 （修訂本）	投資者與其聯營公司或 合營企業之間的資 產出售或出資 ³
香港會計準則第1號及 香港會計準則第8號 （修訂本）	重大的定義 ⁴
香港財務報告準則第9號、 香港會計準則第39號及 香港財務報告準則第7號 （修訂本）	利率基準改革 ⁴

- 1 於二零二一年一月一日或之後開始之年度期間生效
- 2 對收購日期為於二零二零年一月一日或之後開始之首個年度期間開始時或之後之業務合併及資產收購生效
- 3 於將予釐定之日期或之後開始之年度期間生效
- 4 於二零二零年一月一日或之後開始之年度期間生效

除上述新訂香港財務報告準則及其修訂本外，經修訂財務報告概念框架已於二零一八年頒佈。其後續修訂香港財務報告準則中對概念框架的提述的修訂將於二零二零年一月一日或之後開始之年度期間生效。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

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 (Continued)

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.

Amendments to HKFRS 3 *Definition of a Business*

The amendments:

- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The election on whether to apply the optional concentration test is available on transaction-by-transaction basis;
- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; and
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

已頒佈惟尚未生效之新訂香港財務報告準則及其修訂本（續）

除下文所述之新訂香港財務報告準則及其修訂本外，本公司董事預期應用所有其他新訂香港財務報告準則及其修訂本將不會於可見未來對綜合財務報表造成重大影響。

香港財務報告準則第3號（修訂本）業務的定義

該等修訂：

- 加入選擇性集中測試，容許簡化評估被收購之業務及資產組別是否屬於業務。可按逐項交易基準選擇是否應用選擇性集中測試；
- 澄清被收購之業務及資產組別必須至少包括一項投入及實質過程，兩者合共對創造產出之能力具有重大貢獻，方被視為一項業務；及
- 透過將重點放於向客戶提供之貨品及服務上及刪除有關降低成本之能力之提述，以收窄業務及產出之定義。

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

Amendments to HKFRS 3 Definition of a Business (Continued)

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after 1 January 2020.

The optional concentration test and the amended definition of a business are not expected to have a significant impact to the Group.

Amendments to HKAS 1 and HKAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgments. In particular, the amendments:

- include the concept of “obscuring” material information in which the effect is similar to omitting or misstating the information;
- replace threshold for materiality influencing users from “could influence” to “could reasonably be expected to influence”; and
- include the use of the phrase “primary users” rather than simply referring to “users” which was considered too broad when deciding what information to disclose in the financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港財務報告準則第3號（修訂本）業務的定義（續）

收購日期為於二零二零年一月一日或之後開始之首個年度報告期或之後之所有業務合併及資產收購均於未來應用該等修訂。

預期選擇性集中測試及經修訂之業務的定義將不會對本集團產生重大影響。

香港會計準則第1號及香港會計準則第8號（修訂本）重大的定義

該等修訂透過載入作出重大判斷之額外指引及解釋改進重大的定義。具體而言，該等修訂：

- 載入「掩蓋」重大資料之概念，當中之影響與遺漏或錯誤陳述資料類似；
- 將嚴重影響使用者之界線由「可影響」取代為「可合理預期將影響」；及
- 載入使用詞組「主要使用者」而非簡單提述「使用者」，其於決定在財務報表披露何等資料時被視為過於廣泛。

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

Amendments to HKAS 1 and HKAS 8 Definition of Material (Continued)

The amendments also align the definition across all HKFRSs and will be mandatorily effective for the Group’s annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards 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 of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及其修訂本（續）

香港會計準則第1號及香港會計準則第8號（修訂本）重大的定義（續）

該等修訂亦統一所有香港財務報告準則之定義，並將於本集團於二零二零年一月一日開始之年度期間強制生效。預期應用該等修訂將不會對本集團之財務狀況及表現產生重大影響，惟可能影響綜合財務報表之呈列及披露資料。

3. 重大會計政策

綜合財務報表乃根據由香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例規定之適用披露資料。

綜合財務報表乃按歷史成本基準編製，惟如下文所載之會計政策所闡釋，於各報告期末按公平值計量之若干物業及金融工具則除外。

歷史成本一般根據為換取貨品及服務而給予之代價之公平值計算。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 *Share-based Payment*, leasing transactions that are accounted for in accordance with HKFRS 16 (since 1 January 2019) or HKAS 17 (before application of HKFRS 16), 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*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 重大會計政策 (續)

公平值為市場參與者於計量日期進行之有序交易中出售資產而將予收取或轉讓負債而將予支付之價格，不論該價格是否為直接可觀察或使用另一項估值技術而所估計。於估計資產或負債之公平值時，倘市場參與者於計量日期為資產或負債定價時所考慮之資產或負債特點，則本集團考慮該等特點。該等綜合財務報表中用作計量及／或披露之公平值乃按該基準釐定，惟於香港財務報告準則第2號以股份為基礎之付款範圍內之以股份為基礎之付款交易、根據香港財務報告準則第16號（自二零一九年一月一日起）或香港會計準則第17號（於應用香港財務報告準則第16號前）入賬之租賃交易，以及與公平值相類似惟並非公平值之計量（如香港會計準則第2號存貨之可變現淨值或於香港會計準則第36號資產減值之使用價值除外）。

非金融資產之公平值計量乃經計及一名市場參與者透過使用資產之最高及最佳用途或透過將資產出售予將使用其最高及最佳用途之另一名市場參與者而能夠產生經濟利益之能力。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

3. 重大會計政策 (續)

就按公平值交易之金融工具及投資物業以及於其後期間將使用不可觀察輸入數據計量公平值之估值技術而言，估值技術會予以校正，以致於初次確認時，估值技術之結果會相等於交易價格。

此外，就財務報告而言，公平值計量根據公平值計量之輸入數據可觀察程度及輸入數據對公平值計量之整體重要性分類為第一級、第二級及第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得之相同資產或負債於活躍市場之報價（未經調整）；
- 第二級輸入數據為就資產或負債直接或間接可觀察之輸入數據（第一級內包括之報價除外）；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The principal accounting policies 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.

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.

3. 重大會計政策 (續)

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由本公司及其附屬公司控制的實體之財務報表。當本公司具備以下條件，即屬擁有控制權：

- 對被投資方行使權力；
- 參與被投資方之業務以獲得或有權獲得可變回報；及
- 能夠行使權力以影響其回報。

倘有事實及情況顯示上文所列之三項控制因素之一項或多項出現變動，則本集團重新評估其是否控制被投資方。

當本集團取得附屬公司之控制權時，則開始將附屬公司綜合入賬，並於本集團失去對該附屬公司之控制權時終止綜合入賬。具體而言，年內所收購或出售之附屬公司之收入及開支於本集團取得控制權當日起直至本集團不再對該附屬公司擁有控制權當日止計入綜合損益及其他全面收益表。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

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

Revenue from contracts with customers

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

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

3. 重大會計政策 (續)

綜合基準 (續)

如有必要，附屬公司之財務報表會作出調整，使彼等之會計政策與本集團之會計政策保持一致。

與本集團成員公司之間的交易有關之所有集團內資產及負債、權益、收入、開支及現金流量均於綜合入賬時全數對銷。

客戶合約收入

於（或隨著）履約責任獲達成時（即與特定履約責任相關之貨品或服務之「控制權」轉移至顧客時），本集團確認收入。

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

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

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 or enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

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

3. 重大會計政策 (續)

客戶合約收入 (續)

倘符合以下其中一項準則，則控制權按時間轉移，而收益經參考完全達成相關履約責任之進度隨時間確認：

- 客戶於本集團履約時同時收取及耗用本集團履約所提供之利益；
- 本集團之履約創建及增強客戶於本集團履約時控制之資產；或
- 本集團之履約並無創建對本集團具有替代用途之資產，而本集團有強制執行權就至今已履約之部分收取款項。

否則，於客戶取得明確貨品或服務之控制權之時間點確認收益。

合約資產指本集團為收取本集團已向客戶轉讓貨品或服務而交換代價之權利（尚未成為無條件）。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價之無條件權利，即於到期支付該代價前僅須時間流逝。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

3. 重大會計政策 (續)

客戶合約收入 (續)

合約負債指本集團因已自客戶收取代價 (或到期之代價金額) 而須向客戶轉讓貨品或服務之責任。

與相同合約有關之合約資產及合約負債按淨額基準入賬及呈列。

隨時間確認收益：完滿達成履約責任之進度計量

輸入法

完滿達成履約責任之進度乃根據輸入法計量，即根據本集團為達成履約責任而產生的支出或投入 (相對於達成履約責任之總預期投入) 確認收益，其最能反映本集團於轉讓貨品或服務控制權方面之履約情況。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Variable consideration

For contracts that contain variable consideration (variation order of construction work), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

3. 重大會計政策 (續)

客戶合約收入 (續)

可變代價

就包含可變代價(建築工程變更訂單)之合約而言,視乎何者能更準確地預測本集團將有權獲得之代價金額,本集團有權使用(a)預期價值法或(b)最可能金額估計代價金額。

可變代價之估計金額計入交易價格中,惟僅限於有關計入日後當可變代價之相關不確定性於其後獲解決時導致重大收益撥回之可能性極微。

於各報告期末,本集團更新估計交易價格(包括更新其對可變代價是否受限之估計評估),以忠實反映於報告期末存在之情況及於報告期之情況變動。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue from contracts with customers (Continued)

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

For contracts where the Group transferred the associated goods or services before payments from customers in which the Group adjusts for the promised amount of consideration for significant financing components, the Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services.

3. 重大會計政策 (續)

客戶合約收入 (續)

存在重大融資部分

釐定交易價格時，倘協定之付款時間（不論明確或隱含）為客戶或本集團提供有關向客戶轉讓貨品或服務之重大融資利益，本集團會就貨幣時間價值之影響調整承諾代價金額。於該等情況下，合約即包含重大融資部分。不論融資承諾是否明確列於合約或隱含在合約訂約方協定之付款條款中，均可能存在重大融資部分。

對於付款與轉讓服務相隔期間不足一年之合約，本集團應用可行權宜方法，不就任何重大融資部分調整交易價。

就本集團於客戶付款前轉讓有關貨品或服務且當中本集團調整重大融資部分之承諾代價金額之合約而言，本集團於合約開始時應用將反映本集團與客戶之獨立融資交易之貼現率。本集團會確認客戶付款至轉讓相關貨品或服務期間之利息收入。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Definition of a lease (upon application of HKFRS 16 in accordance with transitions in Note 2)

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

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

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

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 重大會計政策 (續)

租賃

租賃的定義 (根據附註2之過渡方法應用香港財務報告準則第16號後)

倘合約為換取代價而給予在一段時間內控制可識別資產之用途之權利。則該合約為租賃或包含租賃。

就於首次應用日期或之後訂立、修訂或因業務合併而產生之合約而言，本集團於訂立時、修訂日期或收購日期（如適用）根據香港財務報告準則第16號項下之定義評估合約是否為租賃或包含租賃。除非合約之條款及條件於其後出現變動，否則將不會重新評估有關合約。

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後)

分配代價至合約組成部分

就包含一項租賃組成部分及一項或多項額外租賃或非租賃組成部分之合約而言，本集團根據租賃組成部分之相對單獨價格及非租賃組成部分之單獨價格總額將合約代價分配至各個租賃組成部分。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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

Allocation of consideration to components of a contract (Continued)

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

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office premises and retail stores that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

分配代價至合約組成部分 (續)

本集團亦採用可行權宜方法不從租賃組成部分分開非租賃組成部分，反而將租賃組成部分及任何相關非租賃組成部分入賬列作單一租賃組成部分。

短期租賃

本集團對自開始日期起租期為12個月或以下且不含購買選擇權之辦公室物業及零售店舖租賃應用短期租賃確認豁免。短期租賃之租賃付款於租賃期內按直線基準或另一系統化基準確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

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

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

使用權資產

使用權資產成本包括：

- 租賃負債之初步計量金額；
- 於開始日期或之前作出之任何租賃付款，減任何已收租賃優惠；
- 本集團產生之任何初步直接成本；及
- 本集團拆除及移除相關資產、恢復相關資產所在場地或將相關資產恢復至租賃條款及條件所規定狀態而將予產生之估計成本。

使用權資產按成本減任何累計折舊及減值虧損計量，並就租賃負債之任何重新計量作出調整。使用權資產於其估計使用年期及租賃期之較短者按直線基準折舊。

本集團將使用權資產呈列為綜合財務狀況表之獨立項目。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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

Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

可退還租賃按金

已付可退還租賃按金乃根據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」)入賬，並初步按公平值計量。於初步確認時對公平值之調整被視為額外租賃付款，並計入使用權資產成本。

租賃負債

於租賃開始日期，本集團按於該日未支付之租賃付款現值確認及計量租賃負債。於計算租賃付款現值時，倘未能輕易釐定租賃隱含之利率，則本集團使用於租賃開始日期之增量借款利率。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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

Lease liabilities (Continued)

The lease payments include:

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

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

租賃負債 (續)

租賃付款包括：

- 固定付款 (包括實質固定付款) 減任何應收租賃優惠；
- 基於一項指數或比率之可變租賃付款，初步使用於開始日期之指數或比率計量；
- 根據剩餘價值擔保預期本集團將予支付之金額；
- 倘本集團合理確定行使購買選擇權，則包括購買選擇權之行使價；及
- 倘租賃條款反映本集團行使終止租賃之選擇權，則包括終止租賃之罰金付款。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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

Lease liabilities (Continued)

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

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

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

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

租賃負債 (續)

於開始日期後，租賃負債透過增加利息及租賃付款調整。

倘出現以下情況，本集團重新計量租賃負債 (並對相關使用權資產作出相應調整)：

- 租賃期已出現變動或行使購買選擇權之評估發生變動，在該情況下，相關租賃負債於重新評估日期透過使用經修訂貼現率貼現經修訂租賃付款而重新計量。
- 租賃付款因市場租金檢討後之市場租金水平變動而出現變動，在該情況下，相關租賃負債使用初始貼現率透過貼現經修訂租賃付款而重新計量。

本集團將租賃負債呈列為綜合財務狀況表之獨立項目。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

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

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

租賃修改

倘出現以下情況，則本集團將租賃修改入賬為獨立租賃：

- 修改透過加入一項或多項相關資產之使用權而增加租賃範圍；及
- 租賃代價按與範圍增加之單獨價格相稱之金額增加以及該單獨價格之任何適用調整反映特定合約之情況。

就並無入賬為獨立租賃之租賃修改而言，本集團根據經修改租賃之租賃期，透過使用於修改生效日期之經修訂貼現率貼現經修訂租賃付款而重新計量租賃負債。

本集團透過對相關使用權資產作出相應調整將重新計量租賃負債入賬。當經修訂合約包含租賃組成部分及一項或多項額外租賃或非租賃組成部分，本集團會根據租賃組成部分之相關單獨價格及非租賃組成部分之單獨價格總額將經修訂合約內之代價分配至各租賃組成部分。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessee (prior to 1 January 2019)

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.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Lease incentives relating to operating leases are considered as integral part of lease payments, the aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

3. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (於二零一九年一月一日前)

當租賃條款將所有權的絕大部分風險及回報轉移至承租人，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃付款 (包括根據經營租賃持有之土地收購成本) 於租賃期按直線基準確認為開支。經營租賃項下產生之或然租金於產生期間確認為開支。

與經營租賃有關之租賃優惠被視為租賃付款之組成部分，優惠利益總額按直線基準確認為租金開支減少。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor

Classification and measurement of leases

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

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

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

3. 重大會計政策 (續)

租賃 (續)

本集團作為出租人

租賃分類及計量

本集團作為出租人之租賃分類為融資或經營租賃。當租賃條款將相關資產所有權附帶之絕大部分風險及回報轉移至承租人，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

經營租賃之租金收入於相關租賃期按直線基準於損益中確認。有關經營租賃之磋商及安排所產生之初始直接成本加至租賃資產之賬面值，而有關成本於租賃期按直線基準確認為開支（除根據公平值模型計量之投資物業外）。

本集團作為出租人（根據附註2之過渡方法應用香港財務報告準則第16號後）

分配代價至合約組成部分

當合約包括租賃及非租賃組成部分，本集團應用香港財務報告準則第15號將合約內之代價分配至租賃及非租賃組成部分。非租賃組成部分按其相對單獨售價自租賃組成部分分開。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as a lessor (upon application of HKFRS 16 in accordance with transitions in Note 2) (Continued)

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Lease modification

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Foreign currencies

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

3. 重大會計政策 (續)

租賃 (續)

本集團作為出租人 (根據附註2之過渡方法應用香港財務報告準則第16號後) (續)

可退回租賃按金

已收可退回租賃按金根據香港財務報告準則第9號入賬，並初步按公平值計量。於初步確認時對公平值之調整被視為承租人之額外租賃付款。

租賃修訂

本集團自修訂之生效日期起將經營租賃之修訂入賬列為新租賃，並將與原本租賃有關之任何預付或應計租賃付款視為新租賃之租賃付款之一部分。

外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按於交易日期通行之匯率確認。於報告期末，以外幣計值之貨幣項目均按該日通行之匯率重新換算。按公平值列賬並以外幣計值之非貨幣項目按釐定公平值當日通行之匯率重新換算。按歷史成本以外幣計量之非貨幣項目毋須重新換算。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

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 operations are translated into the presentation currency of the Group (i.e. RMB) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 重大會計政策 (續)

外幣 (續)

於結算及重新換算貨幣項目時產生之匯兌差額於產生期間在損益中確認。

就呈列綜合財務報表而言，本集團業務之資產及負債使用於各報告期末通行之匯率換算為本集團之呈列貨幣（即人民幣）。收入及開支項目按期內平均匯率換算，除非該期間之匯率大幅波動，於該情況下，則使用於換算日期之匯率。所產生之匯兌差額（如有）於其他全面收益中確認並於匯兌儲備項下之權益累計。

於出售一項海外業務（即出售本集團於一項海外業務的全部權益、涉及失去對一間包含海外業務的附屬公司的控制權的出售事項或出售包含保留權益成為金融資產的海外業務的合營安排或聯營公司的部分權益）時，於本公司擁有人應佔該業務之權益中所累計之全部匯兌差額重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Exchange differences relating to the retranslation of the Group's net assets in Hong Kong dollars to the Group's presentation currency (i.e. RMB) are recognised directly in other comprehensive income and accumulated in translation reserve. Such exchange differences accumulated in the translation reserve are not reclassified to profit or loss subsequently.

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

Retirement benefit costs

Payments to the state-managed retirement benefit schemes in relation to employees of the Company's subsidiaries in the PRC and the Mandatory Provident Fund Scheme in relation to employees of the Company's subsidiaries in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 重大會計政策 (續)

外幣 (續)

與以港元列值之本集團資產淨值重新換算為本集團功能貨幣(即人民幣)有關之匯兌差額直接於其他全面收益中確認及於其他儲備累計。於匯兌儲備中累計之有關匯兌差額其後並無重新分類至損益。

借貸成本

收購、興建或生產合資格資產(即必須經一段長時間準備方可作擬定用途或銷售之資產)直接應佔之借貸成本加至該等資產之成本,直至有關資產大致上可作擬定用途或銷售時為止。

所有其他借貸成本於產生期間在損益中確認。

退休福利成本

就本公司於中國之附屬公司僱員參與之由國家管理之退休福利計劃及本公司於香港之附屬公司僱員參與之強制性公積金計劃所作出之供款於僱員提供之服務賦予彼等有權享有該等供款時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-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.

Share-based payments

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-based payments 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-based payments reserve.

3. 重大會計政策 (續)

短期僱員福利

短期僱員福利於僱員提供服務時確認為預期將予支付之未貼現福利金額。所有短期僱員福利均確認為開支，除非另有香港財務報告準則要求或允許於資產成本中納入福利。

經扣除任何已付金額後，就僱員應計福利（如工資及薪金、年假及病假）確認負債。

以股份為基礎付款

股權結算以股份為基礎付款交易

授予僱員之購股權

向僱員及提供類似服務之其他人士作出之股權結算以股份為基礎付款於授出日期按股本工具之公平值計量。

於授出日期釐定之股權結算以股份為基礎付款之公平值（不計及所有非市場歸屬條件）根據本集團對將會最終歸屬之股本工具之估計，於歸屬期內按直線基準支銷，而權益則相應增加（以股份為基礎之付款儲備）。於各報告期末，本集團根據所有相關非市場歸屬條件之評估修訂其對預期歸屬的股本工具數目之估計。修訂原先估計之影響（如有）於損益中確認，使累計開支反映經修訂之估計並對以股份為基礎之付款儲備作出相應調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Share-based payments (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to employees (Continued)

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

When shares granted are vested, the amount previously recognised in share-based payments reserve will be transferred to share premium.

Share options granted to customers/consultants

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. The fair values of the goods or services received are recognised as expenses (unless the goods or services qualify for recognition as assets).

3. 重大會計政策 (續)

以股份為基礎付款 (續)

股權結算以股份為基礎付款交易 (續)

授予僱員之購股權 (續)

當購股權獲行使時，先前於以股份為基礎之付款儲備中確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，則先前於以股份為基礎之付款儲備中確認之金額將轉撥至保留溢利。

當已授出股份歸屬時，先前於以股份為基礎之付款儲備中確認之金額將轉撥至股份溢價。

授予客戶／顧問之購股權

與僱員以外人士訂立之股權結算以股份為基礎付款交易按已收取貨品或服務之公平值計量，惟無法可靠地計量公平值則除外，於有關情況下，該等交易會按所授出股本工具於實體取得貨品或對手方提供服務當日之公平值計量。已收取貨品或服務之公平值會確認為開支（貨品或服務符合資格確認為資產則除外）。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable 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 the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 重大會計政策 (續)

稅項

所得稅開支指應付即期稅項及遞延稅項之總和。

應付即期稅項按年內應課稅溢利計算。由於在其他年度應課稅或可扣稅之收入或開支以及從來毋須課稅或可扣稅之項目所致，故應課稅溢利與除稅前溢利不同。本集團之即期稅項負債使用於報告期末已實行或大致上已實行之稅率計算。

遞延稅項為就綜合財務報表之資產及負債賬面值與用於計算應課稅溢利之相應稅基間之暫時性差額而確認。遞延稅項負債通常就所有應課稅暫時性差額確認。倘應課稅溢利將很可能可用於抵銷該等可扣減暫時性差額，則遞延稅項資產一般就所有可扣減暫時性差額確認。倘暫時性差額因初次確認一項既不影響應課稅溢利亦不影響會計溢利之交易（業務合併除外）之資產及負債而產生，則不會確認有關遞延稅項資產及負債。此外，倘首次確認商譽產生暫時性差額，則不會確認遞延稅項負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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 reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

3. 重大會計政策 (續)

稅項 (續)

遞延稅項負債就與於附屬公司之投資相關之應課稅暫時性差異確認，惟本集團能控制暫時性差額之撥回且暫時性差額將不大可能於可見將來撥回則除外。與該等投資相關之可扣減暫時性差額所產生之遞延稅項資產僅於將很大可能具有足夠應課稅溢利動用暫時性差額之利益及預期於可見將來予以撥回時確認。

遞延稅項資產之賬面值於各報告期末審閱，並在將不大可能再有足夠應課稅溢利以收回全部或部份資產時作扣減。

遞延稅項資產及負債按預期於結算負債或變現資產期間應用之稅率計量，而有關稅率乃基於在報告期末已實施或大致上已實施之稅率（及稅法）而定。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或結算其資產及負債賬面值所產生之稅務後果。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

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

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

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 to the same taxable entity by the same taxation authority.

3. 重大會計政策 (續)

稅項 (續)

就使用公平值模型計量之投資物業遞延稅項計量而言，有關物業之賬面值乃假設透過銷售全數收回，除非該假設被推翻則除外。當投資物業折舊及於目的為隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益的業務模型內持有時，有關假設會被推翻。

就計量本集團於當中確認使用權資產及相關租賃負債之租賃交易之遞延稅項而言，本集團首先釐定稅項扣減屬於使用權資產或租賃負債。

就稅項扣減屬於租賃負債之租賃交易而言，本集團對使用權資產及租賃負債分別應用香港會計準則第12號*所得稅*之規定。相關使用權資產及租賃負債於初步確認時之暫時差額應用初步確認豁免而並無獲確認。其後因重新計量租賃負債及租賃修改而修訂使用權資產及租賃負債賬面值產生之暫時差額（不獲初步確認豁免）會於重新計量或修改日期確認。

當有合法強制執行權利將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關對同一應課稅實體徵收之所得稅有關時，則遞延稅項資產及負債可互相對銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes (other than properties under construction as described below). Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 重大會計政策 (續)

稅項 (續)

即期及遞延稅項於損益中確認，惟倘其與於其他全面收益或直接於權益中確認之項目有關之情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益中確認。倘業務合併之初始會計處理產生即期稅項或遞延稅項，則稅務影響計入於業務合併之會計處理內。

物業、廠房及設備

持作生產或供應貨品或服務用途或行政用途之物業、廠房及設備為有形資產（除下文所述之在建物業外）。物業、廠房及設備按成本減其後累計折舊及其後累計減值虧損（如有）於綜合財務狀況表內列賬。

供生產、供應或行政用途之在建樓宇按成本減任何已確認減值虧損列賬。成本包括使資產達致按管理層預期方式運作所需的地點及狀況直接應佔的任何成本，及就合資格資產而言，根據本集團會計政策資本化之借貸成本。該等資產於資產可作擬定用途時開始按其他物業資產之相同基準折舊。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

If a property 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 leasehold land under HKFRS 16 or prepaid lease payments under HKAS 17) 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 property, the relevant revaluation reserve will be transferred directly to retained profits.

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

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. 重大會計政策 (續)

物業、廠房及設備 (續)

倘一項物業因其用途變動(以擁有人不再佔用作證明)而成為投資物業,則該項目(包括香港財務報告準則第16號項下之相關租賃土地或香港會計準則第17號項下之預付租賃款項)於轉讓日期之賬面值與公平值之任何差額於其他全面收益中確認及於物業重估儲備中累計。其後銷售或停止使用該物業時,相關重估儲備將直接轉撥至保留溢利。

折舊乃使用直線法確認,以撇銷資產(在建中物業除外)成本減估計可使用年期內的剩餘價值。估計可使用年期、剩餘價值及折舊法於各報告期末審閱,而任何估計變動之影響按預期基準入賬。

物業、廠房及設備項目於出售或當預期繼續使用資產不會產生未來經濟利益時終止確認。出售或停止使用物業、廠房及設備項目所產生之任何收益或虧損釐定為銷售所得款項與資產賬面值間之差額,並於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 fair value, adjusted to exclude any prepaid or accrued operating lease income.

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 disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Impairment on property, plant and equipment and right-of-use assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment and right-of-use assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

3. 重大會計政策 (續)

投資物業

投資物業為持有以賺取租金及／或資本升值之物業。

投資物業初步按成本計量，包括任何直接應佔開支。於初次確認後，投資物業按公平值計量，並調整以撇除任何預付或應計經營租賃收入。

投資物業之公平值變動所產生之收益或虧損於產生期間計入損益。

投資物業於出售時或於投資物業永久不可使用及預期其出售不會產生任何未來經濟利益時終止確認。終止確認該物業所產生之任何收益或虧損（計算為出售所得款項淨額與該資產賬面值間之差額）於該物業終止確認之期間計入損益。

物業、廠房及設備以及使用權資產（商譽除外）減值

於報告期末，本集團檢討其具有限可使用年期之物業、廠房及設備以及使用權資產之賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘存在任何有關跡象，則估計相關資產之可收回金額，以釐定減值虧損之程度（如有）。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (Continued)

The recoverable amount of property, plant and equipment and right-of-use assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In addition, corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The Group assesses whether there is indication that corporate assets may be impaired. If such indication exists, the recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

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 (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

3. 重大會計政策 (續)

物業、廠房及設備以及使用權資產 (商譽除外) 減值 (續)

物業、廠房及設備以及使用權資產之可收回金額均會個別估計。當無法個別估計可收回金額，則本集團估計有關資產所屬之現金產生單位之可收回金額。

此外，當可建立合理及一致之分配基準時，公司資產亦會分配至個別現金產生單位，否則其分配至可建立合理及一致之分配基準之最小現金產生單位組別。本集團會評估公司資產是否出現減值跡象。倘存在有關跡象，則就公司資產所屬之現金產生單位或現金產生單位組別釐定可收回金額，並與相關現金產生單位或現金產生單位組別之賬面值進行比較。

可收回金額為公平值減出售成本與使用價值中的較高者。評估使用價值時，估計未來現金流使用反映當時市場對貨幣時間價值及資產 (或現金產生單位) 之特定風險評估的稅前貼現率貼現為現值，而估計未來現金流並未經調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (Continued)

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 to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), 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 or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

3. 重大會計政策 (續)

物業、廠房及設備以及使用權資產 (商譽除外) 減值 (續)

倘資產 (或現金產生單位) 之可收回金額估計少於其賬面值, 則資產 (或現金產生單位) 之賬面值減至其可收回金額。就未能按合理及一致之基準分配至現金產生單位之公司資產或公司資產部分而言, 本集團比較現金產生單位組別之賬面值 (包括分配至該現金產生單位組別之公司資產或公司資產部分賬面值) 與現金產生單位組別之可收回金額。於分配減值虧損時, 首先分配減值虧損以減少任何商譽之賬面值 (如適用), 然後按比例根據該單位各資產或現金產生單位組別之賬面值分配至其他資產。資產賬面值不得減少至低於其公平值減出售成本 (如可計量)、其使用價值 (如可釐定) 及零 (以最高者為準)。另行分配至資產之減值虧損金額按比例分配至該單位之其他資產或現金產生單位組別。減值虧損即時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment on property, plant and equipment and right-of-use assets other than goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) 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 or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重大會計政策 (續)

物業、廠房及設備以及使用權資產(商譽除外)減值(續)

倘其後撥回減值虧損，則資產(或現金產生單位或現金產生單位組別)之賬面值增加至其可收回金額之經修訂估計金額，惟因此增加之賬面值不會超出资產(或現金產生單位或現金產生單位組別)於過往年度未有確認減值虧損時釐定之賬面值。減值虧損之撥回即時於損益中確認。

存貨

存貨按成本與可變現淨值兩者中之較低者列賬。存貨成本以加權平均法釐定。可變現淨值代表存貨估計售價減所有估計完成成本及作出銷售必需之成本。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss (“FVTPL”)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

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

3. 重大會計政策 (續)

金融工具

金融資產及金融負債乃於一間集團實體成為工具合約條文之一方時確認。所有以正規途徑購買或銷售之金融資產乃按交易日期基準確認及終止確認。正規途徑買賣乃要求於市場法規或慣例所確定之時間框架內交付資產之金融資產買賣。

金融資產及金融負債乃初步按公平值計量，惟客戶合約收入產生之貿易應收款項初步根據香港財務報告準則第15號計量除外。收購或發行金融資產及金融負債（按公平值計入損益（「按公平值計入損益」）之金融資產或金融負債除外）直接應佔之交易成本於初次確認時計入或扣除自金融資產或金融負債之公平值（以合適者為準）。收購按公平值計入損益之金融資產或金融負債直接應計交易成本，即時於損益確認。

實際利率法為計算一項金融資產或金融負債之攤銷成本及按有關時間分配利息收入及利息開支之方法。實際利率為按金融資產或金融負債之預期可使用年期或（如合適）較短期間，準確貼現估計未來現金收入及付款（包括構成實際利率之組成部分之所有已付或已收費用及款項、交易成本及其他溢價或折讓）至初步確認時之賬面淨值之比率。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets

Classification and subsequent measurement of financial assets

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

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

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

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產

金融資產分類及其後計量

符合以下條件的金融資產其後按攤銷成本計量：

- 於目的為收取合約現金流量之業務模式內持有之金融資產；及
- 合約條款導致於特定日期產生的現金流量純粹用作支付本金及未償還本金利息。

符合以下條件的金融資產其後按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量：

- 於目的為出售及收取合約現金流量之業務模式內持有之金融資產；及
- 合約條款導致於特定日期產生的現金流量純粹用作支付本金及未償還本金利息。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產分類及其後計量 (續)

所有其他金融資產其後按公平值計入損益計量，惟倘一項股本投資既非持作買賣，亦非香港財務報告準則第3號業務合併所適用之業務合併收購方確認的或然代價，於首次應用香港財務報告準則第9號／初始確認金融資產當日，本集團可作出不可撤回地選擇將該股本投資的其後公平值變動計入其他全面收益。

金融資產於下列情況為持作交易：

- 收購的主要目的為於短期作出售用途；或
- 於初始確認時構成本集團共同管理的已識別金融工具組合的一部分，並具有近期實際短期獲利模式；或
- 並非作為指定及有效對沖工具的衍生工具。

此外，本集團可不可撤回地將一項須按攤銷成本或按公平值計入其他全面收益計量的金融資產指定為按公平值計入損益計量，前提為有關指定可消除或大幅減少會計錯配。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產分類及其後計量 (續)

(i) 攤銷成本及利息收入

利息收入乃就其後按攤銷成本計量的金融資產使用實際利率法確認。利息收入按對金融資產賬面總值應用實際利率計算，惟其後已出現信貸減值之金融資產除外（見下文）。就其後出現信貸減值之金融資產而言，利息收入自下一個報告期起透過對金融資產的攤銷成本應用實際利率確認。倘出現信貸減值之金融工具的信貸風險有所改善以致於有關金融資產不再出現信貸減值，則利息收入乃於釐定該資產不再出現信貸減值後的報告期開始時起，透過對金融資產之賬面總值應用實際利率確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產分類及其後計量 (續)

(ii) 按公平值計入損益的金融資產

不符合按攤銷成本或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量的金融資產，均按公平值計入損益計量。

按公平值計入損益的金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益中確認的淨收益或虧損包括該金融資產所賺取的任何股息或利息，並計入「其他收益及虧損」項目。

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值

本集團根據預期信貸虧損（「預期信貸虧損」）模式對金融資產（包括貿易及其他應收款項、應收貸款、應收關聯方款項以及銀行結餘）以及其他項目（合約資產）（根據香港財務報告準則第9號須受限於減值）進行減值評估。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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

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

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

全期預期信貸虧損指相關工具預計使用年期內所有可能違約事件將會引起的預期信貸虧損。相反，12個月預期信貸虧損（「12個月預期信貸虧損」）指報告日期後12個月內可能出現的違約事件預期將會引起的全期預期信貸虧損部分。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、整體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而作出調整。

本集團一直就貿易應收款項及合約資產確認全期預期信貸虧損。該等資產之預期信貸虧損會個別就具有大額結餘之債務人進行評估及／或採用合適組別的撥備矩陣進行整體評估。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

至於所有其他工具，本集團計量相等於12個月預期信貸虧損的虧損撥備，除非自初步確認以來信貸風險大幅上升，則本集團會確認全期預期信貸虧損。是否確認全期預期信貸虧損乃根據自初步確認以來出現違約事件的可能性或風險大幅上升進行評估。

(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，本集團將報告日期金融工具出現違約事件的風險與初步確認日期金融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，包括過往經驗或無須過高成本或努力即可供查閱的前瞻性資料。

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FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

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

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

(i) 信貸風險大幅上升 (續)

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：

- 金融工具外界（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，例如信貸息差大幅上升，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，而預期將導致債務人履行其債務責任的能力遭到大幅削弱；
- 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變動，導致債務人履行其債務責任的能力遭到大幅削弱。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

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.

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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

(i) 信貸風險大幅上升 (續)

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步確認以來已大幅上升，除非本集團另有合理且可證實資料證明並非如此，則作別論。

儘管上文所述，本集團假設倘債務工具釐定為於報告日期具有低信貸風險，則債務工具的信貸風險自初始確認以來並無大幅上升。倘屬以下情況，債務工具釐定為具有低信貸風險：i)其具有低違約風險，ii)借款人於短期內具備雄厚實力履行其合約現金流責任及iii)長期經濟及業務狀況的不利變動可能但不一定削弱借款人履行其合約現金流責任的能力。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為低信貸風險。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk (Continued)

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

(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. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

(i) 信貸風險大幅上升 (續)

本集團定期監察用以識別信貸風險是否已大幅上升的標準的成效，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信貸風險大幅上升。

(ii) 違約定義

就內部信貸風險管理而言，本集團認為當內部產生或從外部來源所得資料顯示，債務人不大可能向其債權人（包括本集團）支付全數款項（並無計及本集團所持的任何抵押品）時，則出現違約事件。

無論上述如何，倘金融資產逾期超過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用，則另當別論。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events 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; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

(iii) 已信貸減值的金融資產

當一項或多項對金融資產估計未來現金流造成負面影響的事件發生時，即代表金融資產已出現信貸減值。金融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) 發行人或借款人之嚴重財政困難；
- (b) 違反合約，如拖欠或逾期事件；
- (c) 向借款人作出貸款之貸款人出於與借款人財政困難有關的經濟或合約理由，向借款人授出貸款人在其他情況下不會考慮的優惠；或
- (d) 借款人有可能破產或進行其他財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (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 five 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.

(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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (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，當金額已逾期超過五年（以較早發生者為準）），本集團會撇銷金融資產。經計及法律意見後，在適當情況下，已撇銷的金融資產可能仍可於本集團收回程序下被強制執行。撇銷構成終止確認事件。其後收回的任何款項於損益內確認。

(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。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

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.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's certain trade receivables and contract assets are each assessed as a separate group. Trade receivable and contract assets with significant outstanding balances, loan receivables and amounts due from related parties are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors;

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

(v) 計量及確認預期信貸虧損 (續)

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

倘預期信貸虧損按集體基準計量或屬於個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質（即本集團之若干貿易應收款項及合約資產各自作為獨立組別進行評估。具大額尚未償還結餘之貿易應收款項及合約資產、應收貸款及應收關聯方款項按個別基準進行預期信貸虧損評估）；
- 逾期狀況；
- 債務人的性質、規模及行業；

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL (Continued)

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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

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

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.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產及須進行香港財務報告準則第9號項下減值評估之其他項目之減值 (續)

(v) 計量及確認預期信貸虧損 (續)

管理層會定期檢討分組情況，以確保各組別繼續擁有類似信貸風險特徵。

利息收入乃根據金融資產的賬面總值計算，除非金融資產發生信貸減值，在此情況，利息收入根據金融資產的攤銷成本計算。

本集團以調整賬面值之方式於損益內確認所有金融工具之減值收益或虧損，惟貿易應收款項及合約資產之相應調整透過虧損撥備賬確認除外。

終止確認金融資產

僅於資產現金流量之合約權利屆滿時，或將金融資產所有權之絕大部份風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。於終止確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價的總和之間的差額於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益

分類為債務或權益

債務及股本工具乃根據合約安排之實際內容及金融負債與股本工具之定義分類為金融負債或權益。

股本工具

股本工具為證明實體資產於扣除其所有負債後之剩餘權益之任何合約。本公司所發行之股本工具乃按所得款項減直接發行成本確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Financial liabilities at amortised cost

Financial liabilities including trade and bills payable and other payables, bank borrowings and convertible loan notes are subsequently measured at amortised cost, using the effective interest method.

Convertible loan notes

The component parts of the convertible loan notes are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

按攤銷成本計量的金融負債

金融負債(包括貿易及票據應付款項以及其他應付款項、銀行借款及可換股貸款票據)其後使用實際利率法按攤銷成本計量。

可換股貸款票據

可換股貸款票據的負債部分根據合約安排的內容以及金融負債及股本工具的定義獨立分類為金融負債及股本。將以固定金額現金或另一項金融資產換取固定數目的本公司本身股本工具的方式結清之換股權為股本工具。

於發行日期,負債部分(包括任何嵌入或非權益衍生工具特徵)的公平值透過計量並無相關股本部分之類似負債之公平值進行估計。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Convertible loan notes (Continued)

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

可換股貸款票據 (續)

分類為權益的換股權按自複合工具的公平總值扣除負債部分金額的方式釐定。其於權益確認並計入權益（經扣除所得稅影響），且不會於其後重新計量。此外，分類為權益的換股權在獲行使前於權益列賬，於該情況下，於權益確認之結餘將轉撥至股份溢價。倘換股權於可換股票據到期日仍未獲行使，於權益確認之結餘將轉撥至保留溢利。於換股權獲轉換或屆滿時，不會於損益確認收益或虧損。

發行可換股貸款票據的相關交易成本，按所得款項總額的分配比例分配至負債及權益部分。權益部分的相關交易成本直接自權益扣除。負債部分的相關交易成本計入負債部分的賬面值，並以實際利率法於可換股貸款票據期限內攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial liabilities and equity (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.

4. CRITICAL ACCOUNTING JUDGMENTS AND 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 judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及權益 (續)

終止確認金融負債

於本集團之義務獲解除、取消或屆滿後，本集團方會終止確認金融負債。已終止確認金融負債之賬面值與已付及應付代價之間的差額於損益中確認。

4. 主要會計判斷及估計不確定性之主要來源

在應用附註3所述本集團的會計政策時，要求本公司的董事對於無法從其他來源清楚得知的資產和負債的賬面值作出估計和假設。估計和相關假設以歷史經驗和其他被視為相關的因素為基礎。實際結果可能與該等估計不同。

本集團對估計和相關假設會持續進行檢討。如果變更僅影響當期，對會計估計的變更要在修改估計的當期作出確認，如果影響當期和未來期間，則於變更的當期和未來期間都作出確認。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group recognised additional deferred taxes relating to Land Appreciation Tax ("LAT") and Enterprise Income Tax ("EIT") on changes in fair value of such investment properties as appropriate.

4. 主要會計判斷及估計不確定性之主要來源 (續)

應用會計政策之主要判斷

以下為除涉及估計的判斷(見下文)外,本公司董事在應用本集團之會計政策時作出且對綜合財務報表內確認的金額具最重大影響力的主要判斷。

投資物業之遞延稅項

就使用公平值模型計量投資物業產生之遞延稅項而言,本公司董事已審閱本集團之投資物業組合,結論為本集團之投資物業並非根據目標為隨時間消耗投資物業包含之絕大部分經濟利益之業務模型持有。因此,於釐定投資物業之遞延稅項時,本公司董事已釐定使用公平值模型計量之投資物業賬面值可透過銷售悉數收回之假設並無被推翻。本集團已就有關投資物業之公平值變動確認有關土地增值稅(「土地增值稅」)及企業所得稅(「企業所得稅」)之額外遞延稅項(如適用)。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgments in applying accounting policies (Continued)

Significant influence over Xinfeng Culture Media Limited ("Xinfeng Culture")

On 19 February 2019, Jiyi Entertainment Limited, a wholly owned subsidiary of the Company, entered into an investment agreement with Xinbao Culture Media Limited ("Xinbao Culture") as vendor and Tourmaline Investment Holding Limited as agent, pursuant to which Jiyi Entertainment Limited agreed to purchase 510 shares, representing 51% of the issued shares of Xinfeng Culture at an aggregate consideration of HK\$54,366,000. The acquisition consists of a two-step purchase and sale, including the purchase and sale of: (i) 200 issued shares of Xinfeng Culture at a consideration of HK\$21,320,000, representing 20% of the issued shares; and (ii) 310 issued shares of Xinfeng Culture at a consideration of HK\$33,046,000, representing 31% of the issued shares, and the Group will obtain control over Xinfeng Culture upon completion of the second-step acquisition. The major assets of Xinfeng Culture include the movie income right and the right of first refusal of the income right of another three movies and media projects. The Company had acquired 200 issued shares of Xinfeng Culture and the first consideration of HK\$21,320,000 (equivalent to approximately RMB18,826,000) had been settled in February 2019. The second-step acquisition would be taken place when the movie of that movie income right release to the public. Subsequent to the first-step acquisition, the Group exercised its contractual right to appoint one out of three directors to the board of directors of Xinfeng Culture. However, the director appointed by the Group would only take a passive director role and has not participated in any policy-making processes of Xinfeng Culture.

4. 主要會計判斷及估計不確定性之主要來源 (續)

應用會計政策之主要判斷 (續)

對信豐文化傳媒有限公司(「信豐文化」)之重大影響力

於二零一九年二月十九日，集一影視投資有限公司(本公司之全資附屬公司)與信寶文化傳媒有限公司(「信寶文化」)(作為賣方)及碧璽投資控股有限公司(作為代理人)訂立投資協議，據此，集一影視投資有限公司同意購買510股股份，相當於信豐文化已發行股份之51%，總代價為54,366,000港元。收購事項由兩個買賣步驟組成，包括買賣：(i)信豐文化之200股已發行股份(相當於已發行股份之20%)，代價為21,320,000港元；及(ii)信豐文化之310股已發行股份(相當於已發行股份之31%)，代價為33,046,000港元，於完成第二個收購步驟後，本集團將取得信豐文化之控制權。信豐文化之主要資產包括電影收入權及另外三個電影及媒體項目收入權之優先購買權。本公司已收購信豐文化200股已發行股份，首筆代價21,320,000港元(相當於約人民幣18,826,000元)已於二零一九年二月償付。第二個收購步驟將於電影收入權之電影向公眾發行時進行。於第一個收購步驟後，本集團行使其合約權利委任信豐文化董事會三名董事中之其中一名。然而，本集團委任之董事將僅承擔被動董事職務，且並無參與信豐文化之任何政策決定程序。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgments in applying accounting policies (Continued)

Significant influence over Xinfeng Culture Media Limited (“Xinfeng Culture”) (Continued)

The directors of the Company assessed whether or not the Group has significant influence over Xinfeng Culture based on whether the Group has the practical ability to participate in the policy-making processes of Xinfeng Culture. In making the judgment, the directors of the Company considered the director appointed by the Group in Xinfeng Culture would only take a passive director role and has not participated in any policy-making processes of Xinfeng Culture, as such, the Group has no power to exercise significant influence in deciding Xinfeng Culture’s financial and operating policy, the resolution of which approval by simple majority of the board is required, and accordingly such investment has accounted for as financial assets at FVTPL under HKFRS 9.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 主要會計判斷及估計不確定性之主要來源 (續)

應用會計政策之主要判斷 (續)

對信豐文化傳媒有限公司(「信豐文化」)之重大影響力 (續)

本公司董事根據本集團是否有實際能力參與信豐文化之政策決定程序，評估本集團是否對信豐文化有重大影響力。於作出該判斷時，本公司董事考慮到本集團於信豐文化委任之董事將僅承擔被動董事職務，且並無參與信豐文化之任何政策決定程序，因此，本集團無權行使重大影響力決定信豐文化之財務及經營政策，其決議案須由董事會以簡單大比數方式批准，故根據香港財務報告準則第9號，有關投資已入賬為按公平值計入損益之金融資產。

估計不確定性的主要來源

以下為於報告期末有關未來的重要假設及其他估計不確定性的主要來源，該等假設及估計存在可能導致下一個財政年度資產及負債賬面值有重大調整的重大風險。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Impairment assessment of trade receivables and contract assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses provision matrix to calculate ECL for the trade receivables and contract assets which are individually insignificant. The Group has engaged an independent qualified professional valuer to estimate the ECL of the Group's trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. Estimated losses are based on historical observed default rates over the expected life of the trade receivables and their related contract assets and are adjusted for forward-looking information. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in Notes 38(b), 23 and 22, respectively.

4. 主要會計判斷及估計不確定性之主要來源 (續)

估計不確定性的主要來源 (續)

貿易應收款項及合約資產的減值評估

具有大額結餘及出現信貸減值的貿易應收款項及合約資產會個別進行預期信貸虧損評估。此外，本集團使用撥備矩陣計算個別屬重大之貿易應收款項及合約資產之預期信貸虧損。本集團已委聘獨立合資格專業估值師估計本集團貿易應收款項及合約資產之預期信貸虧損。撥備率乃按具有類似虧損模型之不同債務人組別之內部信貸評級釐定。撥備矩陣乃基於本集團之過往違約率，並計及無需不必要成本或努力可獲得之合理可靠之前瞻性資料。估計虧損乃按貿易應收款項及其相關合約資產於整個預期年期之過往觀察所得違約率得出，並就前瞻性資料作調整。於各報告日期，對過往觀察到之違約率進行重新評估，並計及前瞻性資料之變動。

預期信貸虧損撥備受估計變動之影響。有關預期信貸虧損及本集團貿易應收款項及合約資產之資料分別於附註38(b)、23及22披露。

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4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty (Continued)

Revenue recognition on contract work of interior design and building engineering services

The Group recognised contract revenue by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period which measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The recognition of contract revenue therefore relies on the management's estimation of the progress and outcome of the project, which involves the exercise of significant management estimation, particularly in estimating the budgeted contract costs, which are prepared by the management of the Group on the basis of agreements, quotations or other correspondences from time to time provided by the subcontractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, the management of the Group conducts periodic reviews of the budgets of service contracts by comparing the budgeted amounts to the actual amounts incurred. Construction revenue and contract assets are estimated by using the percentage of completion method, which is calculated based on the costs incurred on each construction contract at the end of the respective accounting period divided by the total estimated costs for the contract and then multiplied by the estimated construction revenue expected to be earned.

Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will have significant impact on the revenue and profit recognised.

4. 主要會計判斷及估計不確定性之主要來源 (續)

估計不確定性的主要來源 (續)

室內設計及建築工程服務合約工程之收益確認

本集團參考報告期末完成履行履約責任之進度確認合約收益，有關進度按迄今已履行工作所產生之合約成本相對估計合約成本總額之比例計量。因此，確認合約收益依賴管理層對項目進度及產出之估計，當中涉及行使重大管理層估計，尤其是估計預算合約成本（由本集團管理層按參與之分包商、供應商或銷售商不時提供之協議、報價或其他通訊以及管理層之經驗編製）。為保持預算準確及更新，本集團管理層會定期審閱服務合約預算，方式為比較預算金額與實際已產生金額。建築收益及合約資產乃使用完成百分比法估計，該方法以各建築合約於各會計期間末之已產生成本，除以估計合約成本總額，再乘以預期將賺取之估計建築收益計算。

儘管管理層按合約進度審閱及修訂建築合約之合約收益及成本估計，惟按收益及成本總額計算之合約實際產出可能高於或低於有關估計，並將對所確認之收益及溢利造成重大影響。

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5. REVENUE

(i) Disaggregation of revenue for contracts with customers:

Segments	分部	For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度		
		Sale and distribution of merchandise 銷售及分銷商品 RMB'000 人民幣千元	Provision of interior design and building engineering services 提供室內設計及建築工程服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods and services	貨品及服務類別			
Sale and distribution of merchandise	銷售及分銷商品			
– Building materials	– 建材	153,107	–	153,107
– Home improvement materials	– 家居裝修物料	33,136	–	33,136
– Furnishings	– 傢俱	16,238	–	16,238
Provision of interior design and building engineering services	提供室內設計及建築工程服務			
– Interior design	– 室內設計	–	8,249	8,249
– Building engineering services	– 建築工程服務	–	362,945	362,945
Total	總計	202,481	371,194	573,675
Geographical markets	地區市場			
The PRC	中國	202,481	371,194	573,675
Timing of revenue recognition	收入確認時間			
At a point in time	於時間點	202,481	–	202,481
Over time	隨時間	–	371,194	371,194
Total	總計	202,481	371,194	573,675

5. 收入

(i) 分拆客戶合約收入：

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5. REVENUE (Continued)

(i) Disaggregation of revenue for contracts with customers: (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

5. 收入 (續)

(i) 分拆客戶合約收入：(續)

以下載列客戶合約收入與分部資料所披露金額之對賬。

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Adjustments		
		Segment revenue	and eliminations	Consolidated
		分部收入	調整及對銷	綜合
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Sale and distribution of merchandise	銷售及分銷商品	228,133	(25,652)	202,481
Provision of interior design and building engineering services	提供室內設計及建築工程服務	371,194	—	371,194
Total revenue	總收入	599,327	(25,652)	573,675

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5. REVENUE (Continued)

(i) Disaggregation of revenue for contracts with customers: (Continued)

Segments	分部	For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度		Total
		Sale and distribution of merchandise 銷售及分銷商品 RMB'000 人民幣千元	Provision of interior design and building engineering services 提供室內設計及建築工程服務 RMB'000 人民幣千元	
Types of goods and services	貨品及服務類別			
Sale and distribution of merchandise	銷售及分銷商品			
– Building materials	– 建材	248,186	–	248,186
– Home improvement materials	– 家居裝修材料	20,817	–	20,817
– Furnishings	– 傢俱	19,090	–	19,090
Provision of interior design and building engineering services	提供室內設計及建築工程服務			
– Interior design	– 室內設計	–	27,469	27,469
– Building engineering services	– 建築工程服務	–	283,916	283,916
Total	總計	288,093	311,385	599,478
Geographical markets	地區市場			
The PRC	中國	288,093	311,385	599,478
Timing of revenue recognition	收入確認時間			
At a point in time	於時間點	288,093	–	288,093
Over time	隨時間	–	311,385	311,385
Total	總計	288,093	311,385	599,478

5. 收入 (續)

(i) 分拆客戶合約收入：(續)

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

	Sale and distribution of merchandise 銷售及分銷商品 RMB'000 人民幣千元	Provision of interior design and building engineering services 提供室內設計及建築工程服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Types of goods and services			
Sale and distribution of merchandise			
– Building materials	248,186	–	248,186
– Home improvement materials	20,817	–	20,817
– Furnishings	19,090	–	19,090
Provision of interior design and building engineering services			
– Interior design	–	27,469	27,469
– Building engineering services	–	283,916	283,916
Total	288,093	311,385	599,478
Geographical markets			
The PRC	288,093	311,385	599,478
Timing of revenue recognition			
At a point in time	288,093	–	288,093
Over time	–	311,385	311,385
Total	288,093	311,385	599,478

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5. REVENUE (Continued)

(i) Disaggregation of revenue for contracts with customers: (Continued)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

5. 收入 (續)

(i) 分拆客戶合約收入：(續)

以下載列客戶合約收入與分部資料所披露金額之對賬。

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

		Adjustments	
	Segment	and	Consolidated
	revenue	eliminations	綜合
	分部收入	調整及對銷	RMB'000
	RMB'000	RMB'000	人民幣千元
	人民幣千元	人民幣千元	人民幣千元
Sale and distribution of merchandise	326,815	(38,722)	288,093
Provision of interior design and building engineering services	312,748	(1,363)	311,385
Total revenue	639,563	(40,085)	599,478

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers

Sale and distribution of merchandise

The Group sells a range of building materials, home improvement materials and furnishings to the wholesale market and directly to customers through its own retail outlets.

For sales of building materials, home improvement materials and furnishings to the wholesale market, revenue is recognised when control of the goods has transferred, being when the goods have been delivered to the wholesaler's specific location (delivery). Following the delivery, the wholesaler has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

The Group generally allows a credit period ranging from 0 days to 360 days upon delivery, depending on the type of products sold. For those new customers, the Group will request deposits from them who entered into the sales contracts, this will give rise to contract liabilities at the start of a contract, until the customers obtain control of the goods. The amounts of deposits requested vary amongst different contracts.

For sales of home improvement materials and furnishings to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

5. 收入 (續)

(ii) 與客戶的合約的履約責任

銷售及分銷商品

本集團於批發市場及透過其自有零售店直接向客戶銷售一系列建材、家居裝修材料及傢俱。

就於批發市場銷售建材、家居裝修材料及傢俱而言，收入於貨品控制權轉移時（即當貨品交付予批發商指定之地點時（交付））確認。於交付後，批發商可全權酌情釐定貨品之分銷方式及銷售價格，並主要負責貨品之銷售，並須承擔有關貨品過期及損失之風險。

本集團一般允許介乎交付後0日至360日之信貸期，視乎所出售產品的類別而定。就該等新客戶而言，本集團將要求訂立銷售合約之新客戶支付按金，此舉將於合約開始時產生合約負債，直至客戶取得貨品控制權為止。所要求之按金金額視乎不同合約而有所不同。

就向零售客戶銷售家居裝修材料及傢俱而言，收入於貨品控制權轉移時確認，即客戶於零售店購買貨品之時間點。交易價格於客戶購買貨品之時間點即時到期應付。

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Sale and distribution of merchandise (Continued)

The wholesalers and retail customers have neither rights of return nor rights to defer or avoid payment for the goods once the goods are accepted by them. A contract liability is recognised for sales in which revenue has yet been recognised.

Interior design and building engineering services

The Group provides interior design and building engineering services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these services based on the stage of completion of the contract using input method.

The Group's interior design and building engineering service contracts include payment schedules which require stage payments over the service period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranged from 20% to 60% of total contract sum, when the Group receives a deposit before interior design and building engineering services commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

5. 收入 (續)

(ii) 與客戶的合約的履約責任 (續)

銷售及分銷商品 (續)

批發商及零售客戶一旦接受貨品，則無退貨權利或就貨品延遲或避免付款之權利。本集團就未確認收入之銷售確認合約負債。

室內設計及建築工程服務

本集團向客戶提供室內設計及建築工程服務。隨著本集團創建或增強客戶於創建或增強時控制的資產，有關服務確認為隨時間達成之履約責任。收入使用投入法按合約完成階段就該等服務確認。

本集團之室內設計及建築工程服務合約包括付款時間表，當中規定於整個服務期內於若干特定里程碑獲達成時即時作出階段付款。本集團要求若干客戶提供介乎合約總額20%至60%之前期按金，於本集團於室內設計及建築工程服務開始前收取按金時，將於合約開始時產生合約負債，直至就特定合約確認之收入超出按金額為止。

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Interior design and building engineering services (Continued)

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the interior design and building engineering services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically transfer the contract assets to trade receivables when the Group issued invoice to the customers based on the value of work.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to five years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the interior design and building engineering services performed comply with agreed-upon specifications and such assurance cannot be purchased separately.

5. 收入 (續)

(ii) 與客戶的合約的履約責任 (續)

室內設計及建築工程服務 (續)

合約資產(扣除與同一合約有關之合約負債)於履行室內設計及建築工程服務期間(即本集團有權就所履行服務收取代價期間)確認,原因為有關權利取決於本集團達成指定里程碑的日後表現。合約資產於有關權利成為無條件時轉撥至貿易應收款項。本集團一般於本集團向客戶發出票據時按工程價值將合約資產轉撥至貿易應收款項。

應收保留金於缺陷責任期屆滿前歸類為合約資產,其範圍於實際建築完成之日起一至五年。當缺陷責任期屆滿時,相關的合約資產金額重新分類為貿易應收賬項。缺陷責任期用於保證所執行的室內設計及建築工程服務符合協定的規範,並且不能單獨購買此類保證。

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5. REVENUE (Continued)

(ii) Performance obligations for contracts with customers (Continued)

Interior design and building engineering services (Continued)

The Group considers the promised amount of consideration contain significant financing component and accordingly the amount of consideration is adjusted for the effects of the time value of money taking into consideration the credit characteristics of the Group. The Group applies a discount rate that would be reflected in a separate financing transaction between the Group and the customer at the date of transfer of the associated goods or services. The Group recognises interest income during the period between the payment from customers and the transfer of the associated goods or services.

5. 收入 (續)

(ii) 與客戶的合約的履約責任 (續)

室內設計及建築工程服務 (續)

本集團認為承諾代價金額包含重大融資部分，因此於考慮到本集團之信貸特徵後，代價金額已就金錢時間價值之影響作調整。本集團應用反映於本集團與客戶於轉讓相關貨品或服務當日之獨立融資交易之貼現率。本集團於客戶付款至轉讓相關貨品或服務期間確認利息收入。

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5. REVENUE (Continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2019 and 31 December 2018 and the expected timing of recognising revenue are as follows:

At 31 December 2019

Within one year	一年內
More than one year but not more than two years	超過一年但不超過兩年

5. 收入 (續)

(iii) 分配至與客戶合約的餘下履約責任的交易價

於二零一九年十二月三十一日及二零一八年十二月三十一日分配至餘下履約責任(未達成或部分未達成)之交易價及預期確認收入時間如下:

於二零一九年十二月三十一日

Sale and distribution of merchandise	Provision of interior design and building engineering services	Total
銷售及分銷商品	提供室內設計及建築工程服務	總計
RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元
3,180	288,761	291,941
-	129,351	129,351
<u>3,180</u>	<u>418,112</u>	<u>421,292</u>

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5. REVENUE (Continued)

(iii) Transaction price allocated to the remaining performance obligation for contracts with customers (Continued)

At 31 December 2018

Within one year	一年內
More than one year but not more than two years	超過一年 但不超過兩年
More than two years	超過兩年

5. 收入 (續)

(iii) 分配至與客戶合約的餘下履約責任的交易價 (續)

於二零一八年十二月三十一日

Sale and distribution of merchandise 銷售及分銷商品 RMB'000 人民幣千元	Provision of interior design and building engineering services 提供室內設計及建築工程服務 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2,355	367,850	370,205
–	288,761	288,761
–	129,351	129,351
<u>2,355</u>	<u>785,962</u>	<u>788,317</u>

6. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker (CODM), make decisions about resource allocation based on the revenue by types of goods or services delivered or provided and reviews reports on the financial performance of the Group as a whole. No other discrete financial information is reviewed by the CODM for the assessment of performance of the Group. Therefore, no other segment information is presented. The Group is currently organised into the following two revenue streams as follows:

1. Sale and distribution of merchandise
2. Provision of interior design and building engineering services

6. 分部資料

有關資料向本公司行政總裁 (即主要經營決策者) 呈報, 彼根據所交付貨品或所提供服務之類別作出有關資源分配之決定, 並審閱有關本集團整體財務表現之報告。主要經營決策者概無審閱其他獨立財務資料以評估本集團表現。因此, 概無呈列其他分部資料。本集團目前由以下兩個收入來源構成:

1. 銷售及分銷商品
2. 提供室內設計及建築工程服務

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6. SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segments:

Year ended 31 December 2019

6. 分部資料 (續)

分部收入及業績

本集團之收入及業績按呈報分部劃分之分析如下：

截至二零一九年十二月三十一日止年度

		Sale and distribution of merchandise	Provision of interior design and building engineering services	Total
		銷售及 分銷商品 RMB'000 人民幣千元	提供室內 設計及 建築工程服務 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Segment Revenue	分部收入			
Segment Revenue	分部收入	228,133	371,194	599,327
Less: Inter-segment sales	減：分部間銷售	(25,652)	—	(25,652)
External sales	外部銷售	202,481	371,194	573,675
Segment cost of sales	分部銷售成本	(180,458)	(316,329)	(496,787)
Segment gross profit	分部毛利	22,023	54,865	76,888

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6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

Year ended 31 December 2018

	分部收入
Segment Revenue	分部收入
Segment revenue	分部收入
Less: Inter-segment sales	減：分部間銷售
External sales	外部銷售
Segment cost of sales	分部銷售成本
Segment gross profit	分部毛利

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment gross profit represents the gross profit earned by or loss from each segment without allocation of other income, other gains and losses, distribution and selling expenses, administrative expenses, impairment losses under expected credit loss model, net of reversal and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at costs.

6. 分部資料 (續)

分部收入及業績 (續)

截至二零一八年十二月三十一日止年度

	Sale and distribution of merchandise	Provision of interior design and building engineering services	Total
	銷售及分銷商品	提供室內設計及建築工程服務	總計
	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元
Segment revenue	326,815	312,748	639,563
Less: Inter-segment sales	(38,722)	(1,363)	(40,085)
External sales	288,093	311,385	599,478
Segment cost of sales	(264,719)	(278,807)	(543,526)
Segment gross profit	23,374	32,578	55,952

經營分部之會計政策與本集團於附註3所述之會計政策相同。分部毛利指各分部在未分配其他收入、其他收益及虧損、分銷及銷售開支、行政開支、預期信貸虧損模型下之減值虧損前賺取之毛利或其虧損（扣除撥回及財務成本）。此為就資源分配及表現評估向主要經營決策者呈報之計量。

分部間銷售按成本收費。

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6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

The CODM makes decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment gross profit are presented.

Geographical information

The Group's operations are located on the PRC (country of domicile) and Hong Kong.

Information about the Group's revenue from external customers is presented based on the location of the relevant customers. Information about the Group's non-current assets is presented based on the geographical location of the assets.

6. 分部資料 (續)

分部收入及業績 (續)

主要經營決策者根據各分部之經營業務作出決策。概無呈列分部資產及分部負債分析，原因為主要經營決策者並無就資源分配及表現評估定期審閱有關資料。因此，僅呈列分部收入及分部毛利。

地區資料

本集團業務位於中國（註冊國家）及香港。

有關本集團來自外部客戶之收入之資料乃按相關客戶之地點呈列。有關本集團非流動資產之資料乃按資產地理位置呈列。

		Revenue from external customers 來自外部客戶之收入		Non-current assets 非流動資產 (Note) (附註)	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
The PRC	中國	573,675	599,478	110,933	68,385
Hong Kong	香港	—	—	2,743	1,991
		573,675	599,478	113,676	70,376

Note: Non-current assets excluded financial assets at fair value through profit or loss, non-current other receivables and deposits and deferred tax assets.

附註：非流動資產不包括按公平值計入損益的金融資產、非流動其他應收款項及按金及遞延稅項資產。

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6. SEGMENT INFORMATION (Continued)

Segment revenues and results (Continued)

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

Customer A	客戶A
Customer B	客戶B

- Revenue from provision of interior design and building engineering services segment.
- Revenue from both sale and distribution of merchandise and provision of interior design and building engineering services segment.

6. 分部資料 (續)

分部收入及業績 (續)

有關主要客戶之資料

於相應年度，來自貢獻本集團總銷售額10%以上之客戶之收入如下：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
257,388 ¹	117,943 ¹
85,873 ²	150,565 ¹

- 來自提供室內設計及建築工程服務分部之收入。
- 來自銷售及分銷商品以及提供室內設計及建築工程服務分部之收入。

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7. OTHER INCOME

7. 其他收入

		2019 二零一九年 <i>RMB'000</i> 人民幣千元	2018 二零一八年 <i>RMB'000</i> 人民幣千元
Interest income from loan note receivables	應收貸款票據之利息收入	6,462	—
Bank interest income	銀行利息收入	170	224
Imputed interest income on non-current deposits	非流動按金之估算利息收入	207	—
Imputed interest income on contract assets	合約資產之估算利息收入	136	—
Rental income (Note)	租金收入(附註)	419	387
Sundry income	雜項收入	720	400
		8,114	1,011

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7. OTHER INCOME (Continued)

Note:

Rental income arising from operating leases of investment properties in which the lease payments that are fixed

Rental income arising from operating leases of investment properties

7. 其他收入(續)

附註:

租賃付款為固定之投資物業經營租賃產生之租金收入

投資物業經營租賃產生之租金收入

Year ended
31 December
2019
截至二零一九年
十二月三十一日
止年度
RMB'000
人民幣千元

419

Year ended
31 December
2018
截至二零一八年
十二月三十一日
止年度
RMB'000
人民幣千元

387

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8. OTHER GAINS AND LOSSES

8. 其他收入及虧損

		2019 二零一九年 <i>RMB'000</i> 人民幣千元	2018 二零一八年 <i>RMB'000</i> 人民幣千元 (Restated) (經重列)
Gain from changes in fair value of investment properties	投資物業公平值變動之收益	1,298	254
Net foreign exchange (losses) gains	外幣匯兌(虧損)收益淨額	(355)	72
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	(28)	(309)
Initial fair value adjustments on non-current deposits	非流動按金之初步公平值調整	—	(650)
		915	(633)

9. FINANCE COSTS

9. 財務成本

		2019 二零一九年 <i>RMB'000</i> 人民幣千元	2018 二零一八年 <i>RMB'000</i> 人民幣千元
Interest on bank borrowings	銀行借款利息	7,787	6,594
Effective interest expense on convertible loan notes	可換股貸款票據之實際利息開支	7,377	—
Interest on lease liabilities	租賃負債利息	1,200	—
		16,364	6,594

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10. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSAL

10. 預期信貸虧損模型下之減值虧損（扣除撥回）

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Impairment losses recognised (reversed) on	就以下各項確認（撥回）之減值虧損		
– loan receivables	– 應收貸款	11,587	–
– contract assets	– 合約資產	4,862	–
– trade receivables	– 貿易應收款項	1,663	2,600
– amounts due from related parties	– 應收關聯方款項	184	–
– other receivables and deposits	– 其他應收款項及按金	(24)	(272)
		18,272	2,328

Details of impairment assessment are set out in Note 38(b).

減值評估詳情載於附註38(b)。

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11. INCOME TAX EXPENSE

11. 所得稅開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
PRC EIT	中國企業所得稅		
Current tax	即期稅項	11,566	8,529
Overprovision in prior years	過往年度超額撥備	<u>(4,421)</u>	<u>—</u>
		7,145	8,529
Deferred tax (Note 32)	遞延稅項(附註32)	<u>(3,486)</u>	<u>(2,370)</u>
		<u>3,659</u>	<u>6,159</u>

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and is exempted from the Cayman Islands income tax.

本公司根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司，獲豁免繳納開曼群島所得稅。

The Company's subsidiary in the BVI was incorporated under International Business Companies Act of the BVI and is exempted from the BVI income tax.

本公司於英屬處女群島之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，獲豁免繳納英屬處女群島所得稅。

No provision for taxation in Hong Kong has been made as the Group's income neither arises in, nor is derived from, Hong Kong.

概無就香港稅項作出撥備，原因為本集團之收入並非於香港產生或源自香港。

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years.

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國附屬公司於兩個年度之稅率均為25%。

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11. INCOME TAX EXPENSE (Continued)

The income tax expense for the years can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 所得稅開支 (續)

年內所得稅開支可與綜合損益及其他全面收益表之除稅前溢利對賬如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Profit before tax	除稅前溢利	16,729	18,451
Tax at PRC EIT rate of 25%	按中國企業所得稅稅率25% 計算之稅項	4,182	4,613
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(270)	-
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	3,436	168
Overprovision in respect of prior years	過往年度超額撥備	(4,421)	-
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	771	98
Deferred tax effect of LAT in respect of changes in fair value of the investment properties located in the PRC	有關位於中國之投資物業 公平值變動之土地增值稅 遞延稅務影響	(39)	16
Others	其他	-	1,264
Income tax expense for the year	年內所得稅開支	3,659	6,159

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12. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging (crediting):

12. 年內溢利

年內溢利乃經扣除／（計入）以下各項後達致：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Directors' remuneration (Note 13)	董事薪酬(附註13)	2,966	2,190
Other staff salaries, allowances and benefits in kind	其他員工薪金、津貼及實物福利	6,062	7,047
Retirement benefit scheme contributions for other staff	為其他員工作出之退休福利計劃供款	943	1,215
Equity-settled share-based payment expenses for other staff	其他員工之以股本支付以股份為基礎之付款開支	28	28
Total staff costs	員工成本總額	9,999	10,480
Auditor's remuneration	核數師薪酬	1,897	1,650
Cost of inventories recognised as expenses	確認為開支之存貨成本	180,482	262,619
Depreciation of property, plant and equipment	物業、廠房及設備折舊	7,111	7,741
Depreciation of right-of-use assets	使用權資產折舊	2,022	-
Equity-settled share-based payment expenses for customers and consultants	客戶及顧問之以股本支付以股份為基礎之付款開支	3,152	819
Release of prepaid lease payments	解除預付租賃款項	-	91
Operating lease rental in respect of office premises and retail stores	有關辦公室物業及零售店舖之經營租賃租金	-	4,381
(Reversal) provision for write-down of inventories	撇減存貨(撥回)撥備	(24)	641
Gross rental income from investment properties	投資物業之租金收入總額	(419)	(387)
Less: direct operating expenses incurred for investment properties that generated rental income during the year	減：年內產生租金收入之投資物業產生之直接營運開支	72	24
		(347)	(363)

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

13. 董事、最高行政人員及僱員的薪酬

(a) Directors' and chief executive's emoluments

(a) 董事及最高行政人員的薪酬

Directors' and chief executives' remuneration for the year, disclosed pursuant to the application Listing Rules and the Hong Kong Companies Ordinance, is as follows:

年內董事及最高行政人員的薪酬根據適用上市規則及香港公司條例披露如下：

For the year ended 31 December 2019

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Name of Directors	董事姓名	Fees	Salaries and allowances	Performance related bonuses	Retirement benefit scheme contributions	Equity-settled share-based expenses	Total
		袍金 RMB'000 人民幣千元	薪金及津貼 RMB'000 人民幣千元	表現相關花紅 RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	以股份為基礎之開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive Directors	執行董事						
Ms. Hou Wei (Note i)	侯薇女士 (附註i)	1,272	121	-	25	28	1,446
Mr. Yang Baikang (Note ii)	楊柏康先生 (附註ii)	212	-	177	-	28	417
Mr. Liu Xianxiu	劉賢秀先生	212	97	-	18	28	355
		<u>1,696</u>	<u>218</u>	<u>177</u>	<u>43</u>	<u>84</u>	<u>2,218</u>
Non-executive Director	非執行董事						
Mr. Hou Bo	侯波先生	212	-	-	-	28	240
Independent non-executive Director	獨立非執行董事						
Mr. Ho Hin Yip	何衍業先生	212	-	-	-	28	240
Mr. Ye Yihui	葉義輝先生	106	-	-	-	28	134
Mr. Hou Lianchang	侯聯昌先生	106	-	-	-	28	134
		<u>424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84</u>	<u>508</u>
Chief executive officer	行政總裁						
Ms. Deng Yiyi (Note iii)	鄧禕禕女士 (附註iii)	-	44	-	-	-	44
Total	總計	<u>2,332</u>	<u>262</u>	<u>177</u>	<u>43</u>	<u>196</u>	<u>3,010</u>

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

13. 董事、最高行政人員及僱員的薪酬 (續)

(a) Directors' and chief executive's emoluments (Continued)

(a) 董事及最高行政人員的薪酬 (續)

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

Name of Directors	董事姓名	Fees	Salaries and allowances	Performance related bonuses*	Retirement benefit scheme contributions	Equity-settled share-based expenses	Total
		袍金 RMB'000 人民幣千元	薪金及津貼 RMB'000 人民幣千元	表現相關花紅* RMB'000 人民幣千元	退休福利計劃供款 RMB'000 人民幣千元	以股本支付以股份為基礎之開支 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Executive Directors							
Ms. Hou Wei (Note i)	侯薇女士 (附註i)	820	121	-	26	7	974
Mr. Yang Baikang (Note ii)	楊柏康先生 (附註ii)	32	-	-	-	7	39
Mr. Liu Xianxiu	劉賢秀先生	205	81	-	16	7	309
		<u>1,057</u>	<u>202</u>	<u>-</u>	<u>42</u>	<u>21</u>	<u>1,322</u>
Non-executive Director							
Mr. Hou Bo	侯波先生	205	-	-	-	7	212
Mr. Lam On Tai (Note iv)	林安泰先生 (附註iv)	174	-	-	-	50	224
		<u>379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57</u>	<u>436</u>
Independent non-executive Director							
Mr. Ho Hin Yip	何衍業先生	205	-	-	-	7	212
Mr. Ye Yihui	葉義輝先生	103	-	-	-	7	110
Mr. Hou Lianchang	侯聯昌先生	103	-	-	-	7	110
		<u>411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21</u>	<u>432</u>
Total	總計	<u>1,847</u>	<u>202</u>	<u>-</u>	<u>42</u>	<u>99</u>	<u>2,190</u>

Notes:

附註:

- (i) Ms. Hou Wei was the chief executive officer and was resigned as the chief executive officer on 29 November 2019.
- (ii) Mr. Yang Baikang was appointed on 7 November 2018.
- (iii) Ms. Deng Yiyi was appointed as the chief executive officer on 29 November 2019.
- (iv) Mr. Lam On Tai was resigned as non-executive director on 6 November 2018.

- (i) 侯薇女士為行政總裁，並於二零一九年十一月二十九日辭任行政總裁。
- (ii) 楊柏康先生於二零一八年十一月七日獲委任。
- (iii) 鄧禕禕女士於二零一九年十一月二十九日獲委任為行政總裁。
- (iv) 林安泰先生於二零一八年十一月六日辭任非執行董事。

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Performance related bonuses is recommended by the remuneration committee of the Company and is approved by the board of directors, with reference to the Group's operating results, individual performance and comparable market statistics.

The executive directors' and chief executives' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' emoluments shown above were for their services as directors of the Company and its subsidiaries, if applicable. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

In addition to the directors' remuneration presented above, the Group also provides other non-monetary benefits (such as cars) to Ms. Hou Wei. During the year ended 31 December 2019, depreciation of property, plant and equipment in relation to these non-monetary benefits amounted to RMB381,000 (2018: RMB339,000).

No emoluments were paid by the Group to the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office during both years.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

13. 董事、最高行政人員及僱員的薪酬 (續)

(a) 董事及最高行政人員的薪酬 (續)

表現相關花紅由本公司薪酬委員會建議，並由董事會批准，當中已參考本集團之營運業績、個人表現及可資比較市場統計數據。

上文所示之執行董事及最高行政人員之薪酬主要為有關彼等管理本公司及本集團事務之服務之薪酬。上文所示非執行董事之薪酬為彼等擔任本公司及其附屬公司（如適用）董事之薪酬。上文所示之獨立非執行董事薪酬主要為彼等擔任本公司董事之薪酬。

除上文呈列之董事薪酬外，本集團亦向侯薇女士提供其他非金錢福利（例如汽車）。截至二零一九年十二月三十一日止年度，有關該等非金錢福利之物業、廠房及設備折舊為人民幣381,000元（二零一八年：人民幣339,000元）。

於兩個年度，本集團概無向董事支付薪酬作為彼等加入本集團或加入時的獎勵或作為離職補償。

於兩個年度，概無董事或行政總裁據此豁免或同意豁免任何薪酬之安排。

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments

The five highest paid employees of the Group during year ended 31 December 2019 included three directors (2018: four directors), details of whose remuneration are set out in the disclosures above. Details of the remuneration for the year ended 31 December 2019 of the remaining two highest paid employees (2018: one highest paid employee) who are neither director nor chief executive of the Company are as follows.

13. 董事、最高行政人員及僱員的薪酬 (續)

(b) 僱員薪酬

本集團於截至二零一九年十二月三十一日止年度之五名最高薪酬僱員包括三名董事(二零一八年:四名董事),彼等之薪酬詳情載於上文之披露事項。截至二零一九年十二月三十一日止年度,餘下兩名並非本公司董事或最高行政人員之最高薪酬僱員(二零一八年:一名最高薪酬僱員)之薪酬詳情如下。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowance and other benefits in kind	薪金、津貼及其他實物福利	1,115	738
Equity-settled share-based expense	以股本支付以股份為基礎之開支	29	7
Retirement benefit scheme contributions	退休福利計劃供款	16	16
		1,160	761

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13. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (Continued)

(b) Employees' emoluments (Continued)

The number of the highest paid employee who is not director nor chief executive of the Company whose remuneration fell within the following bands is as follows:

Nil to HK\$500,000	零至500,000港元
HK\$500,001 to HK\$1,000,000	500,001港元至 1,000,000港元

13. 董事、最高行政人員及僱員的薪酬 (續)

(b) 僱員薪酬 (續)

並非本公司董事或最高行政人員之最高薪酬僱員屬以下範圍薪酬之人數如下：

No. of employees 僱員人數	
2019 二零一九年	2018 二零一八年
1	1
1	—
<u>2</u>	<u>1</u>

14. DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the year ended 31 December 2019, nor has any dividend been proposed since the end of the reporting period (2018: Nil).

14. 股息

截至二零一九年十二月三十一日止年度，概無向本公司普通股股東派付或擬派付之股息，自報告期末起亦無任何擬派付之股息（二零一八年：無）。

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15. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

15. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Earnings	盈利		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	就計算每股基本及攤薄盈利而言之本公司擁有人應佔年內溢利	13,070	12,292
Number of shares	股份數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就計算每股基本盈利而言之普通股加權平均數	691,218	509,405
Effect of dilutive potential ordinary shares: Share options	具攤薄潛力普通股之影響：購股權	7,513	731
Weighted average number of ordinary shares for the purpose of diluted earnings per share	就計算每股攤薄盈利而言之普通股加權平均數	698,731	510,136

The computation of diluted earnings per share does not assume the conversion of the Company's outstanding convertible loan notes because the conversion price of convertible loan notes was higher than the average market price for shares for 2019.

計算每股攤薄盈利並無假設本公司尚未償還可換股貸款票據獲轉換，原因為於二零一九年，可換股貸款票據之換股價高於股份之平均市價。

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16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、廠房及設備

		Owned properties	Motor vehicles	Furniture, fixtures and office equipment 傢具、固定裝置及辦公室設備	Leasehold improvements	Construction in progress	Total
		自有物業 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	RMB'000 人民幣千元	租賃裝修 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
COST	成本						
At 1 January 2018	於二零一八年一月一日	51,396	4,281	2,832	25,736	5,176	89,421
Additions	添置	36	-	9	438	-	483
Disposals	出售	-	(371)	(1,175)	(28)	-	(1,574)
Transfer from construction in progress	轉撥自在建工程	897	-	-	(268)	(629)	-
Transfer to investment properties (Note 18)	轉撥至投資物業 (附註18)	(1,724)	-	-	-	-	(1,724)
Exchange realignment	匯兌調整	-	116	-	-	-	116
At 31 December 2018	於二零一八年十二月三十一日	50,605	4,026	1,666	25,878	4,547	86,722
Additions	添置	-	683	108	-	11	802
Disposals	出售	-	(56)	(33)	-	-	(89)
Transfer to investment properties (Note 18)	轉撥至投資物業 (附註18)	(13,608)	-	-	-	-	(13,608)
Exchange realignment	匯兌調整	-	85	-	-	-	85
At 31 December 2019	於二零一九年十二月三十一日	36,997	4,738	1,741	25,878	4,558	73,912
DEPRECIATION	折舊						
At 1 January 2018	於二零一八年一月一日	11,927	1,351	1,276	7,715	-	22,269
Provided for the year	年內撥備	1,773	394	343	5,231	-	7,741
Eliminated on disposals	於出售時對銷	-	(256)	(1,013)	(28)	-	(1,297)
Transfer to investment properties (Note 18)	轉撥至投資物業 (附註18)	(437)	-	-	-	-	(437)
Exchange realignment	匯兌調整	-	19	-	-	-	19
At 31 December 2018	於二零一八年十二月三十一日	13,263	1,508	606	12,918	-	28,295
Provided for the year	年內撥備	1,703	435	327	4,646	-	7,111
Eliminated on disposals	於出售時對銷	-	(26)	(35)	-	-	(61)
Transfer to investment properties (Note 18)	轉撥至投資物業 (附註18)	(4,217)	-	-	-	-	(4,217)
Exchange realignment	匯兌調整	-	21	-	-	-	21
At 31 December 2019	於二零一九年十二月三十一日	10,749	1,938	898	17,564	-	31,149
CARRYING VALUES	賬面值						
At 31 December 2019	於二零一九年十二月三十一日	26,248	2,800	843	8,314	4,558	42,763
At 31 December 2018	於二零一八年十二月三十一日	37,342	2,518	1,060	12,960	4,547	58,427

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16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The above items of property, plant and equipment are depreciated, after taking into account of their estimated residual values, on a straight-line method, at the following rates per annum:

Owned properties	3.3% to 10%
Motor vehicles	5% to 10%
Furniture, fixtures and office equipment	5% to 10%
Leasehold improvements	5% to 10%

During the year ended 31 December 2019, the Group leased out certain properties located in the PRC to independent third parties and transferred owner-occupied properties to investment properties. The total carrying amounts of the properties at the respective dates of transfer were approximately RMB9,391,000 (2018: RMB1,287,000).

16. 物業、廠房及設備 (續)

上述物業、廠房及設備項目於計及其估計剩餘價值後按直線法以下列年率折舊：

自有物業	3.3%至10%
汽車	5%至10%
傢具、固定裝置及辦公室設備	5%至10%
租賃裝修	5%至10%

截至二零一九年十二月三十一日止年度，本集團出租位於中國之若干物業予獨立第三方，並將自用物業轉撥至投資物業。物業於各轉撥日期之賬面總值約為人民幣9,391,000元（二零一八年：人民幣1,287,000元）。

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17. RIGHT-OF-USE ASSETS

17. 使用權資產

Leasehold
land and
leased
properties
租賃土地及
租賃物業
RMB'000
人民幣千元

As at 1 January 2019

於二零一九年一月一日

Carrying amount

賬面值

10,818

As at 31 December 2019

於二零一九年十二月三十一日

Carrying amount

賬面值

7,886

For the year ended 31 December 2019

截至二零一九年十二月三十一日
止年度

Depreciation charge

折舊費用

2,022

Expense relating to short-term leases and other leases
with lease terms end within 12 months of the date of
initial application of HKFRS 16

有關租期於首次應用香港財務報告
準則第16號日期之12個月內結束
之短期租賃及其他租賃之開支

1,130

Total cash outflow for leases

租賃之現金流出總額

3,510

Additions to right-of-use assets

使用權資產增加

204

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17. RIGHT-OF-USE ASSETS (Continued)

For both years, the Group leases various offices premises and retail stores for its operation. Lease contracts are entered into for fixed term of 1 year to 10 years with fixed payment. The Group does not have the option to purchase the leased properties at a nominal amount at the end of the relevant lease terms or any extension/termination options which are solely at the Group's discretion. The Group's obligations are secured by the rental deposits for such leases. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Group determines the lease period to be the non-cancellable period based on the contractual terms of the contract.

The Group regularly entered into short-term leases for retail booths. As at 31 December 2019, the portfolio of short-term leases is similar to the portfolio of short term leases to which the short-term lease expense disclosed above.

During the year ended 31 December 2019, the Group leased out certain properties located in the PRC to independent third parties and transferred right-of-use assets to investment properties. The total carrying amount of the right-of-use assets at the date of transfer was approximately RMB1,114,000.

17. 使用權資產 (續)

於兩個年度，本集團租賃多個辦公室物業及零售店舖供其營運之用。租賃合約按固定年期1年至10年及固定付款訂立。本集團並無選擇權於相關租期結束時按象徵式金額收購租賃物業，亦無本集團可酌情行使之任何延長／終止權利。本集團之義務由有關租賃之租賃按金作抵押。租賃條款乃按個別基準磋商，並載有多項不同條款及條件。本集團根據合約之合約條款釐定租期為不可註銷期間。

本集團定期就零售攤位訂立短期租賃。於二零一九年十二月三十一日，短期租賃組合與上文披露之短期租賃開支之短期租賃組合類似。

截至二零一九年十二月三十一日止年度，本集團出租若干位於中國之物業予獨立第三方，並將使用權資產轉撥至投資物業。於轉撥日期，使用權資產之總賬面值約為人民幣1,114,000元。

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17. RIGHT-OF-USE ASSETS (Continued)

Restrictions or covenants on leases

In addition, lease liabilities of approximately RMB11,585,000 are recognised with related right-of-use assets of approximately RMB7,886,000 as at 31 December 2019. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Details of the lease maturity analysis of lease liabilities are set out in Notes 31 and 38(b).

18. INVESTMENT PROPERTIES

During the years ended 31 December 2019 and 2018, the Group leases out commercial property units under operating leases with rentals payable monthly. The leases typically run for an initial period of 1 years to 15 years and no unilateral rights to extend the lease beyond initial period held by the Group and lessees. Majority of the lease contracts contain market review clauses in the event the lessee exercises the option to extend.

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

17. 使用權資產 (續)

租賃限制或契諾

此外，於二零一九年十二月三十一日已就約人民幣7,886,000元之有關使用權資產確認租賃負債約人民幣11,585,000元。除出租人持有租賃資產之抵押權益外，租賃協議並無施加任何契諾。租賃資產不得用作為借款之抵押用途。

租賃負債之租賃到期分析詳情載於附註31及38(b)。

18. 投資物業

截至二零一九年及二零一八年十二月三十一日止年度，本集團根據經營租賃出租商業物業單位，租金為每月支付。租賃一般初步為期1年至15年，本集團及承租人均並無單方面權利於初步年期後延長租賃。大部分租約均載有承租人行使延長選擇權時之市場檢討條款。

本集團並無因租賃安排而承受外幣風險，原因為所有租賃均以集團實體各自之功能貨幣計值。租約並無載有剩餘價值擔保及／或承租人於租期結束時購買物業之選擇權。

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18. INVESTMENT PROPERTIES (Continued)

18. 投資物業 (續)

		Investment properties 投資物業 RMB'000 人民幣千元
FAIR VALUE	公平值	
At 1 January 2018	於二零一八年一月一日	—
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	1,287
Transfer from prepaid lease payments	轉撥自預付租賃款項	150
Increase in fair value recognised in profit or loss	於損益內確認之公平值增加	254
Increase in fair value recognised upon transfer from property, plant and equipment and prepaid lease payments to investment properties in other comprehensive income	自物業、廠房及設備以及預付租賃款項轉撥至投資物業時於其他全面收益內確認之公平值增加	7,763
At 31 December 2018 (restated)	於二零一八年十二月三十一日 (經重列)	9,454
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	9,391
Transfer from right-of-use assets	轉撥自使用權資產	1,114
Increase in fair value recognised in profit or loss	於損益內確認之公平值增加	1,298
Increase in fair value recognised upon transfer from property, plant and equipment and right-of-use assets to investment properties in other comprehensive income	自物業、廠房及設備以及使用權資產轉撥至投資物業時於其他全面收益內確認之公平值增加	37,783
At 31 December 2019	於二零一九年十二月三十一日	59,040
Unrealised gain on property revaluation included in profit or loss (included in other gains and losses)	計入損益之物業重估未變現收益 (計入其他收益及虧損)	1,298
		254

2019
二零一九年
RMB'000
人民幣千元

2018
二零一八年
RMB'000
人民幣千元
(Restated)
(經重列)

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18. INVESTMENT PROPERTIES (Continued)

The fair value of the Group's investment properties at 31 December 2019 and 31 December 2018 has been arrived at on the basis of valuations carried out on the respective dates by Messrs Vincorn Consulting and Appraisal Limited, an independent qualified professional valuer not connected with the Group.

In determining the fair value of the investment properties, the Group engages the independent qualified professional valuer to perform the valuation. The management of the Group works closely with them to establish the appropriate valuation techniques and inputs to the model and explain the cause of fluctuations in the fair value of the investment properties to the board of directors.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. The fair values of certain investment properties have been adjusted to exclude prepaid or accrued operating lease income to avoid double counting.

18. 投資物業 (續)

本集團於二零一九年十二月三十一日及二零一八年十二月三十一日之投資物業公平值乃按泓亮諮詢及評估有限公司(與本集團並無關連之獨立合資格專業估值師)於相關日期之估值達致。

於釐定投資物業公平值時，本集團委聘獨立合資格專業估值師進行估值。本集團管理層與其緊密合作，以制定適當估值方法及輸入模型之數據，並向董事會闡釋投資物業公平值波動之原因。

於估計物業公平值時，物業之最高及最佳用途為其目前用途。若干投資物業之公平值已作調整，以撇除預付或應計經營租賃收入，避免重複計算。

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18. INVESTMENT PROPERTIES (Continued)

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

Investment properties 投資物業	Valuation technique and fair value hierarchy 估值方法及公平值層級	Significant input(s) 重大輸入數據	Relationship of inputs to fair value 輸入數據與公平值關係
Commercial property units located in the PRC 2019: RMB59,040,000 2018: RMB9,454,000	Income approach Level 3	Gross monthly rental income ranged from RMB1,000 to RMB189,000 (2018: ranged from RMB1,000 to RMB21,000) Term yield: 2.75% (2018: 2.75%) Reversionary yield: 3.25% (2018: 3.25%)	A slight increase in the term yield and reversionary yield used would result in a significant decrease in fair value, and vice versa.
位於中國之商業物業單位 二零一九年：人民幣59,040,000元 二零一八年：人民幣9,454,000元	收入法 第3級	每月租金收入總額介乎人民幣1,000元至人民幣189,000元（二零一八年：介乎人民幣1,000元至人民幣21,000元） 年期收益率：2.75%（二零一八年：2.75%） 復歸收益率：3.25%（二零一八年：3.25%）	所用之年期收益率及復歸收益率輕微增加將導致公平值大幅減少，反之亦然。

There were no transfers into or out of Level 3 during the year.

下表提供有關如何釐定該等投資物業公平值之資料（尤其是估值方法及所用輸入數據）。

18. 投資物業（續）

年內並無轉入或轉出第三級。

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19. PREPAID LEASE PAYMENTS

19. 預付租賃款項

2018
二零一八年
RMB'000
人民幣千元

Analysed for reporting purposes as:

Non-current assets

Current assets

就呈報而言分析為：

非流動資產

流動資產

2,495

87

2,582

The lease period of land use rights is 38 years and as at 31 December 2018, the remaining lease period of the Group's land use rights was 30 years.

本集團之土地使用權之租期為38年，於二零一八年十二月三十一日，本集團土地使用權之餘下租期為30年。

During the year ended 31 December 2018, the Group leased out certain properties located in the PRC to independent third parties and transferred prepaid lease payments to investment properties. The total carrying amount of the prepaid lease payments at the date of transfer was approximately RMB150,000.

截至二零一八年十二月三十一日止年度，本集團出租位於中國之若干物業予獨立第三方，並將預付租賃款項轉撥至投資物業。預付租賃款項於轉撥日期之賬面總值約為人民幣150,000元。

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20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

20. 按公平值計入損益的金融資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Unlisted equity securities (<i>Note</i>)	非上市股本證券 (<i>附註</i>)	19,407	—

Note: The amounts represent investments in unlisted equity securities issued by a private entity incorporated in BVI as disclosed in Note 4. The investments did not meet the conditions that are subsequently measured at amortised costs and FVTOCI under HKFRS 9. Therefore, the investments are accounted for as financial assets at FVTPL.

附註: 誠如附註4所披露，有關金額指於一間於英屬處女群島註冊成立之私人實體發行之非上市股本證券之投資。有關投資不符合香港財務報告準則第9號項下其後按攤銷成本及按公平值計入其他全面收益計量之條件。因此，有關投資入賬為按公平值計入損益之金融資產。

Details of the valuation techniques and key inputs adopted for their fair value measurements are disclosed in Note 38(c).

就其公平值計量所採納之估值方法及主要輸入數據詳情乃披露於附註38(c)。

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21. INVENTORIES

21. 存貨

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Finished goods	製成品	12,068	41,315

Inventories represent goods held for resale and interior design and building engineering projects.

存貨指持作轉售之貨品及室內設計及建築工程項目。

22. CONTRACT ASSETS

22. 合約資產

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Services contracts for provision of interior design and building engineering	提供室內設計及建築工程之服務合約	278,253	194,312
Less: allowance for credit losses	減：信貸虧損撥備	(4,862)	-
		273,391	194,312
Analysed as	分析為		
Non-current	非流動	3,987	-
Current	流動	269,404	194,312
		273,391	194,312

As at 1 January 2018, contract assets amounted to RMB51,517,000.

於二零一八年一月一日，合約資產之金額為人民幣51,517,000元。

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22. CONTRACT ASSETS (Continued)

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance in achieving specified milestones at the reporting date on construction works. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract assets, that are not expected to be settled within the Group's normal operating cycle, are classified as current and non-current based on expected settlement dates. The non-current contract assets is measured at amortised cost using interest rate of 6.96% per annum.

22. 合約資產 (續)

合約資產主要與本集團就已完成及未發出賬單的工作收取代價的權利有關，原因為該等權利取決於本集團於報告日期就建築工程達成指定里程碑的未來表現。倘該等權利成為無條件，則合約資產轉移至貿易應收款項。

預期不會在本集團的正常營運週期內結算的合約資產，根據預期結算日期分類為流動及非流動。非流動合約資產使用年利率6.96%按攤銷成本計量。

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22. CONTRACT ASSETS (Continued)

Typical payment terms of services contracts for provision of interior design and building engineering which impact on the amount of contract assets recognised are as follows:

- The Group's services contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits ranged from 20% to 60% of total contract sum as part of its credit risk management policies. When the Group receives a deposit before interior design and building engineering services commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.
- The Group also typically agrees a retention period ranging from one to five years for 3% to 5% of the contract value. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment become unconditional upon expiration of the defects liability period and are transferred to trade receivables.
- The Group classifies contract assets as current when the Group expects to realise them in its normal operating cycle.

The significant increase (2018: increase) in the current year is the result of the increase in ongoing provision of interior design and building engineering services at the end of the year.

Details of the impairment assessment are set out in Note 38(b).

22. 合約資產 (續)

提供室內設計及建築工程之服務合約之一般付款條款 (其影響所確認之合約資產金額) 如下:

- 本集團的服務合約包括付款時間表，一旦達到若干指定里程碑，則須於施工期間作出階段付款。本集團要求若干客戶提供介乎合約總額20%至60%之前期按金，作為其信貸風險管理政策之一部分。於本集團於室內設計及建築工程服務開始前收取按金時，將於合約開始時產生合約負債，直至就特定合約確認之收入超出按金金額為止。
- 本集團亦通常同意就合約價值之3%至5%給予介乎一至五年之保留期。該金額計入合約資產直至保留期結束為止，原因為於缺陷責任期屆滿後，本集團收取該最後付款之權利成為無條件及轉撥至貿易應收款項。
- 當本集團預期該等合約資產將於其正常營運週期內變現時，本集團會將合約資產分類為流動。

本年度大幅增加 (二零一八年: 增加) 乃由於年末持續提供室內設計及建築工程服務增加所致。

減值評估詳情載於附註38(b)。

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23. TRADE AND OTHER RECEIVABLES

23. 貿易及其他應收款項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables from contracts with customers:	客戶合約的貿易應收款項：		
Due from third parties:	應收第三方款項：		
– sale and distribution of merchandise	– 銷售及分銷商品	123,624	168,790
– interior design and building engineering services	– 室內設計及建築工程服務	111,766	85,107
Due from a related party:	應收關聯方款項：		
– sale and distribution of merchandise	– 銷售及分銷商品	462	376
		<u>235,852</u>	<u>254,273</u>
Less: allowance for credit losses	減：信貸虧損撥備	(4,636)	(2,973)
		<u>231,216</u>	<u>251,300</u>
Other receivables	其他應收款項		
Prepayments for purchase of goods and provision of services	購買貨品及提供服務之預付款項	73,125	34,289
Contract performance deposits (Note (a))	合約履約按金 (附註(a))	4,871	5,410
Project tender deposits (Note (b))	工程招標按金 (附註(b))	1,293	1,413
Other deposits (Note (c))	其他按金 (附註(c))	4,556	4,350
Other tax recoverable	其他可收回稅項	11,639	5,262
Consideration receivable from transfer of leasing right (Note (d))	轉讓租賃權之應收代價 (附註(d))	3,338	5,417
Rental deposits	租賃按金	559	634
Others	其他	4,181	1,867
		<u>334,778</u>	<u>309,942</u>
Total trade and other receivables	貿易及其他應收款項總額	<u>334,778</u>	<u>309,942</u>
Analysed as	分析為		
Non-current	非流動	6,722	7,817
Current	流動	328,056	302,125
		<u>334,778</u>	<u>309,942</u>

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23. TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (a) Contract performance deposits are advanced to customers at the beginning of interior design and building engineering services contracts. The deposits are repaid to the Group based on the progress of services and terms of the contract.

As at 31 December 2019, contract performance deposits amounted to RMB4,871,000 (2018: RMB5,410,000) are expected to be recovered within one year from the end of the reporting period.

- (b) Project tender deposits are advanced to potential customers during the contract tendering period. The deposits are repaid to the Group when the tendering process is completed.
- (c) The Group paid RMB5,000,000 to the Meizhou Housing and Urban Rural Planning and Construction Bureau as a refundable deposit to guarantee the fulfilment of wages payment to those immigrant labours. The amount will be recovered upon completion of the building engineering contracts and are expected to be recovered over one year from the end of the reporting period. The deposit is measured at amortised cost with carrying amount at 31 December 2019 of approximately RMB4,556,000 (2018: RMB4,350,000), based on the present value of the estimated future cash outflow discounted using the effective interest rate of 7% per annum and the adjusted deposit at the date of inception was RMB4,350,000, net of fair value adjustment of RMB650,000, which was recognised as initial fair value adjustments on non-current deposits during the year ended 31 December 2018.
- (d) The Group disposed the leasing right to an independent third party succeeding the lease contract of a retail shop at a consideration of RMB5,417,000 during the year ended 31 December 2018. The proceed is settled by instalment till 31 December 2022 and the current and non-current portion of the consideration receivable amounted to RMB1,172,000 and RMB2,166,000 (2018: RMB1,950,000 and RMB3,467,000), respectively.

23. 貿易及其他應收款項 (續)

附註:

- (a) 合約履約按金於室內設計及建築工程服務合約開始時墊付予客戶。按金會按服務進度及合約條款退還予本集團。

於二零一九年十二月三十一日，預期合約履約按金為人民幣4,871,000元（二零一八年：人民幣5,410,000元）將於報告期間末起計一年內收回。

- (b) 工程招標按金於合約招標期內墊付予潛在客戶。按金於招標程序完成時退還予本集團。
- (c) 本集團向梅州市住房和城鄉建設局支付人民幣5,000,000元作為可退還按金，以保證向該等移民工完成工資付款。該金額將於完成建築工程合約後收回，並預期將於報告期間末起計一年後收回。按金按攤銷成本計量，根據使用實際年利率7%貼現之估計未來現金流出現值，於二零一九年十二月三十一日之賬面值約為人民幣4,556,000元（二零一八年：人民幣4,350,000元），而於開始日期之經調整按金為人民幣4,350,000元（扣除公平值調整人民幣650,000元，該金額於截至二零一八年十二月三十一日止年度確認為非流動按金之初步公平值調整）。
- (d) 截至二零一八年十二月三十一日止年度，本集團向繼承零售店租約之獨立第三方出售租賃權，代價為人民幣5,417,000元。所得款項分期償付，直至二零二二年十二月三十一日為止，應收代價之流動及非流動部分分別為人民幣1,172,000元及人民幣2,166,000元（二零一八年：人民幣1,950,000元及人民幣3,467,000元）。

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23. TRADE AND OTHER RECEIVABLES (Continued)

Rental deposits paid were adjusted upon the initial application of HKFRS 16. Details of the adjustments are set out in Note 2.

As at 1 January 2018, trade receivables from contracts with customers amounted to RMB187,392,000.

The following is an aged analysis of trade receivables, net of allowance for credit losses, presented based on the invoice dates:

Within 6 months	六個月內
6 – 12 months	六至十二個月
1 – 2 years	一至兩年
Over 2 years	超過兩年

As at 31 December 2019, included in the Group's trade receivable are debtors with aggregate net carrying amount of approximately RMB59,372,000 (2018: RMB165,792,000) which are past due as at the reporting date. Out of the past due balances, RMB8,920,000 (2018: RMB6,363,000) has been past due 90 days or more and is not considered as in default by considering the background of the trade receivables and historical settlement arrangement of these trade receivables. The Group does not hold any collateral over the balances.

Details of impairment assessment of trade and other receivables are set out in Note 38(b).

23. 貿易及其他應收款項 (續)

於首次應用香港財務報告準則第16號後，已付租賃按金已被調整。調整之詳情載於附註2。

於二零一八年一月一日，與客戶合約的貿易應收款項為人民幣187,392,000元。

以下為基於發票日期呈列的貿易應收款項 (扣除信貸虧損撥備) 的賬齡分析：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
154,582	113,641
18,609	53,490
53,724	83,414
4,301	755
231,216	251,300

於二零一九年十二月三十一日，賬面淨值總額約人民幣59,372,000元 (二零一八年：人民幣165,792,000元) 之債務計入本集團貿易應收款項，該債務於報告日期為逾期。於逾期結餘之中，人民幣8,920,000元 (二零一八年：人民幣6,363,000元) 已逾期90日或以上，惟考慮到該等貿易應收款項的背景及該等貿易應收款項的過往償付安排，有關逾期結餘並不被視為違約。本集團並無就該等結餘持有任何抵押品。

貿易及其他應收款項減值評估的詳情載於附註38(b)。

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24. LOAN RECEIVABLES

24. 應收貸款

Fixed-rate loan receivables 應收固定利率貸款
Less: allowance for credit losses 減：信貸虧損撥備

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
137,533	—
(11,587)	—
125,946	—

The amounts represent loan advances to independent third parties with aggregated principal amount approximately RMB137,533,000 (2018: Nil) which were carried at weighted average fixed interest rate at 8.3% per annum, repayable within one year and guaranteed by independent third parties. Except for the loan advance with principal amount approximately RMB4,505,000 was secured by properties owned by the borrower, the remaining loan advance were unsecured.

該等金額指墊付予獨立第三方之貸款，本金總額約為人民幣137,533,000元（二零一八年：無），按加權平均固定年利率8.3%計息，須於一年內償還，並由獨立第三方提供擔保。除本金額約為人民幣4,505,000元之貸款墊款由借款人擁有之物業作抵押外，餘下貸款墊款均為無抵押。

The directors of the Company are in the view that there have been no significant increase in credit risk nor default because the counterparties are able to settle the interest in accordance the term of loan agreements. As at 31 December 2019, the Group recognised an impairment allowance of RMB11,587,000 (2018: Nil) on loan receivables. Details of impairment assessment are set out in Note 38(b).

本公司董事認為，信貸風險或違約事件並無大幅增加，原因為對手方能夠根據貸款協議之條款償付利息。於二零一九年十二月三十一日，本集團就應收貸款確認減值撥備人民幣11,587,000元（二零一八年：無）。減值評估詳情載於附註38(b)。

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25. BANK BALANCES AND CASH

The bank balances, including time deposits with original maturities less than 3 months, carry interest at prevailing market rates which ranged from 0.01% to 0.3% (2018: 0.01% to 0.3%) per annum.

For the year ended 31 December 2019, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided. Details of impairment assessment are set out in Note 38(b).

25. 銀行結餘及現金

銀行結餘(包括原於三個月以內到期之定期存款)按現行市場年利率介乎0.01%至0.3%(二零一八年:0.01%至0.3%)計息。

截至二零一九年十二月三十一日止年度,本集團對銀行結餘進行減值評估,得出結論為對手方銀行之違約可能性並不重大,因此,概無計提信貸虧損撥備。減值評估詳情載於附註38(b)。

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26. AMOUNTS DUE FROM RELATED PARTIES

The amounts due from related parties are non-trade related, unsecured, interest-free and repayable on demand.

26. 應收關聯方款項

應收關聯方款項為非貿易相關、無抵押、免息及須按要求償還。

Related parties	關聯方	Maximum amount outstanding during the year ended 31 December 截至十二月三十一日止年度之最高尚未償付金額			
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Tourmaline Investment Holding Limited, an entity with Ms. Deng Yiyi, the Chief Executive Officer of the Group, as director	碧璽投資控股有限公司 (本集團行政總裁鄧禕禕女士為董事之實體)	23,637	7,570	23,820	7,570
Meizhou Xikang Construction Company Limited* ("Meizhou Xikang") (梅州市禧康建築工程有限公司), an entity significant influenced by a close family member of Ms. Hou Wei	梅州市禧康建築工程有限公司 (「梅州禧康」, 受到侯薇女士家族近親的重大影響的一家實體)	667	–	668	1
Mr. Wen Jingfeng, the son of Ms. Deng Haiming	溫敬鋒先生 (鄧海鳴女士之子)	16	–	16	–
		24,320	7,570		

Details of impairment assessment are set out in Note 38(b).

減值評估之詳情載於附註38(b)。

* The English name is for identification purpose only

* 英文名稱僅供識別

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27. TRADE AND BILLS PAYABLES AND OTHER PAYABLES 27. 貿易及票據應付款項以及其他應付款項

		2019 二零一九年 <i>RMB'000</i> 人民幣千元	2018 二零一八年 <i>RMB'000</i> 人民幣千元
Trade payables	貿易應付款項	83,639	75,441
Bills payables	票據應付款項	10,000	—
		<u>93,639</u>	<u>75,441</u>
Other payables	其他應付款項		
Salaries and staff welfare payables	應付薪金及員工福利	894	1,165
Deposits received for building engineering services	已收建築工程服務按金	5,808	—
Accrued construction costs	應計建築成本	4,795	—
Other tax payables	其他應付稅項	9,514	23,310
Accrued lease liabilities	應計租賃負債	—	6,481
Withholding individual income tax in respect of dividend payment	有關派付股息之預扣個人所得稅	16,000	16,000
Other payables	其他應付款項	685	2,604
		<u>131,335</u>	<u>125,001</u>
Trade and bills payables and other payables	貿易及票據應付款項以及其他應付款項		

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27. TRADE AND BILLS PAYABLES AND OTHER PAYABLES

(Continued)

The following is an aged analysis of trade and bills payables presented based on the invoice date.

Within 6 months	六個月內
6 to 12 months	六至十二個月
Over 1 year	超過一年

The credit periods on purchases of goods and subcontracting services ranged from 0 to 180 days.

Accrued lease liabilities were adjusted upon the initial application of HKFRS 16. Details of the adjustments are set out in Note 2.

27. 貿易及票據應付款項以及其他應付款項 (續)

以下為基於發票日期呈列之貿易及票據應付款項之賬齡分析。

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
42,233	57,508
20,933	11,825
30,473	6,108
93,639	75,441

購買貨品及分包服務之信貸期介乎0至180日。

於首次應用香港財務報告準則第16號後，應計租賃負債已作調整。調整之詳情載於附註2。

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28. BANK BORROWINGS

28. 銀行借款

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Secured fixed-rate bank borrowings	有抵押固定利率銀行借款	113,400	103,000

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's bank borrowings are as follows:

本集團銀行借款之實際利率(相等於合約利率)範圍如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Effective interest rates (per annum):	實際利率(每年):		
Fixed-rate borrowings	固定利率借款	5.44% – 12.00%	6.09% – 6.96%

As at 31 December 2019, the secured fixed-rate bank borrowings of approximately RMB113,400,000 (2018: RMB103,000,000) are repayable within one year based on scheduled repayment dates set out in the loan agreements and denominated in RMB.

於二零一九年十二月三十一日,有抵押固定利率銀行借款約為人民幣113,400,000元(二零一八年:人民幣103,000,000元),按貸款協議所載之計劃還款日期須於一年內償還,並以人民幣計值。

The bank borrowings of the Group were secured by property, plant and equipment, investment properties and right-of-use assets (before adoption of HKFRS 16: prepaid lease payments) as at 31 December 2019 and 2018. The bank borrowings were also jointly guaranteed by Ms. Hou Wei and Mr. Deng Jianshen, husband of Ms. Hou Wei.

於二零一九年及二零一八年十二月三十一日,本集團之銀行借款由物業、廠房及設備、投資物業及使用權資產(採納香港財務報告準則第16號前:預付租賃款項)作抵押。銀行借款由侯薇女士及鄧建申先生(侯薇女士的丈夫)聯合擔保。

Details of charges over the bank borrowings are disclosed in Note 39.

銀行借款質押詳情披露於附註39。

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29. CONVERTIBLE LOAN NOTES

On 25 June 2019, the Company issued convertible loan notes in an aggregate amount of HK\$102,100,000 (equivalent to approximately RMB89,817,000) to eight independent third parties (the “CB holders”). The convertible loan notes are denominated in Hong Kong dollars. The convertible loan notes entitle the CB holders to convert them into ordinary shares of the Company at any time during the conversion period at a conversion price of HK\$1.0 per convertible loan note, which is subject to the adjustments pursuant to the terms and conditions of the convertible loan notes as follows:

- (i) a maximum of not more than one-third of the principal amount of the convertible loan notes held by such CB holders may be converted into conversion shares from the twelfth month after the issue of the convertible loan notes;
- (ii) a maximum of not more than one-third of the principal amount of the convertible loan notes held by such CB holders may be converted into conversion shares from the fourteenth month after the issue of the convertible loan notes;
- (iii) all the remaining of the principal amount of the convertible loan notes held by such Bondholder may be converted into conversion shares from the sixteenth month after the issue of the convertible loan notes.

29. 可換股貸款票據

於二零一九年六月二十五日，本公司向八名獨立第三方（「可換股債券持有人」）發行總額102,100,000港元（相當於約人民幣89,817,000元）的可換股貸款票據。可換股貸款票據以港元計值。可換股貸款票據賦予可換股債券持有人權利於轉換期間內任何時間按換股價每份可換股貸款票據1.0港元（可根據可換股貸款票據之條款及條件調整）將可換股貸款票據轉換為本公司普通股如下：

- (i) 該等可換股債券持有人持有之可換股貸款票據中，最多不超過三分之一的本金額可於可換股貸款票據發行後第十二個月起轉換為兌換股份；
- (ii) 該等可換股債券持有人持有之可換股貸款票據中，最多不超過三分之一的本金額可於可換股貸款票據發行後第十四個月起轉換為兌換股份；
- (iii) 該等債券持有人持有之可換股貸款票據中的所有餘下本金額可於可換股貸款票據發行後第十六個月起轉換為兌換股份。

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29. CONVERTIBLE LOAN NOTES (Continued)

The convertible loan notes shall mature on the date falling eighteenth month after the date of issue. The Company may, at any time prior to the maturity date, redeem all or part of the outstanding convertible loan notes at the redemption price of 105% of the outstanding principal amount of the convertible loan notes before the first anniversary of the date of issue and 108.5% of the outstanding principal amount of the convertible loan notes after the first anniversary of the date of issue, together with the interest for the period from the redemption date to the maturity date at the rate of 6% per annum, by giving a prior notice of not less than thirty days to the CB holders of such convertible loan notes subject to the terms and conditions of the convertible loan notes. Any convertible loan notes outstanding on the maturity date shall be redeemed by the Company subject to the terms and conditions of the convertible loan notes.

At the maturity date (i.e. 24 December 2020), if the convertible loan notes have not been converted or redeemed, they will be redeemed at 108.5% of par, unless the CB holders and the Company mutually agree to extend the maturity date to 24 June 2021. Interest of 6% will be paid quarterly up until the settlement date.

Details are set out in the Company's announcement dated 10 May 2019.

At initial recognition, the equity component of the convertible loan notes amounted to approximately RMB2,827,000 was separated from the liability component. The equity element is presented in equity heading "convertible loan notes equity reserve". The early redemption option is considered as closely related to the host debt. The effective interest rate of the liability component is 16.50%.

29. 可換股貸款票據 (續)

可換股貸款票據將於發行日期後第十八個月當日到期。本公司可於到期日前的任何時間，在可換股貸款票據之條款及條件規限下，向該等可換股貸款票據之可換股債券持有人發出不少於三十日的事先通知，以於發行日期一週年前按可換股貸款票據之未償還本金額105%之贖回價及於發行日期一週年後按可換股貸款票據之未償還本金額108.5%之贖回價，連同由贖回日期至到期日期間以年利率6%計算之利息贖回全部或部分未償還可換股貸款票據。於到期日未償還之任何可換股貸款票據須由本公司在可換股貸款票據之條款及條件規限下予以贖回。

於到期日（即二零二零年十二月二十四日），倘可換股貸款票據尚未被轉換或贖回，則其將按票面價值之108.5%贖回，除非可換股債券持有人與本公司相互同意將到期日延長至二零二一年六月二十四日。6%之利息將於每季度支付，直至結算日期為止。

詳情載於本公司日期為二零一九年五月十日之公告。

於初步確認時，可換股貸款票據之權益部分約為人民幣2,827,000元自負債部分分開。權益部分於權益內之「可換股貸款票據之權益儲備」呈列。提早贖回選擇權被視為與主債務密切相關。負債部分之實際利率為16.50%。

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29. CONVERTIBLE LOAN NOTES (Continued)

The movement of the liability component of the convertible loan notes for the year is set out below:

29. 可換股貸款票據 (續)

年內可換股貸款票據負債部分之變動載列如下：

		2019 二零一九年 RMB'000 人民幣千元
Issuance of convertible loan notes on 25 June 2019	於二零一九年六月二十五日發行可換股貸款票據	86,990
Transaction costs	交易成本	(506)
Interest charge	利息支出	7,377
Interest paid	已付利息	(4,508)
Exchange realignment	匯兌調整	2,143
Carrying amount at the end of the year	年末賬面值	<u>91,496</u>

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30. CONTRACT LIABILITIES

30. 合約負債

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Deposits received from customers in relation to:	與以下項目有關之 自客戶收取按金：		
– Sale and distribution of merchandise	– 銷售及分銷商品	3,180	2,355
– Provision of interior design and building engineering services	– 提供室內設計及建築 工程服務	4,361	456
		<u>7,541</u>	<u>2,811</u>

As at 1 January 2018 and 1 January 2019, the contract liabilities amounted to RMB13,606,000 and RMB2,811,000 are recognised as revenue in profit or loss during the years ended 31 December 2018 and 2019, respectively. The directors of the Company considered that contract liabilities would be realised within one year based on the Group's earliest obligation to transfer goods or services to the customers and are classified as current liabilities.

Typical payment terms which impact on the amount of contract liabilities recognised are set out in Note 5(ii).

於二零一八年一月一日及二零一九年一月一日，合約負債人民幣13,606,000元及人民幣2,811,000元分別於截至二零一八年及二零一九年十二月三十一日止年度之損益內確認為收入。本公司董事認為，合約負債將根據本集團向客戶轉移貨品或服務之最早責任於一年內變現，並分類為流動負債。

影響所確認之合約負債金額之一般付款條款載於附註5(ii)。

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31. LEASE LIABILITIES

31. 租賃負債

		2019 二零一九年 RMB'000 人民幣千元
Lease liabilities payable:	應付租賃負債：	
Within one year	一年內	1,589
Within a period of more than one year but not more than two years	超過一年但不多於兩年之期間內	1,351
Within a period of more than two years but not more than five years	超過兩年但不多於五年之期間內	6,992
Within a period of more than five years	超過五年之期間內	1,653
		11,585
Less: Amount due for settlement within 12 months shown under current liabilities	減：流動負債項下所示之 十二個月內到期償付之款項	(1,589)
Amount due for settlement after 12 months shown under non-current liabilities	非流動負債項下所示之十二個月後 到期償付之款項	9,996

32. DEFERRED TAX

32. 遞延稅項

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

就於綜合財務狀況表呈列而言，若干遞延稅項資產及負債已被抵銷。就財務報告而言，遞延稅項結餘之分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (Restated) (經重列)
Deferred tax assets	遞延稅項資產	6,122	3,970
Deferred tax liabilities	遞延稅項負債	(19,642)	(4,163)
		(13,520)	(193)

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32. DEFERRED TAX (Continued)

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Accrued rental and payroll 應計租金 及工資 RMB'000 人民幣千元	Revaluation of investment properties 投資物業之 重新估值 RMB'000 人民幣千元	ECL provision 預期信貸 虧損撥備 RMB'000 人民幣千元	Allowance for inventories 存貨撥備 RMB'000 人民幣千元	Tax losses 稅項虧損 RMB'000 人民幣千元	Unrealised profit in inventories 未變現 存貨溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	(1,109)	-	(305)	(91)	-	-	(1,505)
(Credit) charge to profit or loss	自損益(入賬)扣除	(600)	95	(581)	(160)	(718)	(406)	(2,370)
Charge to other comprehensive income	自其他全面收益扣除	-	4,068	-	-	-	-	4,068
At 31 December 2018 (restated)	於二零一八年十二月三十一日 (經重列)	(1,709)	4,163	(886)	(251)	(718)	(406)	193
Adjustments on adoption of HKFRS 16 (Note 2)	採納香港財務報告準則第16號 時調整(附註2)	1,620	-	-	-	-	-	1,620
At 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	(89)	4,163	(886)	(251)	(718)	(406)	1,813
Charge (credit) to profit or loss	自損益扣除(入賬)	89	286	(4,471)	6	198	406	(3,486)
Charge to other comprehensive income	自其他全面收益扣除	-	15,193	-	-	-	-	15,193
At 31 December 2019	於二零一九年十二月三十一日	-	19,642	(5,357)	(245)	(520)	-	13,520

At the end of the reporting period, the Group has estimated unused tax losses of approximately RMB6,192,000 (2018: RMB3,900,000) available for offset against future profits. A deferred tax asset has been recognised in respect of such losses amounting to RMB2,080,000 (2018: RMB2,872,000) during the year ended 31 December 2019. No deferred tax asset has been recognised in respect of the remaining tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB4,112,000 (2018: RMB1,028,000) that will expire from 2020 to 2024 (2018: 2019 to 2023). Other losses may be carried forward indefinitely.

32. 遞延稅項 (續)

以下為於本年度及先前年度之已確認主要遞延負債及資產及其變動：

於報告期末，本集團可供抵銷未來溢利之估計未動用稅項虧損約人民幣6,192,000元(二零一八年：人民幣3,900,000元)。於截至二零一九年十二月三十一日止年度，已就有關虧損確認遞延稅項資產人民幣2,080,000元(二零一八年：人民幣2,872,000元)。由於未來溢利流之不可預測性，故概無就餘下稅項虧損確認遞延稅項資產。將於二零二零年至二零二四年(二零一八年：二零一九年至二零二三年)逾期之虧損人民幣4,112,000元(二零一八年：人民幣1,028,000元)計入未確認稅項虧損。其他虧損可無限期結轉。

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32. DEFERRED TAX (Continued)

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the Group's subsidiaries in the PRC from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary difference attributable to the retained profits earned by the subsidiaries in the PRC amounting to approximately RMB100,671,000 as at 31 December 2019 (2018: RMB95,817,000) as 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.

Under the Provisional Regulations of LAT (《中華人民共和國土地增值稅暫行條例》) effective on 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT (《中華人民共和國土地增值稅暫行條例實施細則》) effective from 27 January 1995, all income from the sales or transfer of state-owned land use rights, buildings and their attached facilities in the PRC is subject to LAT at progressive rates ranging from 30% to 60% of the appreciation value, being the proceeds of sales of properties less deductible expenditures in relation to the gains arising from sales of properties in the PRC effective from 1 January 2004. Deferred taxation of LAT has been provided for in the consolidated financial statements in respect of appreciation value of investment properties located in the PRC.

32. 遞延稅項 (續)

根據中國企業所得稅法，自二零零八年一月一日起，就自本集團中國附屬公司賺取之溢利的已宣派股息須繳納預扣稅。於二零一九年十二月三十一日，綜合財務報表內未有就中國附屬公司所賺取保留溢利的暫時差額約人民幣100,671,000元（二零一八年：人民幣95,817,000元）作出遞延稅項撥備，原因為本集團可控制該等暫時差額的撥回時間，以及該等暫時差額在可見的將來不大可能撥回。

根據於一九九四年一月一日生效之《中華人民共和國土地增值稅暫行條例》以及於一九九五年一月二十七日生效之《中華人民共和國土地增值稅暫行條例實施細則》，於中國來自銷售或轉讓國有土地使用權、樓宇及其附帶設施之所有收入均須按介乎升值價值（即物業銷售所得款項減有關於中國銷售物業所產生收益之可扣稅開支）30%至60%之累進稅率繳納土地增值稅，自二零零四年一月一日起生效。已於綜合財務報表內就位於中國之投資物業之升值價值作出遞延土地增值稅稅項撥備。

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33. SHARE CAPITAL

33. 股本

		Number of shares 股份數目	Share capital 股本 RMB'000 人民幣千元
Authorised ordinary shares at HK\$0.1 each	每股0.1港元之法定普通股		
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月 三十一日及二零一九年 十二月三十一日	5,000,000,000	609,650
Issued and fully paid ordinary shares at HK\$0.1 each	每股0.1港元之已發行及繳 足普通股		
At 1 January 2018	於二零一八年一月一日	432,000,000	35,638
Issue of rights shares (Note (a))	發行供股股份(附註(a))	172,800,000	15,035
Placing of new shares (Note (b))	配售新股份(附註(b))	86,400,000	7,517
At 31 December 2018	於二零一八年 十二月三十一日	691,200,000	58,190
Exercise of share options (Note (c))	行使購股權(附註(c))	200,000	18
At 31 December 2019	於二零一九年 十二月三十一日	691,400,000	58,208

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33. SHARE CAPITAL (Continued)

Notes:

- (a) On 25 April 2018, the Company entered into an underwriting agreement, pursuant to which the Company has conditionally agreed to allot and issue 172,800,000 rights shares at the subscription price of HK\$0.60 per rights share on the basis of two rights share for every five existing ordinary shares of the Company held on 27 June 2018 (the "Subscription"). The Subscription was completed on 24 July 2018 with net proceeds of approximately RMB89,250,000 and resulted in the increase in share capital of RMB15,035,000 and share premium of approximately RMB75,175,000, net of transaction costs of approximately RMB960,000.
- (b) On 10 December 2018, the Company entered into a placing agreement with Zhongtai International Securities Limited (the "Placing Agent") whereby the Company agreed to place, through the Placing Agent, 86,400,000 new shares of the Company to no less than six placees at a price of HK\$0.70 per share (the "Placement"). The Placement was completed on 27 December 2018 with net proceeds of approximately RMB52,471,000 and resulted in the increase in share capital of RMB7,517,000 and share premium of approximately RMB45,102,000, net of transaction costs of approximately RMB148,000.
- (c) During the year ended 31 December 2019, share option holders exercised their rights to subscribe 200,000 ordinary shares in the Company at HK\$0.704 per share with net proceeds of approximately RMB127,000 and resulted in the increase in share capital of RMB18,000 and share premium of approximately RMB135,000.

33. 股本 (續)

附註:

- (a) 於二零一八年四月二十五日，本公司訂立包銷協議，據此，本公司已有條件同意按於二零一八年六月二十七日每持有五股本公司現有普通股獲發兩股供股股份之基準，按每股供股股份0.60港元之認購價配發及發行172,800,000股供股股份（「認購事項」）。認購事項已於二零一八年七月二十四日完成，所得款項淨額約為人民幣89,250,000元，並導致股本增加人民幣15,035,000元及股份溢價增加約人民幣75,175,000元（扣除交易成本約人民幣960,000元）。
- (b) 於二零一八年十二月十日，本公司與中泰國際證券有限公司（「配售代理」）訂立配售協議，據此，本公司同意透過配售代理按每股0.70港元之配售價向不少於六名承配人配售86,400,000股本公司新股份（「配售事項」）。配售事項已於二零一八年十二月二十七日完成，所得款項淨額約人民幣52,471,000元，並導致股本增加人民幣7,517,000元及股份溢價增加約人民幣45,102,000元（扣除交易成本約人民幣148,000元）。
- (c) 於截至二零一九年十二月三十一日止年度，購股權持有人行使其權利按每股0.704港元認購本公司200,000股普通股，所得款項淨額約為人民幣127,000元，令股本增加人民幣18,000元及股本溢價增加約人民幣135,000元。

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34. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share option scheme of the Company

In order to provide incentives and rewards to eligible participants for their contribution or potential contribution to the Group, the Company adopted share option scheme on 6 October 2015. The total amount of shares and any other option schemes of the Company must not exceed 36,000,000 shares.

On 2 November 2018, the Company granted 36,000,000 share options to certain directors, senior management, employees, consultants and customers of the Group. These share options have exercise price at HK\$0.704 with exercise period of 3 years starting from 7 months after the grant date. Under the plan, participants are granted options which only vest subject to grantees continuing to be an employee of the Group or providing service to the Group through each vesting date. Details are set out in the Company's announcement dated 2 November 2018.

34. 以股份為基礎之付款交易

本公司以股本支付之購股權計劃

為向合資格參與者就彼等對本集團之貢獻及潛在貢獻提供激勵及獎勵，本公司於二零一五年十月六日採納購股權計劃。股份總額及本公司之任何其他購股權計劃不得超過36,000,000股。

於二零一八年十一月二日，本公司向本集團若干董事、高級管理層、僱員、顧問及客戶授出36,000,000份購股權。該等購股權行使價為0.704港元，行使期為3年，自授出當日後7個月開始。根據該計劃，參與者獲授購股權，須待承授人於各歸屬當日繼續成為本集團僱員或為本集團提供服務，方可歸屬。詳情載於本公司日期為二零一八年十一月二日之公告。

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34. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option scheme of the Company

(Continued)

The following table discloses movements of the Company's share options held by directors, senior management, employees, consultants and customers during the years ended 31 December 2019 and 2018:

34. 以股份為基礎之付款交易 (續)

本公司以股本支付之購股權計劃 (續)

下表披露截至二零一九年及二零一八年十二月三十一日止年度董事、高級管理層、僱員、顧問及客戶持有之本公司購股權之變動：

Options	Vesting period	At 1.1.2018	Number of share options			
			Granted during the year	At 31.12.2018	Exercised during the year	At 31.12.2019
購股權	歸屬期	於二零一八年一月一日	年內授出	於二零一八年十二月三十一日	年內行使	於二零一九年十二月三十一日
<i>Directors</i>	<i>董事</i>					
Tranche 1 第一批	02.11.2018 – 01.05.2019 二零一八年十一月二日至 二零一九年五月一日	-	700,000	700,000	(200,000)	500,000
Tranche 2 第二批	02.11.2018 – 01.05.2020 二零一八年十一月二日至 二零二零年五月一日	-	700,000	700,000	-	700,000
Tranche 3 第三批	02.11.2018 – 01.05.2021 二零一八年十一月二日至 二零二一年五月一日	-	700,000	700,000	-	700,000
		-	2,100,000	2,100,000	(200,000)	1,900,000

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34. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option scheme of the Company

(Continued)

34. 以股份為基礎之付款交易 (續)

本公司以股本支付之購股權計劃 (續)

Options	Vesting period	At 1.1.2018	Number of share options			
			Granted during the year	At 31.12.2018	Exercised during the year	At 31.12.2019
購股權	歸屬期	於二零一八年一月一日	年內授出	於二零一八年十二月三十一日	年內行使	於二零一九年十二月三十一日
<i>Senior management</i>	<i>高級管理層</i>					
Tranche 1 第一批	02.11.2018 – 01.05.2019 二零一八年十一月二日至 二零一九年五月一日	-	100,000	100,000	-	100,000
Tranche 2 第二批	02.11.2018 – 01.05.2020 二零一八年十一月二日至 二零二零年五月一日	-	100,000	100,000	-	100,000
Tranche 3 第三批	02.11.2018 – 01.05.2021 二零一八年十一月二日至 二零二一年五月一日	-	100,000	100,000	-	100,000
		-	300,000	300,000	-	300,000

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34. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option scheme of the Company

(Continued)

34. 以股份為基礎之付款交易 (續)

本公司以股本支付之購股權計劃 (續)

Options	Vesting period	At 1.1.2018	Number of share options		購股權數目	
			Granted during the year	At 31.12.2018	Exercised during the year	At 31.12.2019
		於二零一八年一月一日	年內授出	於二零一八年十二月三十一日	年內行使	於二零一九年十二月三十一日
<i>Employees</i>	<i>僱員</i>					
Tranche 1 第一批	02.11.2018 – 01.05.2019 二零一八年十一月二日至 二零一九年五月一日	-	400,000	400,000	-	400,000
Tranche 2 第二批	02.11.2018 – 01.05.2020 二零一八年十一月二日至 二零二零年五月一日	-	400,000	400,000	-	400,000
Tranche 3 第三批	02.11.2018 – 01.05.2021 二零一八年十一月二日至 二零二一年五月一日	-	400,000	400,000	-	400,000
		-	1,200,000	1,200,000	-	1,200,000

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34. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option scheme of the Company

(Continued)

34. 以股份為基礎之付款交易 (續)

本公司以股本支付之購股權計劃 (續)

Options	Vesting period	At 1.1.2018	Number of share options			
			Granted during the year	At 31.12.2018	Exercised during the year	At 31.12.2019
購股權	歸屬期	於二零一八年一月一日	年內授出	於二零一八年十二月三十一日	年內行使	於二零一九年十二月三十一日
<i>Consultants</i>	<i>顧問</i>					
Tranche 1 第一批	02.11.2018 – 01.05.2019 二零一八年十一月二日至 二零一九年五月一日	-	5,433,333	5,433,333	-	5,433,333
Tranche 2 第二批	02.11.2018 – 01.05.2020 二零一八年十一月二日至 二零二零年五月一日	-	5,433,333	5,433,333	-	5,433,333
Tranche 3 第三批	02.11.2018 – 01.05.2021 二零一八年十一月二日至 二零二一年五月一日	-	5,433,334	5,433,334	-	5,433,334
		-	16,300,000	16,300,000	-	16,300,000

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34. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option scheme of the Company

(Continued)

34. 以股份為基礎之付款交易 (續)

本公司以股本支付之購股權計劃 (續)

Options	Vesting period	At 1.1.2018	Number of share options		Exercised	
			Granted during the year	At 31.12.2018	during the year	At 31.12.2019
購股權	歸屬期	於二零一八年一月一日	年內授出	於二零一八年十二月三十一日	年內行使	於二零一九年十二月三十一日
<i>Customers</i>	<i>客戶</i>					
Tranche 1 第一批	02.11.2018 – 01.05.2019 二零一八年十一月二日至 二零一九年五月一日	-	5,366,667	5,366,667	-	5,366,667
Tranche 2 第二批	02.11.2018 – 01.05.2020 二零一八年十一月二日至 二零二零年五月一日	-	5,366,667	5,366,667	-	5,366,667
Tranche 3 第三批	02.11.2018 – 01.05.2021 二零一八年十一月二日至 二零二一年五月一日	-	5,366,666	5,366,666	-	5,366,666
		-	16,100,000	16,100,000	-	16,100,000
		-	36,000,000	36,000,000	(200,000)	35,800,000
Exercisable at the end of the reporting period	於報告期末可行使			-		11,800,000

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34. SHARE-BASED PAYMENT TRANSACTIONS

(Continued)

Equity-settled share option scheme of the Company

(Continued)

The estimated fair value of the options granted on 2 November 2018 are HK\$6,953,000. 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 directors' best estimate. The value of an option varies with different variables of certain subjective assumptions. The inputs into the model were as follows:

The key inputs of the model were as follows:

Share price
股份價格
Exercise price
行使價
Risk-free rate
無風險利率
Dividend yield
股息收益
Expected volatility
預期波幅
Time-to-maturity
到期時限

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 18 to 42 months. The Group recognised the total expense of RMB3,376,000 for the year ended 31 December 2019 (2018: RMB946,000) in relation to share options granted by the Company.

34. 以股份為基礎之付款交易 (續)

本公司以股本支付之購股權計劃 (續)

於二零一八年十一月二日授出之購股權之估計公平值為6,953,000港元。二項式模型已用於估計購股權之公平值。計算購股權公平值所使用的有關變量及假設乃基於董事之最佳估計。購股權價值隨著若干主觀假設的不同變量而有所不同。該模型之輸入數據如下：

該模型之主要輸入數據如下：

HK\$0.69
0.69港元
HK\$0.704
0.704港元
2.02% – 2.25%
2.02% – 2.25%
0%
0%
43.4% – 46.1%
43.4% – 46.1%
2.33 years
2.33年

預期波幅使用本公司股價於過去18至42個月之歷史波幅釐定。截至二零一九年十二月三十一日止年度，本集團確認有關本公司授出購股權之開支總額人民幣3,376,000元（二零一八年：人民幣946,000元）。

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35. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group contributes of 5% of eligible employees' relevant aggregated income with a cap of HK\$1,500 per employee per month, which contribution is matched by employees.

The employees of the Group's subsidiary in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiary is required to contribute a certain 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 scheme is to make the specified contributions.

The total expense recognised in profit or loss of RMB986,000 (2018: RMB1,257,000) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

35. 退休福利計劃

本集團為於香港的所有合資格僱員設立強制性公積金計劃。該計劃的資產由信託人控制的基金持有，獨立於本集團資產。本集團每月作出供款，金額為合資格僱員相關收入總額之5%，每名僱員之每月上限為1,500港元，僱員亦作出相同供款。

本集團於中國的附屬公司僱員為中國政府經營的國家管理退休福利計劃成員。附屬公司須按僱員薪金的若干百分比向退休福利計劃供款，作為福利供款。本集團就退休福利計劃的唯一責任是作出指定供款。

於損益內確認之開支總額人民幣986,000元（二零一八年：人民幣1,257,000元）指本集團按該等計劃規則指定之費率應付該等計劃之供款。

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綜合財務報表附註

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36. OPERATING LEASES

The Group as lessee

Minimum lease payments paid under operating leases during the year

The Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Within one year
In the second to fifth years inclusive
Over five years

* The commitments for future minimum lease payments under non-cancellable operating leases as previously disclosed in the annual report for the year ended 31 December 2018, has been restated to aid accuracy and comparability of the commitments. The amount disclosed in 2018 annual report has been prepared based on an inaccurate monthly lease payment.

36. 經營租賃

本集團作為承租人

年內於經營租賃項下已付之最低租賃付款

本集團之不可撤銷經營租賃項下之未來最低租賃付款承擔之到期情況如下：

一年內
第二至第五年（包括首尾兩年）
超過五年

* 先前於截至二零一八年十二月三十一日止年度之年報內披露之不可撤銷經營租賃項下之未來最低租賃付款承擔已經重列，以提高有關承擔之準確度及可比性。二零一八年年報披露之金額乃根據不準確的每月租賃付款編製。

2018
二零一八年
RMB'000
人民幣千元

4,381

2018
二零一八年
RMB'000
人民幣千元
(Restated*)
(經重列*)

4,144

11,167

7,547

22,858

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FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

36. OPERATING LEASES (Continued)

The Group as lessor

All of the properties held for rental purposes have committed lessees for the next 1 to 15 years.

Within one year
In the second year
In the third year
In the fourth year
In the fifth year
After five years

36. 經營租賃 (續)

本集團作為出租人

持作租賃用途之所有物業均已於未來1至15年租予承租人。

一年內
第二年
第三年
第四年
第五年
五年後

2019
二零一九年
RMB'000
人民幣千元

2,093
1,833
1,884
1,944
1,908
20,270

29,932

The Group had contracted with lessees for the following future minimum lease payments:

Within one year
In the second to fifth year inclusive

本集團已就以下未來最低租賃付款與承租人訂約：

一年內
第二至第五年 (包括首尾兩年)

2018
二零一八年
RMB'000
人民幣千元

380
195

575

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37. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debts, which includes bank borrowings, convertible loan notes and lease liabilities disclosed in Notes 28, 29 and 31, respectively, net of bank balances and cash and equity attributable to owners of the Company, comprising issued share capital and other reserves.

The directors of the Company review the capital structure on a semi-annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

37. 資本風險管理

本集團管理其資本以確保本集團內實體按持續經營基準繼續經營，同時透過優化債務及權益平衡為股東帶來最大回報。本集團之整體策略與上一年度維持不變。

本集團之資本架構包括淨負債，其包括分別於附註28、29及31披露之銀行借款、可換股貸款票據及租賃負債，扣除銀行結餘及現金以及本公司擁有人應佔權益（包括已發行股本及其他儲備）。

本公司董事每半年一次審閱資本架構。作為該審閱之一部分，董事會考慮各類別資本之資本成本及相關風險。根據董事之建議，本集團將透過派付股息、新股份發行及股份回購以及發行新債務或贖回現有債務平衡其整體資本架構。

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38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

Financial assets at FVTPL

Unlisted equity securities

Financial assets at amortised cost

Financial liabilities

Amortised cost

金融資產

按公平值計入損益之

金融資產

非上市股本證券

按攤銷成本列賬之金融資產

金融負債

攤銷成本

38. 金融工具

(a) 金融工具類別

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
19,407	—
424,489	394,352
305,028	181,045

(b) Financial risk management objectives and policies

The Group's major financial instruments include financial assets at FVTPL, trade and other receivables, loan receivables, amounts due from related parties, bank balances and cash, trade and bills payables and other payables, bank borrowings, convertible loan notes and lease liabilities. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(b) 財務風險管理目標及政策

本集團之主要金融工具包括按公平值計入損益之金融資產、貿易及其他應收款項、應收貸款、應收關聯方款項、銀行結餘及現金、貿易及票據應付款項以及其他應付款項、銀行借款、可換股貸款票據及租賃負債。與該等金融工具相關之風險包括市場風險（貨幣風險及利率風險）、信貸風險及流動資金風險。減輕該等風險之政策載於下文。管理層管理及監察該等風險以確保及時及有效之措施得以實施。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk

(i) Currency risk

Several subsidiaries of the Company have the foreign currency bank balances which exposes the Group to foreign currency risk. The carrying amounts of the Group's foreign currency denominated monetary assets at the end of the reporting period are as follows:

HK\$

港元

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險

(i) 貨幣風險

本公司若干附屬公司之外幣銀行結餘使本集團承受外幣風險。本集團於報告期末以外幣計值之貨幣資產之賬面值如下：

Assets 資產	
2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
9,646	9

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Currency risk (Continued)

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arises.

In the opinion of management of the Group, the expected change in foreign exchange rate will not have significant impact on the carrying amount of the foreign currency denominated monetary assets, hence sensitivity analysis is not presented.

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to loan receivables as disclosed in Note 24, bills payable as disclosed in Note 27, lease liabilities as disclosed in Note 31, fixed-rate bank borrowings as disclosed in Note 28 and fixed-rate convertible loan notes as disclosed in Note 29. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances as disclosed in Note 25. The Group manages its interest rate exposures by assessing the potential impact arising from any interest rate movements based on interest rate level and outlook.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 貨幣風險 (續)

本集團目前並無外幣對沖政策。然而，本集團管理層監察外幣風險及將於需要時考慮對沖重大外幣風險。

本集團管理層認為，預期外匯匯率變動將不會對以外幣計值之貨幣資產賬面值構成重大影響，因此並無呈列敏感度分析。

(ii) 利率風險

本集團就附註24所披露之應收貸款、附註27所披露之應付票據、附註31所披露之租賃負債、附註28所披露之固定利率銀行借款及附註29所披露之固定利率可換股貸款票據承受公平值利率風險。本集團亦就附註25所披露之浮動利率銀行結餘承受現金流量利率風險。本集團透過根據利率水平及前景評估任何利率變動產生的潛在影響管理其利率風險。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Interest rate risk (Continued)

The Group currently does not use any derivative contracts to hedge its exposure to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

Total interest income from financial assets that are measured at amortised cost is as follows:

Other income	其他收入
Financial assets at amortised cost	按攤銷成本列值之金融資產

Interest expense on financial liabilities not measured at FVTPL:

Financial liabilities at amortised cost	按攤銷成本列值之金融負債
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No sensitivity analysis was presented as the management considers that the exposure to cash flow interest rate risk for variable-rate bank balances are insignificant.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 利率風險 (續)

本集團現時並無使用任何衍生合約對沖其所面臨之利率風險。然而，管理層將於有需要時考慮對沖重大利率風險。

按攤銷成本計量之金融資產利息收入總額如下：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
6,975	224

並非按公平值計入損益計量之金融負債之利息開支：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
16,364	6,594

由於管理層認為浮動利率銀行結餘之現金流量利率風險並不重大，故並無呈列敏感度分析。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade and other receivables, loan receivables, contract assets, amounts due from related parties and bank balances and cash. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the credit risks associated with one of the loan receivables is greatly reduced because such is secured by the properties owned by the borrower.

The Group performed impairment assessment for financial assets under ECL model. Information about the Group's credit risk management, maximum credit risk exposures and the related impairment assessment, if applicable, are summarised as below:

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估

信貸風險指本集團對手方違反合約責任而導致本集團財務虧損的風險。本集團的信貸風險主要與貿易及其他應收款項、應收貸款、合約資產、應收關聯方款項以及銀行結餘及現金有關。本集團並無持有任何抵押品或其他信貸增強措施以保障與其金融資產相關之信貸風險，惟與其中一筆應收貸款有關之信貸風險大幅降低除外，原因為其由借款人擁有之物業作抵押。

本集團根據預期信貸虧損模型對金融資產進行減值評估。有關本集團信貸風險管理、最大信貸風險及相關減值評估（如適用）之資料概述如下：

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals and to determine any debt recovery action on those delinquent trade receivables arising from contracts with customers. Before granting credit to these customers, the Group reviews the credit quality and defines credit limits by these customers. Limits attributed to these customers are reviewed once a year and each customer has a maximum credit limit. The Group maintains a defined credit policy to assess the credit quality of these customers and seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk as 34% (2018: 29%) and 74% (2018: 64%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

客戶合約產生之貿易應收款項及合約資產

為盡量降低信貸風險，本集團管理層已委派團隊負責釐定信貸限額及信貸批准，並決定對客戶合約產生的拖欠貿易應收款項作出任何追討債務行動。於向該等客戶授出信貸前，本集團審閱其信貸質素及界定該等客戶的信貸限額。該等客戶應佔限額每年進行一次檢討，且每名客戶均有最大信貸限額。本集團設有既定信貸政策以評估該等客戶之信貸質素，並致力嚴格控制其尚未償還應收款項，以盡量降低信貸風險。就此而言，本公司董事認為本集團的信貸風險已大幅降低。

本集團之信貸風險集中，原因為應收本集團最大客戶及五大客戶之款項分別佔貿易應收款項總額之34%（二零一八年：29%）及74%（二零一八年：64%）。

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FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Trade receivables and contract assets arising from contracts with customers (Continued)

In addition, the Group performs impairment assessment under ECL model on trade balances based on provision matrix. Except for those trade receivables with significant outstanding balances or credit-impaired, which are assessed for impairment individually, the remaining trade receivables and contract assets are grouped under a provision matrix based on shared credit risk characteristics by reference to the ageing, repayment history and/or past due status of trade receivables and contract assets. Impairment of RMB1,663,000 (2018: RMB2,600,000) and RMB4,862,000 (2018: Nil) is recognised for trade receivables and contract assets, respectively during the year. Details of the quantitative disclosures are set out below in this note.

Loan receivables

The directors of the Company estimate the estimated loss rates of loan receivables based on historical credit loss experience of the debtors as well as the fair value of the collateral pledged by the customers to the loan receivables, if any. Based on assessment by the directors of the Company, the loss given default is low in view of the estimated realised amount of ultimate disposal of the collaterals and/or guarantees provided by independent third parties. Impairment of RMB11,587,000 (2018: Nil) is recognised during the year for those loan receivables without the collaterals. Details of the quantitative disclosures are set out below in this note.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

客戶合約產生之貿易應收款項及合約資產 (續)

此外，本集團按撥備矩陣根據預期信貸虧損模型對貿易結餘進行減值評估。除具有大額尚未償付結餘或已出現信貸減值之該等貿易應收款項外，餘下貿易應收款項及合約資產根據撥備矩陣按共享信貸風險特徵分組，當中已參考貿易應收款項及合約資產之賬齡、還款歷史及／或逾期狀況。年內，減值人民幣1,663,000元（二零一八年：人民幣2,600,000元）及人民幣4,862,000元（二零一八年：無）已分別就貿易應收款項及合約資產確認。定量披露詳情載於本附註下文。

應收貸款

本公司董事按債務人歷史信貸虧損經驗以及客戶就應收貸款抵押之抵押品（如有）公平值估計應收貸款之估計虧損率。根據本公司董事之評估，鑑於最終出售抵押品之估計變現金額及／或獨立第三方提供之擔保，違約虧損率屬低。年內就該等並無抵押品之應收貸款確認減值人民幣11,587,000元（二零一八年：無）。定量披露資料詳情於本附註下文載述。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Amounts due from related parties and other receivables and deposits

For amounts due from related parties and other receivables and deposits, the directors of the Company make periodic individual assessment on the recoverability of these amounts based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The directors of the Company believe that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12m ECL. Impairment of RMB184,000 (2018: Nil) is recognised for amounts due from related parties and impairment of RMB24,000 (2018: RMB272,000) is reversed for other receivables and deposits during the year. Details of the quantitative disclosures are set out below in this note.

Bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by credit agencies. The Group assessed 12m ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on bank balances is considered to be insignificant.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

應收關聯方款項以及其他應收款項及 按金

就應收關聯方款項以及其他應收款項及按金而言，本公司董事根據過往償付紀錄、過往經驗以及定量及定性資料（合理及支持性前瞻性資料）對該等金額之可收回性進行定期個別評估。本公司董事相信，該等金額之信貸風險自首次確認起並無大幅增加，本集團按12個月預期信貸虧損計提減值。年內，已就應收關聯方款項確認減值人民幣184,000元（二零一八年：無）及就其他應收款項及按金撥回減值人民幣24,000元（二零一八年：人民幣272,000元）。定量披露資料詳情於本附註下文載述。

銀行結餘

銀行結餘之信貸風險有限，原因為對手方為信譽良好之銀行，並獲信貸機構給予高信貸評級。本集團參考外部信貸評級機構刊發的有關信貸評級之違約概率及違約虧損之資料而評估銀行結餘之12個月預期信貸虧損。根據平均虧損率，銀行結餘之12個月預期信貸虧損被視為並不重大。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 描述	Trade receivables and contract assets 貿易應收款項及合約資產	Other financial assets 其他金融資產
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 對手方的違約風險低且並無任何逾期金額	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並無出現信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle in full 債務人經常於到期日後還款，但通常全數結清	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並無出現信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 呆賬	There have been significant increases in credit risk since initial recognition through information developed internally or external sources 透過內部產生之資料或外部資料來源，自初步確認以來，信貸風險已顯著增加	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並無出現信貸減值	Lifetime ECL – not credit-impaired 全期預期信貸虧損 – 並無出現信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示資產為已出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 已出現信貸減值	Lifetime ECL – credit-impaired 全期預期信貸虧損 – 已出現信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重財務困難，而本集團並無實際收回可能性	Amount is written off 金額被撇銷	Amount is written off 金額被撇銷

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

本集團的內部信貸風險等級評估包括以下類別：

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The table below details the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Notes 附註	Internal credit rating 內部信貸評級	12-month or lifetime ECL 12個月或全期 預期信貸虧損	2019 二零一九年		2018 二零一八年	
				Gross carrying amount 賬面總值		Gross carrying amount 賬面總值	
				RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Financial assets at amortised cost 按攤銷成本列值之金融資產							
Trade receivables from contracts with customers 客戶合約之貿易應收款項	23	(Note 1) (附註1)	Lifetime ECL (provision matrix) 全期預期信貸虧損 (撥備矩陣) Lifetime ECL – not credit-impaired 全期預期信貸虧損— 並無出現信貸減值 Lifetime ECL – credit- impaired 全期預期信貸虧損— 已出現信貸減值	27,316		253,203	
				208,536		-	
				-	235,852	1,070	254,273
Loan receivables 應收貸款	24	(Note 2) (附註2)	Lifetime ECL – not credit-impaired 全期預期信貸虧損— 並無出現信貸減值		137,533		-
Amounts due from related parties 應收關聯方款項	26	(Note 2) (附註2)	12-month ECL 12個月預期信貸虧損		24,504		7,570
Other receivables and deposits 其他應收款項及按金	23	(Note 2) (附註2)	12-month ECL 12個月預期信貸虧損		19,345		19,662
Bank balances 銀行結餘	25	(Note 3) (附註3)	12-month ECL 12個月預期信貸虧損		24,209		116,391
					441,443		397,896

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

下表詳列須進行預期信貸虧損評估之本集團金融資產之信貸風險：

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

	Note	Internal credit rating	12-month or lifetime ECL
	附註	內部信貸評級	12個月或全期預期信貸虧損
Other items			
其他項目			
Contract assets	22	(Note 1)	Lifetime ECL (provision matrix)
合約資產	(附註1)		全期預期信貸虧損 (撥備矩陣)
			Lifetime ECL – not credit-impaired
			全期預期信貸虧損 – 並無出現信貸減值

Notes:

- For trade receivables and contract assets, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped by internal credit rating.

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables and contract assets which are assessed based on provision matrix within lifetime ECL (not credit-impaired). Debtors with significant outstanding balances or credit-impaired with gross carrying amounts of RMB474,296,000 and Nil respectively as at 31 December 2019 (2018: Nil and RMB1,070,000) were assessed individually.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

2019 二零一九年		2018 二零一八年	
Gross carrying amount		Gross carrying amount	
賬面總值		賬面總值	
RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元
12,493		194,312	
265,760	278,253	-	194,312

附註:

- 就貿易應收款項及合約資產而言，本集團已應用香港財務報告準則第9號之簡化方法按全期預期信貸虧損計量虧損撥備。除具大額尚未償付結餘或已出現信貸減值之應收賬款外，本集團使用撥備矩陣釐定該等項目預期信貸虧損，並按內部信貸評級分組。

作為本集團信貸風險管理之一部分，本集團對其客戶應用內部信貸評級。下表提供有關貿易應收款項及合約資產信貸風險之資料，有關資料按全期預期信貸虧損（並無出現信貸減值）內之撥備矩陣評估。於二零一九年十二月三十一日，具大額尚未償付結餘或已出現信貸減值之應收賬款之總賬面值分別人民幣474,296,000元及無（二零一八年：無及人民幣1,070,000元）已進行個別評估。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

1. (Continued)

Gross carrying amount

Internal credit rating	內部信貸評級	2019 二零一九年			2018 二零一八年		
		Average loss rate 平均虧損率	Trade receivables 貿易應收款項 RMB'000 人民幣千元	Contract assets 合約資產 RMB'000 人民幣千元	Average loss rate 平均虧損率	Trade receivables 貿易應收款項 RMB'000 人民幣千元	Contract assets 合約資產 RMB'000 人民幣千元
Low risk	低風險	0.37%	19,113	6,451	0.04%	173,444	194,312
Watch list	觀察名單	1.29%	7,306	1,735	2.09%	79,615	-
Doubtful	呆賬	3.23%	897	4,307	-	-	-
Loss	虧損	-	-	-	65.28%	144	-
			27,316	12,493		253,203	194,312

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. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated. The contract assets have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the loss rates for trade receivables are a reasonable approximation of the loss rates for contract assets.

During the year ended 31 December 2019, the Group reversed RMB1,633,000 (2018: provided RMB1,530,000) and provided RMB110,000 (2018: Nil) impairment allowance for trade receivables and contract assets respectively, based on the provision matrix.

Impairment allowance of RMB4,437,000 (2018: Nil) were made on debtors with significant balances and impairment allowance of RMB1,070,000 were reversed (2018: RMB1,070,000 were made) on credit-impaired debtors during the year ended 31 December 2019.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註: (續)

1. (續)

賬面總值

估計虧損率乃根據債務人之預期年期的歷史可觀察違約率估計，並就毋須過多成本或精力取得之前瞻性資料進行調整。管理層定期檢討分組，以確保有關特定債務人的相關資料獲更新。合約資產之風險特徵與同類合約之貿易應收款項大致相同。因此，本集團之結論為貿易應收款項之虧損率與合約資產虧損率合理近似。

截至二零一九年十二月三十一日止年度，本集團根據撥備矩陣就貿易應收款項及合約資產分別撥回人民幣1,633,000元（二零一八年：撥備人民幣1,530,000元）及計提人民幣110,000元（二零一八年：無）之減值撥備。

截至二零一九年十二月三十一日止年度，已就具大額結餘之應收賬款計提減值撥備人民幣4,437,000元（二零一八年：無），並已就已出現信貸減值之應收賬款撥回減值撥備人民幣1,070,000元（二零一八年：計提人民幣1,070,000元）。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

1. (Continued)

Impairment allowance of RMB4,681,000 (2018: Nil) were made on contract assets with significant balances during the year ended 31 December 2019.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets:

	Lifetime ECL – provision matrix (not credit- impaired) 全期 預期信貸虧損 –撥備矩陣 (並無出現 信貸減值) RMB'000 人民幣千元	Lifetime ECL – individual assessment (not credit- impaired) 全期 預期信貸虧損 –個別評估 (並無出現 信貸減值) RMB'000 人民幣千元	Lifetime ECL – individual assessment (credit- impaired) 全期 預期信貸虧損 –個別評估 (已出現 信貸減值) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2018				
Changes due to financial instruments recognised as at 1 January 2018:				
– Impairment losses recognised	373	–	–	373
	1,530	–	1,070	2,600
	1,903	–	1,070	2,973
As at 31 December 2018				
Changes due to financial instruments recognised as at 1 January 2019:				
– Impairment losses recognised	110	9,118	–	9,228
– Impairment losses reversed	(1,633)	–	(1,070)	(2,703)
	380	9,118	–	9,498

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註: (續)

1. (續)

截至二零一九年十二月三十一日止年度，已就具大額結餘之合約資產計提減值撥備人民幣4,681,000元(二零一八年:無)。

下表顯示已對貿易應收款項及合約資產確認之全期預期信貸虧損的變動:

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FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

1. (Continued)

Changes in the loss allowance for trade receivable are mainly due to the recognition of impairment allowance for trade receivable with a gross carrying amount of RMB235,852,000 (2018: RMB254,273,000) during the year ended 31 December 2019.

The Group writes off trade receivables 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 five years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

2. The Group assessed the loss allowance for loan receivables, amounts due from related parties and other receivables and deposits on 12m ECL basis. In determining the ECL, the Group performs periodic review on the financial position of the debtors, its settlement status and other contractual conditions to ensure it is financially viable to settle the receivables. The Group has applied ranged 0.19% to 8.68% of credit loss rates and concluded that adequate impairment loss is made for irrecoverable amount.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註：(續)

1. (續)

貿易應收款項之虧損撥備變動乃主要由於截至二零一九年十二月三十一日止年度確認總賬面值為人民幣235,852,000元(二零一八年：人民幣254,273,000元)之貿易應收款項之減值撥備所致。

當有資料顯示債務人陷入嚴重財務困難且並無實際收回可能性時(例如當債務人進行清盤或已進入破產程序，或當貿易應收款項已逾期超過五年(以較早發生者為準))，則本集團撤銷貿易應收款項。概無已撤銷的貿易應收款項須進行強制執行行動。

2. 本集團按12個月預期信貸虧損基準評估應收貸款、應收關聯方款項及其他應收款項及按金之虧損撥備。於釐定預期信貸虧損時，本集團對債務人之財務狀況、其償付狀況及其他合約條款進行定期審閱，以確保其有財務能力償付應收款項。本集團已應用0.19%至8.68%之信貸虧損率，得出結論為已為不可收回金額作出足夠減值虧損。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

Notes: (Continued)

3. For the purposes of internal credit risk management, the Group has applied the general approach in HKFRS 9 to measure the loss allowance at 12m ECL as there is no significant increase in credit risk since initial recognition. The Group determines the expected credit losses for bank balances by assessment of probability of default. During the year ended 31 December 2019, in view of the nature of the balance and historical default rate and forward looking information, the Group considers the provision of impairment allowance for the bank balances are insignificant.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險及減值評估 (續)

附註：(續)

3. 就內部信貸風險管理而言，本集團已應用香港財務報告準則第9號的一般方法計量12個月預期信貸虧損的虧損撥備，原因為信貸風險自初步確認以來並無顯著增加。本集團透過評估違約概率釐定銀行結餘的預期信貸虧損。截至二零一九年十二月三十一日止年度，鑑於結餘的性質及歷史違約率及前瞻性資料，本集團認為對銀行結餘計提的減值撥備並不重大。

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of bank balances and cash deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from weighted average interest rate at the end of reporting period.

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

於管理流動資金風險時，本集團監控及維持管理層視為足以為本集團營運提供資金並減輕現金流量波動影響之一定水平之銀行結餘及現金。管理層監控借款的使用情況，並確保遵守貸款契諾。

下表詳列本集團之非衍生金融負債之餘下合約到期情況。該表格乃根據金融負債的未貼現現金流量按本集團可被要求付款之最早日期編製。其他非衍生金融負債的到期日乃按協定還款日期而定。該表格包括利息及本金現金流量。

下表包括利息及本金之現金流量。就利息流量為浮動利率而言，未貼現金額乃來自報告期末之加權平均利率。

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綜合財務報表附註

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38. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

As at 31 December 2019

38. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表

於二零一九年十二月三十一日

		Weighted average interest rate 加權 平均利率 %	On demand or less than 1 month 按要求或 少於1個月 RMB'000 人民幣千元	1-3 months 1至3個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年 RMB'000 人民幣千元	1-5 years 1至5年 RMB'000 人民幣千元	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities	非衍生金融負債							
Trade and other payables	貿易及其他應付款項	-	90,132	-	-	-	90,132	90,132
Bills payables	應付票據	0.05	-	-	10,050	-	10,050	10,000
Bank borrowings	銀行借款	7.02	-	-	121,358	-	121,358	113,400
Convertible loan notes	可換股貸款票據	16.50	1,380	1,380	103,940	-	106,700	91,496
Lease liabilities	租賃負債	10.00	247	716	1,693	13,107	15,763	11,585
			<u>91,759</u>	<u>2,096</u>	<u>237,041</u>	<u>13,107</u>	<u>344,003</u>	<u>316,613</u>

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38. FINANCIAL INSTRUMENTS (Continued)

38. 金融工具 (續)

(b) Financial risk management objectives and policies (Continued)

(b) 財務風險管理目標及政策 (續)

Liquidity risk (Continued)

流動資金風險 (續)

Liquidity table (Continued)

流動資金表 (續)

As at 31 December 2018

於二零一八年十二月三十一日

	Weighted average interest rate 加權 平均利率 %	On demand or less than 1 month 按要求或 少於1個月 RMB'000 人民幣千元	3 months to 1 year 3個月至1年	Total undiscounted cash flows 未貼現現金 流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Non-derivative financial liabilities 非衍生金融負債					
Trade and other payables 貿易及其他應付款項	-	78,045	-	78,045	78,045
Bank borrowings 銀行借款	6.61	-	105,765	105,765	103,000
		<u>78,045</u>	<u>105,765</u>	<u>183,810</u>	<u>181,045</u>

(c) Fair value measurements of financial instruments

(c) 金融工具之公平值計量

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

本附註提供有關本集團如何釐定各項金融資產及金融負債之公平值之資料。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

38. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value measurements and valuation processes

Some of the Group's financial instruments are measured at fair value for financial reporting purposes. The directors of the Company are responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The directors of the Company works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation committee's findings to the board of directors of the Company to explain the cause of fluctuations in the fair value.

38. 金融工具 (續)

(c) 金融工具之公平值計量 (續)

公平值計量及估值程序

本集團部分金融工具乃按公平值計量，以作財務報告用途。本公司董事負責就公平值計量釐定合適估值方法及輸入數據。

於估計公平值時，本集團盡可能使用可觀察市場數據。倘並無第一級輸入數據可供使用，則本集團委聘合資格第三方合資格估值師進行估值。本公司董事與合資格外聘估值師緊密合作，為模式設立合適估值方法及輸入數據。管理層向本公司董事會匯報評估委員會的調查結果，以解釋公平值波動的原因。

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綜合財務報表附註

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38. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 December	Fair value hierarchy	Valuation technique(s) and key inputs	Relationship of key inputs to fair value
金融資產	於十二月三十一日之公平值	公平值層級	估值方法及主要輸入數據	主要輸入數據與 公平值的關係
	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元		
Financial assets at FVTPL – unlisted equity securities	19,407	–	Level 2 Discounted cash flow was used to capture the present value of the expected future economic benefits that will flow to the Group and recoverable amount under guarantee arrangement, discounted at a rate that reflects the credit risk of counterparty.	A significant increase in the expected future economic benefits that will flow to the Group would result in a significant increase in fair value, and vice versa.
按公平值計入損益的 金融資產— 非上市股本證券			第2級 已使用貼現現金流量得出將流入 本集團之預期未來經濟利益及 擔保安排項下之可收回金額之 現值，有關現值按反映對手方 信貸風險之利率貼現。	將流入本集團之預期未來 經濟利益大幅增加將導致 公平值大幅增加，反之亦 然。

There were no transfers in different levels of the fair value hierarchy during the reporting period.

38. 金融工具 (續)

(c) 金融工具之公平值計量 (續)

定期按公平值計量的本集團金融資產 的公平值

本集團部分金融資產於各報告期末按公平值計量。下表提供有關如何釐定該等金融資產公平值（特別是所用估值方法及輸入數據）的資料。

於報告期內，並無不同級別的公平值層級轉撥。

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38. FINANCIAL INSTRUMENTS (Continued)

(c) Fair value measurements of financial instruments (Continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures required)

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values based on discounted cash flows analysis.

39. CHARGES ON ASSETS

The Group has the following charges on assets for bank borrowings as set out in Note 28 at the end of the reporting period:

Property, plant and equipment	物業、廠房及設備
Investment properties	投資物業
Prepaid lease payments	預付租賃款項
Right-of-use assets	使用權資產

38. 金融工具 (續)

(c) 金融工具之公平值計量 (續)

並非定期按公平值計量 (但須披露公平值) 的本集團金融資產及金融負債的公平值

本公司董事認為，根據貼現現金流量法分析，於綜合財務報表內按攤銷成本入賬之金融資產及金融負債的賬面值與其公平值相若。

39. 資產抵押

於報告期末，本集團就附註28所載之銀行借款有以下資產抵押：

2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (restated) (經重列)
26,248	37,342
59,040	9,454
–	2,582
1,390	–
86,678	49,378

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40. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

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

40. 融資活動產生的負債的對賬

下表詳列融資活動產生的本集團負債變動，包括現金及非現金變動。融資活動產生的負債乃其現金流量或未來現金流量於本集團之綜合現金流量表分類為融資活動的負債。

		Lease liabilities	Bank borrowings	Convertible loan notes	Total
		租賃負債	銀行借款	可換股貸款票據	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	-	88,200	-	88,200
Financing cash flows (Note)	融資現金流量 (附註)	-	8,206	-	8,206
Non-cash transactions:	非現金交易:				
Interest expenses	利息開支	-	6,594	-	6,594
At 31 December 2018	於二零一八年十二月三十一日	-	103,000	-	103,000
Adjustment on adoption of HKFRS 16 (Note 2)	採納香港財務報告準則第16號時之調整 (附註2)	12,561	-	-	12,561
As at 1 January 2019 (restated)	於二零一九年一月一日 (經重列)	12,561	103,000	-	115,561
Financing cash flows (Note)	融資現金流量 (附註)	(2,380)	2,613	81,976	82,209
Non-cash transactions:	非現金交易:				
New leases entered/lease modified	訂立新租賃/經修訂之租賃	204	-	-	204
Exchange adjustments	匯兌調整	-	-	2,143	2,143
Interest expenses	利息開支	1,200	7,787	7,377	16,364
At 31 December 2019	於二零一九年十二月三十一日	11,585	113,400	91,496	216,481

Note: The financing cash flows mainly represent net proceeds on issue of convertible loan notes, proceeds from bank borrowings, repayment of lease liabilities, repayment of bank borrowings and interest paid and excluded net proceeds from issue of rights shares, net proceeds from placing of new shares and proceeds from exercising of share options.

附註：融資現金流量主要包括發行可換股貸款票據之所得款項淨額、銀行借款所得款項、償還租賃負債、償還銀行借款及已付利息，而不包括發行供股股份之所得款項淨額、配售新股份之所得款項淨額及行使購股權之所得款項。

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41. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these consolidated financial statements, the Group has following transactions and balances with related parties:

(a) Transactions with related parties

Sales to Meizhou Xikang	向梅州禧康作出之銷售
Provision of building engineering service to Meizhou Xikang	向梅州禧康提供建築工程服務
Expense related to short-term lease/ rental expense paid to Mr. Wen Jingfeng	有關短期租賃／向溫敬鋒先生支付之租金開支之開支
Labour costs charged by Meizhou Xikang	梅州禧康收取之員工成本

(b) Compensation of key management personnel

The remuneration of executive directors, being the key management personnel, are set out in Note 13, which is determined by the remuneration committee having regard to the performance of individuals and market trends.

41. 關聯方交易

除於該等綜合財務報表之其他部分所披露者外，本集團與關聯方有以下交易及結餘：

(a) 與關聯方交易

Year ended 31 December		2019	2018
截至十二月三十一日止年度		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
		79	1,590
		1	381
		43	39
		190	—

(b) 主要管理人員的薪酬

執行董事（為主要管理人員）的薪酬載於附註13，其乃由薪酬委員會經考慮個別人士表現及市場趨勢而釐定。

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42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

42. 本公司主要附屬公司詳情

本公司於報告期末直接及間接持有之附屬公司詳情載列如下。

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/operation 註冊成立/成立/ 營運地點	Issued and fully paid share capital/Paid-up registered capital 已發行及繳足股本/ 繳足註冊資本	Proportion ownership interest held by the Company 本公司持有之 所有權權益比例		Proportion of voting power held by the Company 本公司持有之 投票權比例		Principal activities 主要業務
			2019 二零一九年 %	2018 二零一八年 %	2019 二零一九年 %	2018 二零一八年 %	
Directly held subsidiaries: 直接持有之附屬公司:							
Zhan Yun Holdings Limited 展韻控股有限公司	BVI 英屬處女群島	USD50,000 50,000美元	100%	100%	100%	100%	Investment holding 投資控股
Indirectly held subsidiaries: 間接持有之附屬公司:							
Jiyi Investments Limited 集一投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	100%	100%	Investment holding 投資控股
Jiyi Entertainment Limited 集一影視投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	100%	100%	Investment holding 投資控股
Guangdong Jiyi Household Building Materials Chain Co. Ltd.*("Guangdong Jiyi") 廣東集一家居建材連鎖 有限公司*(「廣東集一」)	The PRC 中國	RMB161,600,000 人民幣161,600,000元	100%	100%	100%	100%	Sales of household building materials 銷售家居建材
Meizhou Jisheng Household Building Materials Company Limited* ("Meizhou Jisheng") 梅州市集勝家居建材 有限公司*(「梅州集勝」)	The PRC 中國	RMB2,000,000 人民幣2,000,000元	100%	100%	100%	100%	Investment holding 投資控股
Guangdong Jiyi Xinya Decoration and Design Construction Company Limited* ("Jiyi Xinya") 廣東集一信雅裝飾設計 工程有限公司# (「集一信雅」)	The PRC 中國	RMB10,100,000 人民幣10,100,000元	100%	100%	100%	100%	Provision of interior design and building engineering services 提供室內設計及建 築工程服務

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued) 42. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/operation 註冊成立/成立/ 營運地點	Issued and fully paid share capital/Paid-up registered capital 已發行及繳足股本/ 繳足註冊資本	Proportion ownership interest held by the Company 本公司持有之 所有權益比例		Proportion of voting power held by the Company 本公司持有之 投票權比例		Principal activities 主要業務
			2019 二零一九年 %	2018 二零一八年 %	2019 二零一九年 %	2018 二零一八年 %	
Shanghang County Jiyi Household Building Materials Company Limited [^] ("Shanghang Jiyi") 上杭縣集一家居建材有限公司(「上杭集一」) [#]	The PRC 中國	RMB3,000,000 人民幣3,000,000元	–	100%	–	100%	Sales of household building materials 銷售家居建材
Zhongshan Jiyi Household Building Materials Company Limited ("Zhongshan Jiyi") [*] 中山市集一家居建材有限公司(「中山集一」) [#]	The PRC 中國	RMB1,300,000 人民幣1,300,000元	100%	100%	100%	100%	Sales of household building materials 銷售家居建材
Jiyi Industrial Group (Shenzhen) Co. Ltd. [*] ("Shenzhen Jiyi") 集一實業集團(深圳)有限公司 [⊗] (「深圳集一」)	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100%	–	100%	–	Investment holding 投資控股

* The English name is for identification purpose only

* 英文名稱僅供識別

⊗ Established as a wholly foreign owned enterprise in the PRC

⊗ 於中國成立之外商獨資企業

Established as a limited liability company in the PRC

於中國成立之有限公司

[^] The subsidiary was deregistered during the year ended 31 December 2019.

[^] 該附屬公司已於截至二零一九年十二月三十一日止年度撤銷註冊。

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綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

All the principal subsidiaries operate predominantly in their respective places of incorporation/establishment.

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had any debt securities subsisting at the end of the reporting period or at any time during the reporting period.

42. 本公司主要附屬公司詳情 (續)

所有主要附屬公司均主要於彼等各自之註冊成立／成立地點營運。

上表列示本公司董事認為主要影響本集團業績或資產淨值之本集團附屬公司。董事認為，提供其他附屬公司之詳情將導致有關詳情篇幅過於冗長。

概無附屬公司有任何債務證券於報告期末或報告期間任何時間存續。

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FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

43. 本公司財務狀況及儲備報表

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Investment in a subsidiary	於一家附屬公司的投資	165,951	161,401
Amounts due from subsidiaries	應收附屬公司款項	78,862	—
Right-of-use assets	使用權資產	226	—
		<u>245,039</u>	<u>161,401</u>
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	253,983	214,350
Amount due from a related party	應收關聯方款項	23,637	7,570
Prepayments and other receivables	預付款項及其他應收款項	825	756
Bank balances and cash	銀行結餘及現金	13,401	47,004
		<u>291,846</u>	<u>269,680</u>
Current liabilities	流動負債		
Other payables	其他應付款項	365	365
Convertible loan notes	可換股貸款票據	91,496	—
Lease liabilities	租賃負債	231	—
		<u>92,092</u>	<u>365</u>
Net current assets	流動資產淨值	<u>199,754</u>	<u>269,315</u>
Net assets	資產淨值	<u>444,793</u>	<u>430,716</u>
Capital and reserves	股本及儲備		
Share capital	股本	58,208	58,190
Reserves	儲備	386,585	372,526
Total equity	權益總額	<u>444,793</u>	<u>430,716</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

43. STATEMENT OF FINANCIAL POSITION AND RESERVES (Continued)

43. 財務狀況及儲備報表 (續)

Movement in the Company's reserves

本公司儲備之變動

		Share premium	Convertible loan notes equity reserve	Translation reserves	Share-based payment reserve	Accumulated losses	Total
		股份溢價	可換股貸款票據之權益儲備	匯兌儲備	以股份為基礎之付款儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	243,832	–	10,154	–	(10,638)	243,348
Loss for the year	年內虧損	–	–	–	–	(3,611)	(3,611)
Other comprehensive income for the year	年內其他全面收益	–	–	12,674	–	–	12,674
Issue of rights shares (Note 33(a))	發行供股股份 (附註33(a))	75,175	–	–	–	–	75,175
Transaction costs attributable to issue of rights shares	發行供股股份應佔之交易成本	(960)	–	–	–	–	(960)
Placing of new shares (Note 33(b))	配售新股份 (附註33(b))	45,102	–	–	–	–	45,102
Transaction costs attributable to placing of new shares	配售新股份應佔交易成本	(148)	–	–	–	–	(148)
Recognition of equity-settled share-based payments (Note 34)	確認為以股本償付之以股份為基礎付款 (附註34)	–	–	–	946	–	946
At 31 December 2018	於二零一八年十二月三十一日	363,001	–	22,828	946	(14,249)	372,526
Loss for the year	年內虧損	–	–	–	–	(4,289)	(4,289)
Other comprehensive income for the year	年內其他全面收益	–	–	12,052	–	–	12,052
Recognition of equity-settled share-based payments (Note 34)	確認為以股本償付之以股份為基礎付款 (附註34)	–	–	–	3,376	–	3,376
Issue of convertible loan notes (Note 29)	發行可換股貸款票據 (附註29)	–	2,827	–	–	–	2,827
Transaction costs attributable to issue of convertible loan notes	發行可換股貸款票據應佔之交易成本	–	(16)	–	–	–	(16)
Exercise of share options (Note 33(c))	行使購股權 (附註33(c))	135	–	–	(26)	–	109
At 31 December 2019	於二零一九年十二月三十一日	363,136	2,811	34,880	4,296	(18,538)	386,585

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

44. EVENTS AFTER THE REPORTING PERIOD

An outbreak of respiratory illness caused by novel coronavirus (the “COVID-19”) has been expanded across the PRC and globally. Since then, major cities in the PRC have taken emergency public health measures and draconian measures including travel restrictions in an effort to contain the coronavirus outbreak.

Guangdong Jiyi, Meizhou Jisheng, Jiyi Xinya, Shanghang Jiyi, Zhongshan Jiyi and Shenzhen Jiyi, indirectly wholly-owned subsidiaries of the Company, have been directed by the local government to facilitate the prevention and control measures of the novel coronavirus pneumonia epidemic (the “Epidemic”), including expanding the Chinese New Year holidays, adopted safety preparations for resuming operation under the guidance and approval of the local government.

Further, the Group, including Guangdong Jiyi, Meizhou Jisheng, Jiyi Xinya, Shanghang Jiyi, Zhongshan Jiyi and Shenzhen Jiyi, have implemented prevention and control measures for the Epidemic, such as keep close track of the employees’ health situation and the development of the Epidemic, to ensure the Group’s continued capacity to operate its business.

The directors of the Company will continue to assess the impact of the Epidemic on the Group’s operation and financial performance and closely monitor the Group’s exposure to the risks and uncertainties in connection with the Epidemic.

44. 報告期後事項

由新型冠狀病毒（「COVID-19」）引致之呼吸系統疾病爆發已於中國及全球蔓延。自當時起，中國主要城市已採取突發公共衛生事件措施及嚴厲措施（包括旅遊限制），以遏止冠狀病毒爆發。

地方政府已指示本公司之間接全資附屬公司廣東集一、梅州集勝、集一信雅、上杭集一、中山集一及深圳集一促成新型冠狀病毒肺炎疫情（「疫情」）之防控措施，包括延長農曆新年假期，並在地方政府指引及批准下採取恢復運作之安全準備。

此外，本集團（包括廣東集一、梅州集勝、集一信雅、上杭集一、中山集一及深圳集一）已為應對疫情實施防控措施，例如密切追蹤僱員健康狀況及疫情發展，以確保本集團能夠繼續經營業務。

本公司董事將繼續評估疫情對本集團營運及財務表現之影響，並密切監察本集團就疫情承受之風險及不確定因素。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

FOR THE YEAR ENDED 31 DECEMBER 2019 截至二零一九年十二月三十一日止年度

The consolidated results, assets and liabilities of the Group for the last five financial reporting periods as extracted from the audited consolidated financial statements of the Group are summarised below:

本集團摘錄自本集團經審核綜合財務報表之過往五個財務報告期之綜合業績、資產及負債概列如下：

RESULTS

業績

For the year ended 31 December

截至十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (restated) (經重列)	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	<u>573,675</u>	<u>599,478</u>	<u>415,968</u>	<u>382,835</u>	<u>348,668</u>
Profit before tax	除稅前溢利	<u>16,729</u>	<u>18,451</u>	<u>14,698</u>	<u>26,187</u>	<u>45,433</u>
Income tax expenses	所得稅開支	<u>(3,659)</u>	<u>(6,159)</u>	<u>(5,717)</u>	<u>(8,590)</u>	<u>(14,162)</u>
Profit for the year	年內溢利	<u>13,070</u>	<u>12,292</u>	<u>8,981</u>	<u>17,597</u>	<u>31,271</u>
Total comprehensive income for the year	年內全面收入總額	<u>35,167</u>	<u>15,394</u>	<u>8,043</u>	<u>19,162</u>	<u>32,194</u>

ASSETS AND LIABILITIES

資產及負債

At 31 December

於十二月三十一日

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元 (restated) (經重列)	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total assets	資產總值	<u>929,930</u>	<u>743,963</u>	<u>507,770</u>	<u>487,313</u>	<u>437,011</u>
Total liabilities	負債總額	<u>394,368</u>	<u>250,241</u>	<u>172,846</u>	<u>160,432</u>	<u>176,811</u>
Total equity	權益總額	<u>535,562</u>	<u>493,722</u>	<u>334,924</u>	<u>326,881</u>	<u>260,200</u>



JIYI HOUSEHOLD INTERNATIONAL HOLDINGS LIMITED
集一家居國際控股有限公司