



FOREBASE INTERNATIONAL HOLDINGS LIMITED

申基國際控股有限公司

(Incorporated in Hong Kong with limited liability) (於香港註冊成立之有限公司)

(Stock Code 股份代號: 2310)



力臻完美
Pursuit of Perfection

Annual Report 2019 年報

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Financial Highlights

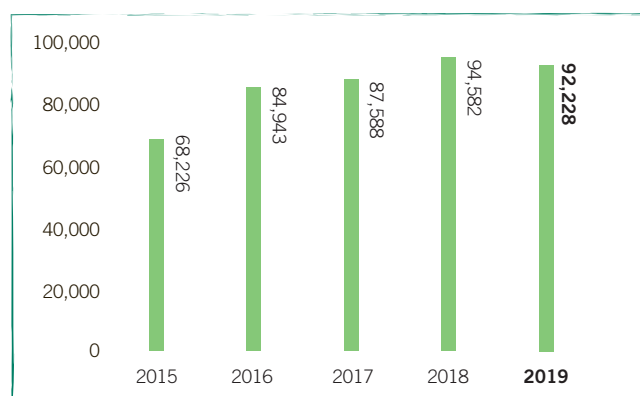
財務摘要

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

Revenue

營業額

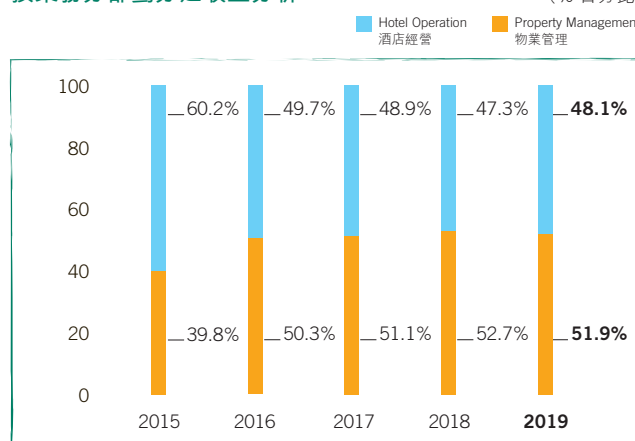
(HK\$'000 千港元)



Revenue by Business Segments

按業務分部劃分之收益分析

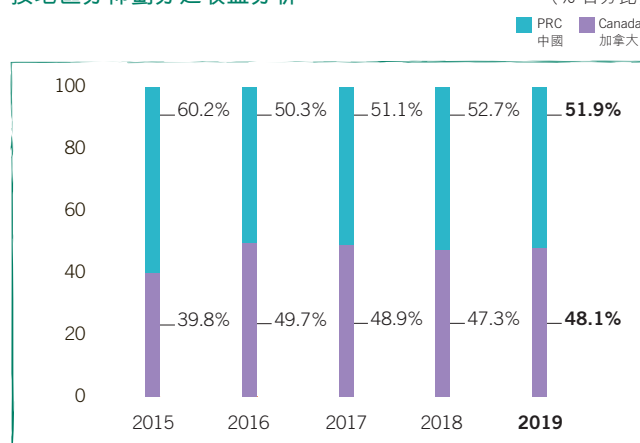
(% 百分比)



Revenue by Geographical Regions

按地區分佈劃分之收益分析

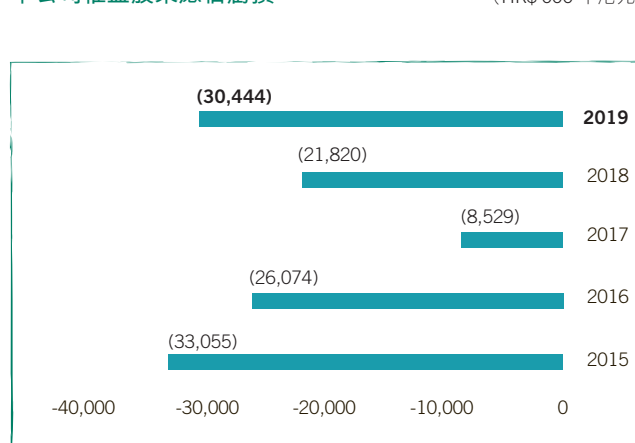
(% 百分比)



Loss Attributable to Equity Shareholders of the Company

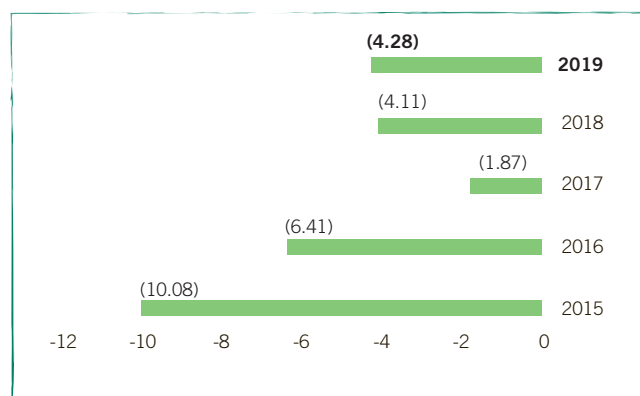
本公司權益股東應佔虧損

(HK\$'000 千港元)



Basic Loss per Share (including both continuing and discontinued operations)

每股基本虧損 (包括持續經營及已終止經營業務) (HK cents 港仙)



Financial Highlights 財務摘要

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

| | | Note 附註 | 2019 二零一九年 | 2018 二零一八年 | % Change 變動百分比 |
|--|---------------------|------------|-----------------|---------------|-------------------|
| Results HK\$'000 | 業績 千港元 | | | | |
| Revenue | 收益 | | 92,228 | 94,582 | (2.49%) |
| Loss before income tax | 除所得稅前虧損 | | (30,816) | (20,584) | 49.71% |
| Loss for the year attributable to equity shareholders of the Company | 本年度本公司權益股東應佔虧損 | | (30,444) | (21,820) | 39.52% |
| Assets and Liabilities HK\$'000 | 資產與負債 千港元 | | | | |
| Total assets | 總資產 | | 218,406 | 205,677 | 6.19% |
| Total liabilities | 總負債 | | 157,286 | 141,558 | 11.11% |
| Shareholders' equity | 股東權益 | | 61,120 | 64,119 | (4.68%) |
| Per share data HK cents | 每股數據 港仙 | | | | |
| Basic and diluted (loss)/earnings | 基本及攤薄(虧損)/盈利 | | (4.28) | (4.11) | 4.14% |
| HK\$ Net asset value | 港元 資產淨值 | | 0.08 | 0.10 | (10%) |
| Financial Ratio | 財務比率 | | | | |
| Current ratio | 流動比率 | 1 | 0.36 | 1.23 | (70.73%) |
| Quick ratio | 速動比率 | 2 | 0.35 | 1.20 | (70.83%) |

Notes:

- 1) Current ratio represents current assets divided by current liabilities.
- 2) Quick ratio represents current assets excluding inventories divided by current liabilities.

附註：

- 1) 流動比率指流動資產除以流動負債。
- 2) 速動比率指不包括存貨的流動資產除以流動負債。

Chairman's Statement

主席報告書

The Group has been exploring investment opportunities in hotel operation, property investment in Hong Kong, the PRC and other overseas countries, with an aim to deliver satisfactory returns to the shareholders.

本集團正積極發掘於香港、中國及其他海外國家之酒店經營、物業投資的投資機會，希望為股東帶來可觀的回報。





Chairman's Statement

主席報告書

YEAR UNDER REVIEW

The year 2019 was a significant year for Forebase International Holdings Limited (the “Company”, together with its subsidiaries, the “Group”).

Nuofute Property Management Co., Ltd.* 重慶諾富特物業管理有限公司 (“Nuofute Property Management”) becomes the key source of income to the Group. Its success strengthen the confidence of the Group to become an integrated property related service provider and investor. Management will continue to explore new property management projects and expand this segment through acquisitions.

Through the efforts of the management, the Brentwood Bay Resort in Victoria, British Columbia, Canada continues to be another source of profit of the Group. Management will continue to explore other investment opportunities in hotel operation, property investment and development in Hong Kong, the PRC and other overseas countries.

The board of directors (the “Board”) and the management will continue to adjust the Group’s business strategies with an aim to deliver satisfactory returns to every shareholders.

BUSINESS PERFORMANCE

Revenue represents hotel operation income and properties management income, which accounted for approximately 48.1% (2018: 47.3%) and 51.9% (2018: 52.7%) respectively, of the total revenue. Revenue decreased by 2.5% to approximately HK\$92,228,000 from approximately HK\$94,582,000 in 2018, which was mainly attributable to the depreciation of RMB and CAD during the year ended 31 December 2019. The Group’s net loss increased from approximately HK\$21,820,000 in 2018 to approximately HK\$30,444,000 in 2019 due to the increase in loss allowance of trade receivables of HK\$13,621,000.

年內回顧

二零一九年對申基國際控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）而言極具重大意義。

重慶諾富特物業管理有限公司（「諾富特物業管理」）成為本集團的主要收入來源。它成功加強本集團致力成為綜合物業關聯服務提供者及投資者的信心。管理層將繼續物色新物業管理項目，並通過收購方式壯大此業務。

在管理團隊的努力下，位於加拿大英屬哥倫比亞維多利亞市經營之 Brentwood Bay Resort 繼續成為本集團的另一個利潤來源。管理團隊將繼續物色其他於香港、中國及其他海外國家之酒店經營、物業投資及發展的投資機會。

董事會（「董事會」）及管理層將繼續調整本集團的整體經營策略，祈望為所有股東帶來可觀回報。

業務表現

收益指酒店經營收入及物業管理收入，分別佔總收益約 48.1%（二零一八年：47.3%）及 51.9%（二零一八年：52.7%）。總收益由二零一八年約 94,582,000 港元減少 2.5% 至約 92,228,000 港元，主要來由於截至二零一九年十二月三十一日止年度人民幣及加元貶值所致。本集團的虧損淨額由二零一八年約 21,820,000 港元增加至二零一九年約 30,444,000 港元，主要由於貿易應收款項虧損撥備增加 13,621,000 港元所致。

PROSPECTS

The property management segment is one of the key sources of income for the Group. Management believes that the property management industry in China will continue to grow steadily and this segment will bring stable income to the Group. While exploring new property management projects, the Group will actively consider expanding this segment through acquisitions.

The hotel operation business in Victoria, British Columbia, Canada continues to generate revenue for the Group, of which, however, has contributed less due to foreign currency exchange fluctuations. The Group has been exploring business opportunities in hotel operation and property investment in Hong Kong, the PRC and other overseas countries, with an aim to deliver substantial returns for shareholders of the Company through a series of acquisitions and proposed cooperation.

APPRECIATION

On behalf of the Board, I would like to express sincere thanks and appreciation to our shareholders, business partners and dedicated management as well as staff for their continued support and valuable contributions to the Group.

CHOI Yun Chor
Co-chairman

Hong Kong, 14 May 2020

前景

物業管理業務為本集團其中一個主要收入來源。管理層相信中國物業管理行業將持續穩定增長，而此業務將會為本集團帶來穩定收入。在繼續物色新物業管理項目的同時，本集團將積極考慮以收購方式壯大此業務。

位於加拿大英屬哥倫比亞省維多利亞市的酒店經營業務繼續替本集團帶來收益。但由於外匯波動的影響，以致其帶來的貢獻減少。本集團正積極發掘於香港、中國及其他海外國家之酒店經營及物業投資的商業機會，希望通過一系列的收購行動及合作計劃，為本公司股東帶來可觀的回報。

感謝

本人謹代表董事會對我們的股東、業務伙伴及堅定投入的管理層和員工致以最深謝意，感謝他們一直以來對本集團的無間斷支持及寶貴貢獻。

蔡潤初
聯席主席

香港，二零二零年五月十四日

Management Discussion and Analysis

管理層討論及分析

The success of property management segment strengthens the confidence of the Group to explore new property management projects and expand this segment through acquisitions.

物業管理業務的成功，加強了本集團繼續物色新物業管理項目的信心，並通過收購方式壯大此業務。





Management Discussion and Analysis

管理層討論及分析



FINANCIAL REVIEW

Revenue and Segment Information

Revenue represents hotel operation income and property management income. Revenue decreased by 2.5% to approximately HK\$92,228,000 from approximately HK\$94,582,000 in 2018 was mainly attributable to the depreciation of RMB and CAD during the year ended 31 December 2019.

Direct Costs

Direct costs decreased by approximately HK\$3,543,000 or 6.0% to approximately HK\$55,347,000 which was attributable to better cost control over food and beverage services in the business of hotel operation and energy consumption in the business of properties management.

Gross Profit

Gross profit increased by approximately HK\$1,189,000 or 3.3% which was in line with the decrease in revenue and direct costs.

財務回顧

收益及分部資料

收益指酒店經營收入及物業管理收入。收益由二零一八年約94,582,000港元減少2.5%至約92,228,000港元，主要由於截至二零一九年十二月三十一日止年度人民幣及加元貶值所致。

直接成本

直接成本減少約3,543,000港元或6.0%至約55,347,000港元，主要是由於酒店經營業務的飲食服務成本控制及物業管理業務的能源消耗改善所致。

毛利

毛利上升約1,189,000港元或3.3%，與收益及直接成本減少一致。

The Group has been exploring investment opportunities in hotel operation and property investment in Hong Kong, the PRC and other overseas countries.

本集團正積極發掘於香港、中國及其他海外國家之酒店經營及物業投資的投資機會。

Other Income and Gain, net

Other income and gain, net increased by approximately HK\$451,000 from approximately HK\$1,409,000 in 2018 to approximately HK\$1,860,000 in 2019. The increase was mainly due to the recognition of income attributable to unused gift certificates in hotel operation.

Administrative Expenses

Administrative expenses increased by approximately HK\$13,947,000 from approximately HK\$50,716,000 in 2018 to approximately HK\$64,663,000 in 2019 was mainly attributable to the increase in loss allowance of trade receivables.

Finance Costs

The Group's finance costs during the year amounted to HK\$5,971,000 (2018: HK\$7,522,000) mainly due to the decrease in imputed interest on amount due to a shareholder/director as significant part of the amount was capitalised on 31 December 2018.

其他收入及收益淨額

其他收入及收益淨額由二零一八年約1,409,000港元增加約451,000港元至二零一九年約1,860,000港元。增加主要是由於酒店經營確認未使用禮券應佔收入。

行政開支

行政開支由二零一八年約50,716,000港元增加約13,947,000港元至二零一九年約64,663,000港元，主要是由於貿易應收款項虧損撥備增加所致。

融資成本

本集團在年內的融資成本為5,971,000港元（二零一八年：7,522,000港元），主要由於在二零一八年十二月三十一日該金額重大部分資本化後應付一名股東／董事款項之估算利息減少所致。

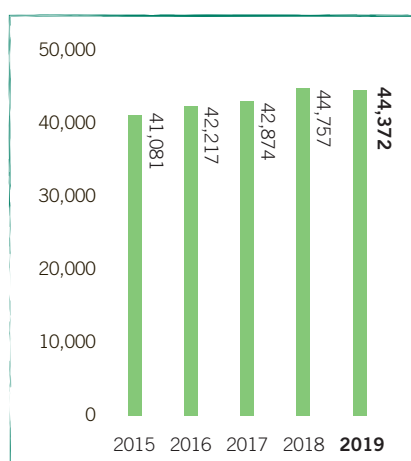
Management Discussion and Analysis

管理層討論及分析

Revenue of Hotel Operation Business

酒店經營業務收益

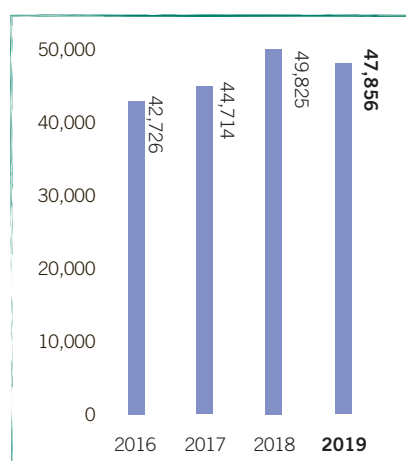
(HK\$'000 千港元)



Revenue of Property Management Business

物業管理業務收益

(HK\$'000 千港元)



Taxation

Income tax expense decreased from approximately HK\$1,236,000 in 2018 to approximately income tax credit amounted to HK\$372,000 in 2019 was mainly attributable to the recognition of deferred tax assets of approximately HK\$1,749,000.

Loss for the Year

As a result of the foregoing combined effects of the above, the Group recorded a net loss of approximately HK\$30,444,000.

Liquidity and Financial Resources

As at 31 December 2019, the Group's net current liabilities and current ratio were approximately HK\$64,030,000 and 0.36 respectively (net current assets and current ratio in 2018: HK\$8,550,000 and 1.23 respectively).

Charge on Assets

As at 31 December 2019, the Group's land and buildings held for own use of approximately HK\$84,759,000 (2018: HK\$82,956,000) were pledged to secure banking facilities granted to the Group.

稅項

所得稅開支由二零一八年約1,236,000港元減少至二零一九年抵免約372,000港元，主要是由於確認遞延稅項資產約1,749,000港元所致。

本年度虧損

由於上述各項的綜合影響，本集團錄得虧損淨額約30,444,000港元。

流動資金及財務資源

於二零一九年十二月三十一日，本集團的流動負債淨額及流動比率分別約為64,030,000港元及0.36（二零一八年之流動資產淨額及流動比率：分別為8,550,000港元及1.23）。

資產抵押

於二零一九年十二月三十一日，本集團持作自用的土地及樓宇約84,759,000港元（二零一八年：82,956,000港元）用作本集團所取得銀行融資之抵押。

Management Discussion and Analysis

管理層討論及分析

Capital Structure

For the year ended 31 December 2019, the Group financed its liquidity requirements through a combination of cash flow as generated from operations, secured loans, bonds and advances from a shareholder and loans from shareholders.

Capital Commitment and Contingent Liabilities

As at 31 December 2019, the Group did not have any significant capital commitment and contingent liabilities.

BUSINESS REVIEW

Hotel Operation Business

Revenue from hotel operation accounted for approximately 48.1% of the total revenue. For the year 2019, the hotel achieved occupancy rate of 84.6% (2018: 80.7%) and growth in room revenue by 2.8% in its functional currency. However, the growth was offset by the deterioration of Canadian Dollars (“CAD”). The revenue was therefore decreased by approximately HK\$385,000 from approximately HK\$44,757,000 in 2018 to approximately HK\$44,372,000 in 2019.

Property Management Business

Revenue from property management business amounted to approximately HK\$47,856,000, representing a decrease of 4.0% comparing to approximately HK\$49,825,000 in 2018. The decrease was due to the depreciation of RMB. The segmental revenue accounted for approximately 51.9% of the total revenue of the Group.

Net Gearing Ratio

The net gearing ratio was 1.62 as at 31 December 2019 (31 December 2018: 1.38). The net gearing ratio was measured by net debt (including secured loans, loan from shareholders, and bonds, and deducting bank balances and cash) over total equity.

資本結構

截至二零一九年十二月三十一日止年度，本集團主要透過綜合利用經營所得的現金流、抵押貸款、債券、股東墊款及股東貸款滿足流動資金需要。

資本承擔及或然負債

於二零一九年十二月三十一日，本集團並無任何重大資本承擔及或然負債。

業務回顧

酒店經營業務

來自酒店經營之收益，佔總收益約48.1%。於二零一九年，酒店入住率達84.6%（二零一八年：80.7%），酒店房間收益按其功能貨幣增長2.8%。然而，該增長被加拿大元（「加元」）貶值所抵銷，導致收益由二零一八年約44,757,000港元減少約385,000港元至二零一九年約44,372,000港元。

物業管理業務

物業管理業務的收益為約47,856,000港元，較二零一八年約49,825,000港元減少4.0%。收益減少乃因人民幣貶值所致。分類收益佔本集團收益總額約51.9%。

淨資產負債比率

於二零一九年十二月三十一日之淨資產負債比率為1.62（二零一八年十二月三十一日：1.38）。淨資產負債比率乃由負債淨額（包括已抵押貸款、股東貸款及債券，並扣除銀行結餘及現金）除總權益計量。

Management Discussion and Analysis

管理層討論及分析

Staff and Remuneration Policy

As at 31 December 2019, the Group had approximately 329 employees, including 201 based in the PRC, 13 based in Hong Kong and 115 based in Canada. Staff costs for the year ended 31 December 2019 were approximately HK\$48,155,000, representing a decrease of approximately HK\$5,716,000 as compared to approximately HK\$53,871,000 of last year due to the decrease in equity-settled share-based payment expenses.

Employee remuneration is determined in accordance with prevailing industry practice and employees' performance and experience. Discretionary bonuses are awarded to employees with outstanding performance with reference to the performance of the Group. Employees are also entitled to other staff benefits including medical insurance and mandatory provident fund.

Foreign Exchange Fluctuation and Hedge

The Group is not subject to material foreign currency exposure since its operations in the PRC and Canada are mainly denominated in Renminbi ("RMB") and CAD respectively and the Group's revenue and operating costs in the PRC and Canada are denominated in the functional currency of the Group's entity generating the sales or incurring the costs. Accordingly, the directors consider that the currency risk is not significant. As such, no hedging instrument is considered necessary by the Board during the year. The directors will monitor the Group's exposure on an ongoing basis and will consider hedging the currency risk should the need arise.

During the years ended 31 December 2019 and 2018, the Group did not enter into any forward foreign currency contracts.

Prospects

The property management segment is one of the key sources of income for the Group. Management believes that the property management industry in China will continue to grow steadily and this segment will bring stable income to the Group. While exploring new property management projects, the Group will actively consider expanding this segment through acquisitions.

僱員及薪酬政策

於二零一九年十二月三十一日，本集團約有329名員工，當中201名位於中國、13名位於香港及115名位於加拿大。截至二零一九年十二月三十一日止年度的員工成本約48,155,000港元，較去年約53,871,000港元減少約5,716,000港元，乃因為以權益結算的股份付款開支減少所致。

僱員酬金乃根據現行的行業慣例及僱員表現及經驗釐定。酌情花紅乃參考本集團表現，授予表現優異的僱員。僱員亦有權享有其他僱員福利（包括醫療保險及強制性公積金）。

外匯波動及對沖

由於本集團於中國及加拿大的營運主要分別以人民幣及加元計值，而本集團於中國及加拿大的收益及經營成本以本集團進行銷售或產生成本的實體功能貨幣計值，故本集團並無面對重大外幣風險。因此，董事認為貨幣風險並不重大。故此，董事會認為於本年度無必要使用對沖工具。董事將持續監察本集團面對的風險，並於有需要時考慮對沖貨幣風險。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無訂立任何遠期外匯合約。

前景

物業管理業務為本集團其中一個主要收入來源。管理層相信中國物業管理行業將持續穩定增長，而此業務將會為本集團帶來穩定收入。在繼續物色新物業管理項目的同時，本集團將積極考慮以收購方式壯大此業務。

Management Discussion and Analysis 管理層討論及分析

The hotel operation business in Victoria, British Columbia, Canada continues to generate revenue for the Group, of which, however, has contributed less due to foreign currency exchange fluctuations. The Group has been exploring other business opportunities in hotel operation and property investment in Hong Kong, the PRC and other overseas countries, with an aim to deliver substantial returns for shareholders of the Company through a series of acquisitions and proposed cooperation.

位於加拿大英屬哥倫比亞省維多利亞市的酒店經營業務繼續替本集團帶來收益。但由於外匯波動的影響，以致其帶來的貢獻減少。本集團正積極發掘於香港、中國及其他海外國家之酒店經營及物業投資的其他商業機會，希望通過一系列的收購行動及合作計劃，為本公司股東帶來可觀的回報。

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving a high standard of practices of corporate governance so as to ensure the protection of shareholders' interests with better transparency. The Company has complied with the code provisions of the Corporate Governance Code set out in Appendix 14 to the Rules (the "Listing Rules") Governing the Listing of Securities on the Stock Exchange during the year ended 31 December 2019, except for the following:

Code Provision A.6.7

Pursuant to the code provision A.6.7, independent non-executive directors and other non-executive directors, as equal Board members, should attend the general meetings of the Company.

The Company held its annual general meeting on 29 May 2019 (the "AGM") and extraordinary general meeting on 19 December 2019 ("the EGM"). During the year ended 31 December 2019, certain independent non-executive directors were unable to attend the Company's general meetings due to their unavoidable business engagements.

The Company has arranged and will continue to arrange to furnish all directors with appropriate information on all general meetings and take all reasonable measures to arrange to schedule in such a way that all directors can attend general meetings, as well as to support non-executive directors to respond to shareholders' questions in the general meetings.

Code Provision E.1.2 stipulates that the Chairman of the Board should attend the AGM. Due to other business engagements, the Chairman of the Board was unable to attend the AGM. However, Mr. Gan Lin, a former executive director of the Company, took chair of the AGM pursuant to the articles of association of the Company to ensure an effective communication with the shareholders of the Company thereat.

企業管治守則及企業管治常規

本公司一向恪守嚴謹之企業管治常規，藉提高透明度確保股東利益。本公司於截至二零一九年十二月三十一日止年度已遵守聯交所證券上市規則（「上市規則」）附錄十四所載企業管治守則所載的守則條文，惟下列除外：

守則條文第 A.6.7 條

根據守則條文第 A.6.7 條，獨立非執行董事及其他非執行董事作為與其他董事擁有同等地位之董事會成員，應出席本公司之股東大會。

本公司於二零一九年五月二十九日舉行股東週年大會及於二零一九年十二月十九日舉行股東特別大會。截至二零一九年十二月三十一日止年度，若干獨立非執行董事因處理不可避免事務而未能出席本公司股東大會。

本公司已在所有股東大會，及將在日後的股東大會為所有董事安排提供適當的資訊，並採取所有合理措施安排日程，使所有董事可以出席會議，並向非執行董事提供支持，以回應股東於股東大會之提問。

守則條文第 E.1.2 條規定董事會主席應出席股東週年大會。由於有其他事務在身，董事會主席未能出席股東週年大會。然而，本公司前執行董事甘霖先生根據本公司之組織章程細則，擔任股東週年大會之主席以保證與本公司股東進行有效溝通。

Model code for securities transactions by directors

The Company has adopted Appendix 10, Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “Model Code”) as the code of practice for carrying out securities transactions by the directors of the Company. The Company, having made specific enquiries to all directors of the Company, confirmed that all directors have complied with the required standard of dealings as set out in the Model Code throughout the year ended 31 December 2019.

BOARD OF DIRECTORS

The Company’s overall management is vested in its Board, which currently comprises seven members, coming from diverse businesses and professional backgrounds. The biographical details of directors are set out under the section “Directors and Senior Management” on pages 58 to 63 of this annual report. The Board currently comprises executive directors Ms. Yeung So Mui (Co-Chairman), Mr. Choi Yun Chor (Co-Chairman), Mr. Ng Kwai Wah Sunny, Mr. Chen Jian, Mr. Tai Kwok Keung Kenny and Mr. Lin Junwei; and the independent non-executive directors are Ms. Lai Cheuk Yu Cherrie, Mr. Ting Wong Kacee and Dr. Loke Yu (alias LOKE Hoi Lam).

The Board meets at least four times annually to review business development and overall strategic policies.

To facilitate the operation of the Board, the Board has established a schedule of matters reserved for its approval. The specific responsibilities reserved for the Board include (a) setting the Group’s strategy and dividend policy; (b) approving budgets, reviewing operational and financial performance; (c) approving major investments and divestments; (d) reviewing the internal control system of the Group; (e) ensuring appropriate management development and succession plans in place; (f) approving appointments of and remuneration policy for directors and other senior executives; (g) approving corporate social responsibility policies; and (h) ensuring effective communication with shareholders.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十之上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司董事進行證券交易的行為守則。本公司向本公司所有董事作出具體查詢後確認，截至二零一九年十二月三十一日止整個年度，所有董事均有遵守標準守則所載之守則條文。

董事會

本公司之整體管理由董事會負責，目前，董事會由七名成員組成，彼等擁有不同行業及專業背景。董事履歷詳情載於本年報58至63頁「董事及高層管理人員」一節。董事會成員目前包括執行董事楊素梅女士（聯席主席）、蔡潤初先生（聯席主席）、吳季驊先生、陳健先生、戴國強先生及林俊煒先生；以及獨立非執行董事黎卓如女士、丁煌先生及陸海林博士。

董事會每年最少舉行四次會議，以檢討業務發展及整體策略政策。

為方便董事會運作，董事會制定了一份項目清單並保留其決定權。董事會之指定責任包括(a)制定本集團整體策略及股息政策；(b)通過預算案、檢討營運及財務表現；(c)批准重大投資及撤資；(d)檢討本集團內部監控系統；(e)確保有適當管理發展及延續計劃；(f)通過委任董事及其他高級行政人員並釐訂彼等之薪酬政策；(g)批准企業社會責任政策；及(h)確保與股東進行有效溝通。

Corporate Governance Report

企業管治報告書

For the financial reporting accountability, the Board has an ultimate responsibility for preparing the consolidated financial statements. In preparing the consolidated financial statements, the Board has ensured that (a) the generally accepted accounting standards in Hong Kong have been adopted; (b) appropriate accounting policies have been used and applied consistently; and (c) reasonable and prudent judgments and estimates have been made. Moreover, the Board is not aware of any material uncertainties relating to events or conditions which may cast significant doubt over the Group's ability to continue as a going concern. Accordingly, the Board has continued to adopt the going concern basis in preparing the consolidated financial statements.

Being part of good corporate governance practices, a number of board committees have been established. These committees include five corporate governance related committees namely the Remuneration Committee, the Audit Committee and the Nomination Committee as well as one ad hoc committee namely the Independent Board Committee which is responsible for advising the matters in relation to the continuing connected transactions. These committees operate within specific terms of reference as prepared by the Company and report their work and findings to the Board regularly.

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Nomination Committee as a whole is responsible for reviewing the Board composition, developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession planning of Directors and assessing the independence of independent non-executive Directors. Each of the executive Directors is appointed with no fixed term of service. The appointment may be terminated by not less than one month's written notice or payment in lieu of such notice. Each of the independent non-executive Directors has entered into a service contract with the Company for a specific term of three years and is subject to retirement by rotation once every three years. And they should be re-appointed at any annual general meeting of the Company during their term of office. The appointment may be terminated by not less than one month's written notice or payment in lieu of such notice.

就財務申報之問責性而言，董事會有編製綜合財務報表之最終責任。在編製綜合財務報表時，董事會已保證(a)香港公認之會計準則已予採納；(b)適當會計政策已予使用及貫徹應用；及(c)合理及審慎之判斷和估算已予作出。此外，董事會並不知悉有任何重大不確定因素致使本集團持續經營之能力存在疑問。為此，董事會在編製綜合財務報表時繼續採用持續經營基準。

作為良好企業管治之部份措施，本公司已成立多個董事會轄下的委員會。該等委員會包括五個與企業管治有關的委員會，即執行委員會、薪酬委員會、審核委員會及提名委員會，以及一個負責就持續關連交易提供意見之特設委員會，即獨立董事委員會。該等委員會均按由本公司編製之特定職權範圍操作並且定期向董事會匯報彼等之工作及調查結果。

委任、重選及罷免董事

提名委員會整體負責檢討董事會的組成、就提名及委任董事發展及制定相關程序、監察董事的委任和繼任計畫及評估獨立非執行董事的獨立性。各執行董事的委任並無固定服務年期。委任可以不少於一個月書面通知或以付款代替該通知之方式終止。各獨立非執行董事已於本公司訂立服務合約，指定年期為三年，並須每三年輪值退任一次，而彼等須於其在任期間的任何本公司股東週年大會上予以重新委任。委任可以不少於一個月書面通知或以付款代替該通知之方式終止。

In accordance with the Company's articles of association, one third of the Directors of the Company are subject to retirement by rotation every year and any new director appointed to fill a casual vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the first general meeting or the first annual general meeting respectively after appointment. The Nomination Committee reviews the structure, size and composition (including the skills, knowledge and experience) of the Board regularly to ensure that the Board has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company. Where vacancies on the Board exist, the Nomination Committee will carry out the selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process where necessary. The recommendations of the Nomination Committee are then put to the full Board for decision.

The Nomination Committee recommended the re-appointment of the Directors Ms. Yeung So Mui, Mr. Choi Yun Chor and Dr. Loke Yu standing for re-election at the next forthcoming annual general meeting of the Company. The Company's circular contains detailed information of the directors standing for re-election will be despatched to shareholders for consideration.

根據本公司組織章程細則，本公司三分之一董事須於每年輪值退任，而填補臨時空缺或作為董事會新增成員的任何新董事須分別於委任後的第一個股東大會或第一個股東週年大會上提呈股東重選。提名委員會定期檢討董事會的結構、規模及組成（包括技能、知識及經驗），確保董事會具有適合本公司業務所須的專業知識、技能及經驗。當董事會出現空缺時，提名委員會將參照獲建議人選的技能、經驗、專業知識、個人誠信及時間投放，以及本公司的需要及其他相關法定規定及規例，進行有關甄選程序。在需要時，會委聘外部招募代理進行招募及甄選程序。提名委員會的建議其後會提呈予全體董事會作決定。

提名委員會已建議重新委任董事楊素梅女士、蔡潤初先生及陸海林博士於本公司應屆股東週年大會上提呈連任。本公司將向股東發出載有提呈重選董事的詳細資料的通函，以供股東考慮。

Corporate Governance Report

企業管治報告書

DIRECTORS' ATTENDANCE RECORDS

The attendance records of the directors at Board Meetings, Audit Committee Meetings, Remuneration Committee Meetings, Nomination Committee Meetings, Independent Board Committee Meeting and General Meetings during the year ended 31 December 2019 are set out below:

董事出席紀錄

截至二零一九年十二月三十一日止年度內，每位董事於董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議、獨立董事委員會會議及股東大會之出席記錄如下：

| | | 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 | Independent Board Committee 獨立董事 委員會 | General meeting 股東大會 |
|--|-------------------------|--------------|-----------------------------|------------------------------------|----------------------------------|--|----------------------------|
| Executive directors | 執行董事 | | | | | | |
| Ms. Yeung So Mui ⁽¹⁾ | 楊素梅女士 ⁽¹⁾ | 3/3 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Choi Yun Chor ⁽¹⁾ | 蔡潤初先生 ⁽¹⁾ | 3/3 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Ng Kwai Wah Sunny ⁽¹⁾ | 吳季驊先生 ⁽¹⁾ | 3/3 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Chen Jian ⁽¹⁾ | 陳健先生 ⁽¹⁾ | 3/3 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Tai Kwok Keung Kenny ⁽¹⁾ | 戴國強先生 ⁽¹⁾ | 3/3 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Lin Junwei ⁽¹⁾ | 林俊煒先生 ⁽¹⁾ | 3/3 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Shen Yong ⁽²⁾ | 申勇先生 ⁽²⁾ | 2/5 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 0/2 |
| Mr. Gan Lin ⁽³⁾ | 甘霖先生 ⁽³⁾ | 2/2 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Pang Huan Kun ⁽⁴⁾⁽⁵⁾ | 逢煥坤先生 ⁽⁴⁾⁽⁵⁾ | 1/4 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 |
| Ms. Wang Yi Ya ⁽⁴⁾⁽²⁾ | 王一雅女士 ⁽⁴⁾⁽²⁾ | 2/5 | n/a 不適用 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 0/1 |
| Non-executive director | 非執行董事 | | | | | | |
| Mr. Huang Xiang Yang ⁽⁵⁾ | 黃向陽先生 ⁽⁵⁾ | 3/4 | n/a 不適用 | n/a 不適用 | n/a 不適用 | 1/1 | 1/1 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Dr Loke Yu (alias Loke Hoi Lam) | 陸海林博士 | 5/5 | 2/2 | 2/2 | 2/2 | 1/1 | 2/2 |
| Ms. Lai Cheuk Yu Cherrie ⁽¹⁾ | 黎卓如女士 ⁽¹⁾ | 3/3 | n/a 不適用 | 1/1 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Ting Wong Kacee ⁽¹⁾ | 丁煌先生 ⁽¹⁾ | 3/3 | n/a 不適用 | 1/1 | n/a 不適用 | n/a 不適用 | 1/1 |
| Mr. Yu Lei ⁽⁵⁾ | 余磊先生 ⁽⁵⁾ | 3/4 | 2/2 | 2/2 | 2/2 | 1/1 | 0/1 |
| Mr. Ernst Rudolf Zimmermann ⁽⁵⁾ | 司馬文先生 ⁽⁵⁾ | 3/4 | 2/2 | 2/2 | 2/2 | 1/1 | 1/1 |

- (1) appointed on 10 October 2019.
 (2) removed on 19 December 2019.
 (3) resigned on 11 June 2019.
 (4) appointed on 11 June 2019.
 (5) resigned on 20 November 2019.

- (1) 於二零一九年十月十日獲委任。
 (2) 於二零一九年十二月十九日被罷免。
 (3) 於二零一九年六月十一日辭任。
 (4) 於二零一九年六月十一日獲委任。
 (5) 於二零一九年十一月二十日辭任。

BOARD COMMITTEES

The Board has established four board committees, namely, the Audit Committee, the Remuneration Committee, the Nomination Committee and the Independent Board Committee, for overseeing particular aspects of the Company's affairs. All board committees should report to the Board on their decisions or recommendations made.

A. Audit Committee

The Audit Committee currently comprises three independent non-executive directors Dr. Loke Yu (Committee Chairman), Ms. Lai Cheuk Yu Cherrie and Mr. Ting Wong Kacee.

The main responsibilities of the Audit Committee are:

1. to monitor the integrity of financial reporting of the Company;
2. to review the internal control and risk management systems of the Group; and
3. to review the corporate governance practices of the Company.

There were two Audit Committee meetings held for the year ended 31 December 2019 to discuss and review the following matters:

1. the 2018 annual report and accounts;
2. the 2019 interim report and accounts;
3. the Group's financial controls, internal control and risk management systems;
4. the financial reporting and relevant compliance with external auditor; and
5. the auditor's remuneration and recommended the Board to re-appoint Grant Thornton Hong Kong Limited as the auditor of the Company in the year 2020, which is subject to the approval of shareholders at the forthcoming AGM.

The Audit Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Audit Committee can be viewed on the websites of the Company and the Stock Exchange.

董事委員會

董事會已成立四個董事委員會，即審核委員會、薪酬委員會、提名委員會及獨立董事委員會，以監管本公司各方面事務。所有董事委員會應就其決策或建議向董事會匯報。

A. 審核委員會

審核委員會目前由三名獨立非執行董事陸海林博士（委員會主席）、黎卓如女士、及丁煌先生組成。

審核委員會之主要職責為：

1. 監察本公司財務報告之完整性；
2. 檢討本集團內部監控及風險管理系統；及
3. 檢討本公司之企業管治常規。

截至二零一九年十二月三十一日止年度，舉行了兩次審核委員會會議，以討論及檢討以下事項：

1. 二零一八年年報及賬目；
2. 二零一九年中期報告及賬目；
3. 本集團之財務監控、內部監控及風險管理系統；
4. 與外聘核數師就財務報告及相關遵例情況進行討論；及
5. 核數師薪酬及向董事會建議於二零二零年續聘致同（香港）會計師事務所有限公司為本公司核數師，惟須獲股東於應屆股東週年大會上批准方會作實。

審核委員會具備充足資源履行職責。審核委員會之最新職權範圍可於本公司及聯交所網站查閱。

B. Remuneration Committee

The Remuneration Committee currently comprises three independent non-executive directors Mr. Ting Wong Kacee (Committee Chairman), Ms. Lai Cheuk Yu Cherrie and Dr. Loke Yu.

The major responsibilities of the Remuneration Committee are:

1. to review the remuneration packages of directors and senior management;
2. to make recommendations to the Board on the remuneration structure; and
3. to review and guide the formulation of the Group's remuneration policy for directors and senior management attributable to performance-driven compensation commitment as well as market trend and industry norms.

There were two Remuneration Committee meetings held for the year ended 31 December 2019 to review the remuneration packages of directors and senior management according to the Group's employment policy, nomination policy, remuneration policy, and training and development policy.

The Remuneration Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Remuneration Committee can be viewed on the websites of the Company and the Stock Exchange.

Details of the remuneration to the directors on named basis and members of senior management by band are disclosed in notes 10 and 11 to the consolidated financial statements, respectively.

B. 薪酬委員會

薪酬委員會目前由三名獨立非執行董事丁煌先生(委員會主席)、黎卓如女士及陸海林博士組成。

薪酬委員會之主要責任為：

1. 檢討董事及高層管理人員之薪酬組合；
2. 就薪酬架構向董事會作出建議；及
3. 定期檢討及指導本集團董事及高層管理人員之薪酬政策之編製。薪酬政策乃根據與表現掛鉤之報酬承諾，並參考市場趨勢及行業慣例釐訂。

截至二零一九年十二月三十一日止年度，舉行了兩次薪酬委員會會議，已根據本集團聘用政策、提名政策、薪酬政策以及培訓及發展政策，檢討董事及高層管理人員之薪酬待遇。

薪酬委員會具備充足資源履行其職責。薪酬委員會之最新職權範圍可於本公司及聯交所網站查閱。

董事之酬金詳情以具名方式而高層管理人員之酬金詳情按組別分別披露於綜合財務報表附註10及11。

C. Nomination Committee

The Nomination Committee currently comprises three independent non-executive directors Ms. Lai Cheuk Yu Cherrie (Committee Chairman), Mr. Ting Wong Kacee and Dr. Loke Yu.

The major responsibilities of the Nomination Committee are:

1. to make recommendations to the Board on the appointment or re-appointment of directors;
2. to review the structure, size and composition of the Board and to ensure fair and transparent procedures for the appointment or re-appointment of directors;
3. to propose the appointment of such candidates to the Board for consideration; and
4. to review the qualifications of the relevant candidates for determining the suitability to the Group on the basis of his/her qualifications, experience and background.

There were two Nomination Committee meetings held for the year ended 31 December 2019 to discuss and consider the following matters:

1. the composition of the Board with reference to certain criteria. These criteria included qualifications required under the Listing Rules or any other relevant laws regarding characteristics and skills of the directors, professional ethics and integrity, appropriate professional knowledge and industry experience, as well as ability to devote sufficient time to the work of the Board and its committees and to participate in all Board meetings and shareholders' meetings;
2. the re-appointment of the retiring directors for reelection at the previous general meeting;
3. procedures for election of directors and by shareholders; and
4. independence of the independent non-executive directors.

The Nomination Committee is provided with sufficient resources to perform its duties. Latest terms of reference of the Nomination Committee can be viewed on the websites of the Company and the Stock Exchange.

C. 提名委員會

提名委員會目前包括三名獨立非執行董事黎卓如女士（委員會主席）、丁煌先生及陸海林博士組成。

提名委員會之主要責任為：

1. 向董事會提供有關委任或續聘董事之推薦意見；
2. 檢討董事會之架構、大小及組成以及確保委任或續聘董事之程序公正透明；
3. 提出委任人選供董事會考慮；及
4. 審視相關人選之資歷，基於其資歷、經驗及背景決定是否適合本集團。

截至二零一九年十二月三十一日止年度，舉行了兩次提名委員會會議，以討論並考慮以下事項：

1. 參考若干準則檢討及評估董事會的組成。該等準則包括上市規則或任何相關法律就董事的個性及技能、專業操守及誠信、適合的專業知識及行業經驗而規定之資歷，以及能對董事會及其委員會的工作付出足夠的時間以及參與所有董事會會議及股東會議之能力；
2. 續聘於上屆股東週年大會獲續聘的退任董事；
3. 股東及董事選舉之程序；及
4. 獨立非執行董事的獨立性。

提名委員會具備充足資源履行職責。提名委員會之最新職權範圍可於本公司及聯交所網站查閱。

Corporate Governance Report

企業管治報告書

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the CG Code:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of the directors and senior officers of the Group;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the codes of conduct applicable to employees and the directors; and
5. to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

During the year ended 31 December 2019, the Board considered the following corporate governance matters:

1. review of the compliance with the Code Provisions of the CG Code; and
2. review of the effectiveness of the internal controls and risk management systems of the Group through the Audit Committee.

COMPANY SECRETARY

Company Secretary of the Company is a full time employee of the Group and has day-to-day knowledge of the Company's affairs. During the year ended 31 December 2019, the Company Secretary, Mr. Leung Tak Chee Frankie, has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. According to Rule 3.29 of the Listing Rules, the Company Secretary has taken no less than 15 hours of relevant professional training. The biographical details of the Company Secretary is set out on in the section entitled "Directors and Senior Management" in this annual report.

企業管治職能

董事會負責履行企業管治守則規定的企業管治職責如下：

1. 制定及檢討本公司的企業管治政策及常規；
2. 檢討及監察董事及高級管理人員的培訓及持續專業發展；
3. 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；
4. 制定、檢討及監察適用於僱員及董事的操守準則；及
5. 檢討本公司遵守企業管治守則的情況及在本《企業管治報告書》內的披露。

於截至二零一九年十二月三十一日止年度，董事會已審議以下企業管治事宜：

1. 檢討遵守企業管治守則之守則條文之情況；及
2. 透過審核委員會檢討本集團內部監控及風險管理系統之有效性。

公司秘書

本公司的公司秘書為本集團全職僱員，且熟悉本公司日常事務。於截至二零一九年十二月三十一日止年度，公司秘書梁德志先生已遵守上市規則第3.29條下相關專業培訓之規定。根據上市規則第3.29條，公司秘書已作出不少於15小時之相關專業培訓。公司秘書的履歷詳情載於本年報「董事及高層管理人員」一節。

TRAINING, INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

Each newly appointed director receives a comprehensive and formal induction to ensure that he/she has an appropriate understanding of the business and operations of the Group, his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements, the CG Code of the Company and the Model Code.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged at the expenses of the Company whenever necessary. The directors are committed to complying with Code Provision A.6.5 of the CG Code on directors' training effective from 1 April 2012. All directors have participated in continuous professional development to develop and refresh their knowledge and skills and provided their training records to the Company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify its directors and officers in respect of legal actions against the directors. During the year ended 31 December 2019, no claim had been made against the directors and the officers of the Company.

The Separate Roles of the Chairman and Chief Executive Officer

The division of responsibilities between the Chairman of the Board and the Chief Executive Officer, is clearly defined and has been approved by the Board. The Chairman provides leadership of the Board, ensures the effectiveness of the Board and oversees the corporate development; while the Chief Executive Officer, as head of the executive directorate, is responsible for managing the business development and strategic planning of the Group.

Their separate roles reinforce the continuous enhancement of the Group's corporate governance in terms of corporate fairness, transparency and accountability.

董事培訓、入職介紹及持續發展

每名獲委任之新董事均獲提供全面、正式之入職介紹，以確保其可適當掌握本集團之業務及營運；根據上市規則及相關法規須履行之職務及責任；本公司之企業管治守則；及標準守則。

董事將不斷獲得法定及監管機制發展以及業務環境之新消息，以協助彼等履行職責。當有需要時，董事將獲安排持續簡報及專業發展，費用由本公司承擔。董事致力遵守由二零一二年四月一日起生效之企業管治守則內第A.6.5條有關董事培訓之守則條文。全體董事均有參與發展及更新彼等知識及技能之持續專業發展，並已向本公司提供其培訓記錄。

董事及高級人員責任保險及彌償

本公司已就其董事可能會面對的法律訴訟購買合適的責任保險，以保障其董事及高級人員。截至二零一九年十二月三十一日止年度，本公司董事及高級人員並無面臨任何索償。

區分主席及行政總裁職能

董事會主席及行政總裁兩人之職責已清楚劃分，並已獲董事會批准。主席負責領導董事會、確保董事會之有效運作及監督企業發展；而行政總裁為執行董事之首，負責管理本集團之業務發展及策略規劃。

彼等之職能區分進一步提升本集團以公平、高透明度及問責為原則的企業管治。

Corporate Governance Report

企業管治報告書

Directors' Independence

There are no financial, business, family or other material/relevant relationship(s) among members of the Board.

The directors are given access to independent professional advice at the Group's expense, when the directors deem it necessary in order to carry out their responsibilities.

The Board also advocates the participation of independent non-executive directors and non-executive directors in various board committees to safeguard objectivity and independence.

The Company has received the confirmation letters from each of the independent non-executive directors, confirming their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive directors are independent.

Risk Management and Internal Control

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle the all significant risks associate with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to response the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

董事之獨立性

董事會成員間並無財務、業務、家族或其他重大／相關關係。

倘董事認為必須尋求獨立專業顧問之意見以協助履行彼等之職責，有關費用由本集團支付。

董事會亦鼓勵獨立非執行董事及非執行董事參與各董事委員會，從而達致客觀性及獨立性。

本公司已接獲各名獨立非執行董事依據上市規則第3.13條就其獨立身份之確認函。本公司認為所有獨立非執行董事均為獨立個體。

風險管理及內部控制

董事會全面負責評估及釐定為實現本集團戰略目標而擬採取的措施的風險性質及程度，並確保本集團建立及維護適當有效的風險管理及內部控制制度。

審核委員會持續檢討對本集團屬重大的風險管理及內部控制。審核委員會考量本集團會計、內部審核及財務報告職能部門的資源、資質及經驗以及對員工與外聘顧問的培訓情況。

本集團管理層負責風險管理及內部控制制度的設計、維護、實施及監控，確保實行充分的控制，維護本集團資產及股權持有人的利益。

本集團已製定風險管理程序，解決及處理與本集團業務有關的所有重大風險。董事會每年對業務環境出現的任何重大變化進行檢討，並製定程序以應對業務環境的重大變化帶來的風險。風險管理及內部控制制度旨在減少業務的潛在虧損。

Management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritised based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market.
- Risk transfer: transfer ownership and liability to a third party

The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are design to manage 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.

For the year ended 31 December 2019, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system which has been identified by the external advisory firm for the year ended 31 December 2019.

The Board considered that, for the year ended 31 December 2019, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

管理層將通過考慮政治、經濟、技術、環境、社會及員工等內外因素及事件以釐定與本集團業務有關的風險。各種風險均已根據其相關影響及發生幾率進行評估及優先排序。根據評估結果，相關風險管理策略將適用於各類風險，風險管理策略的類型如下：

- 風險保持及減少：本集團接受風險的影響或採取行動以減少風險的影響；
- 風險規避：改變業務流程或目標以規避風險；
- 風險分擔及多樣化：將風險的影響多元化或分配至不同位置或產品或市場。
- 風險轉移：將所有權及責任轉移至第三方

設計和實施內部控制制度，以減少與本集團接受的業務相關的風險，並儘量減少風險的不利影響。設計風險管理及內部控制制度乃為管理而非消除未能實現業務目標的風險，僅能提供合理而非絕對的保證，防止出現重大錯報或損失。

截至二零一九年十二月三十一日止年度，本集團聘請外部諮詢公司履行內部審核職能，確保本集團風險管理及內部控制制度的有效性及效率。外部諮詢公司釐定，截至二零一九年十二月三十一日止年度內部控制制度並不存在重大缺陷與不足。

董事會認為，截至二零一九年十二月三十一日止年度，涵蓋財務、經營及合規控制以及風險管理職能所有重要控制的本集團風險管理及內部控制制度及程序屬合理有效及充分。

Corporate Governance Report

企業管治報告書

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

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

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the Company's financial statements for the year ended 31 December 2019 which reflect true and fair view of the financial position of the Company and the Group and in compliance with relevant law and disclosure provisions of the Listing Rules. The Board is responsible for presenting a balanced, clear and comprehensible assessment extends to annual and interim reports, other inside information announcements and other financial disclosures required under the Listing Rules.

The Group appointed Grant Thornton Hong Kong Limited as the Group's external auditor. The statement by Grant Thornton Hong Kong Limited regarding their reporting responsibilities to the shareholders on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 77 to 89 of this annual report.

處理及發放內幕消息

本集團備有處理及發放內幕消息的程序及內部監控。本集團遵守證券及期貨條例以及上市規則之規定。本集團會在可行下盡快向公眾公佈內幕消息，惟有關資料屬證券及期貨條例所列之安全港內者則除外。於向公眾全面披露資料前，本集團確保有關資料絕對保密。當本集團認為已有違反保密之情況，本集團將即時向公眾披露有關資料。本集團致力確保公告或通函所載資料對於重大事實並非虛假或具誤導性，亦不會因以明確及均衡的方式呈報資料（其要求同等披露正面和負面的事實）遺漏重大事實而造成虛假或誤導。

董事及核數師就財務報表承擔的責任

董事清楚彼等須負責編製本公司截至二零一九年十二月三十一日止年度的財務報表，而財務報表須真實及公平地反映本公司及本集團的財務狀況，及符合相關法例及上市規則的披露規定。董事會負責衡平、清晰及全面地呈列年報及中期報告、其他內幕消息公告及上市規則規定的其他財務披露事項。

本集團已委任致同（香港）會計師事務所有限公司為本集團外聘核數師。致同（香港）會計師事務所有限公司就其向股東報告本集團綜合財務報表承擔的責任發出的聲明載於本年報第 77 至 89 頁的獨立核數師報告內。

AUDITOR'S REMUNERATION

During the year ended 31 December 2019 the fees paid/payable to the auditor in respect of audit and non-audit services provided by the auditor to the Group were as follows:

| Nature of services | 服務性質 | HK\$'000 千港元 |
|--------------------|-------|-----------------|
| Audit services | 核數服務 | 1,049 |
| Non-audit services | 非核數服務 | |
| Other services | 其他服務 | 18 |
| Total | 總額 | 1,067 |

INVESTOR RELATIONS

The Board recognises the importance of maintaining effective communications with shareholders. Annual reports and interim reports provide shareholders with comprehensive information of the Group's operational and financial performances; while general meetings offer a platform for shareholders to state and exchange views with the Board directly.

The management continually communicates with analysts and institutional investors and provides them with up-to-date and comprehensive information regarding the Group's development. The Company practices timely dissemination of information and makes sure its website www.forebase.com.hk contains the most latest information, including but not limited to annual reports, interim reports, announcements, monthly returns and press releases, and is updated in a timely manner to ensure transparency.

CONSTITUTIONAL DOCUMENTS

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

核數師薪酬

截至二零一九年十二月三十一日止年度，就核數師向本集團提供核數及非核數服務之已支付／應付予核數師之費用如下：

投資者關係

董事會了解與股東維持有效溝通的重要性。年報及中期報告為股東提供本集團營運及財務表現之詳盡資料，而股東大會則提供平台讓股東表達意見及與董事會直接交換意見。

管理層持續與分析員及機構投資者溝通，並向彼等提供有關本集團發展之最新及詳盡之資料。本公司實行及時發放資料之措施及確保其網站 www.forebase.com.hk 載有最新資料，包括但不限於年報、中期報告、公告、月報表及新聞公布，並經常更新以確保透明度。

組織章程

截至二零一九年十二月三十一日止年度，本公司之組織章程並無重大變動。

SHAREHOLDERS' RIGHTS

A. Convening an Extraordinary General Meeting by Shareholders

In accordance with section 566 of the Companies Ordinance (Chapter 622 of the laws of Hong Kong) (the "Companies Ordinance"), shareholder(s) holding at the date of the deposit of the requisition at least 5% of the voting rights at general meetings of the Company, may request the directors of the Company to convene an EGM. The written requisition must state the objects of the meeting and must be signed by the shareholder(s) concerned and deposited at the registered office of the Company for the attention of chairman of the Board or the Company Secretary. The requisition may consist of several documents in like form, each signed by one or more of the shareholders concerned.

If the directors of the Company do not within 21 days from the date of the deposit of the requisition proceed duly to convene an EGM for a date not more than 28 days after the date on which the notice convening the EGM is given, the shareholder(s) concerned, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene an EGM, provided that the EGM so convened shall not be held after the expiration of 3 months from the said date.

The EGM convened by shareholders shall be convened in the same manner, as nearly as possible, as that in which general meetings are to be convened by the directors of the Company.

B. Enquiries to the Board

Shareholders may put forward enquiries to the Board in writing to the principal office of the Company in Hong Kong.

The Company Secretary will forward the shareholders' enquiries and concerns to the Board and/or relevant board committees of the Company, where appropriate, to answer the shareholders' questions in writing.

股東之權利

A. 由股東召開股東特別大會

根據公司條例（香港法例第622章）公司條例（第566條），由一名或多名股東於存放請求召開股東特別大會的請求書當日持有本公司總表決權最少5%，並可於本公司股東會上投票者，可要求本公司董事召開股東特別大會。書面請求須列明大會的目的，及須由有關股東簽署並送交本公司之註冊辦事處（註明收件人為董事會主席或公司秘書），書面請求可包含多份同樣格式的文件，每份由一名或多於一名有關股東簽署的文件組成。

如本公司董事在請求書遞呈日期起計21日內，未有在召開股東特別大會通告發出日期後28日內安排正式召開股東特別大會，則有關股東或佔全體有關股東總投票權一半以上之任何有關股東可自行召開股東特別大會，但任何如此召開之股東特別大會不得在上述請求書遞呈日期起計3個月屆滿後舉行。

由股東召開之大會，須盡可能以接近本公司董事召開大會之方式召開。

B. 股東查詢

股東可以書面形式向董事進行查詢，有關查詢須送交至本公司於香港之主要辦事處。

公司秘書將向董事會及／或本公司之相關董事委員會轉交股東的查詢及意見，並在適當情況下書面回覆股東提問。

C. Procedures for Putting Forward Proposals at General Meetings by Shareholders

Shareholders are requested to follow sections 551 to 554 (written resolutions), section 579 (notice of resolutions), sections 580 to 583 (statements), section 615, section 616 (resolutions for AGMs) of the Companies Ordinance for including a resolution at AGM of the Company AGM. The requirements and procedures are set out as follows:

1. A member of a Company may request the Company to circulate a resolution that –
 - (a) may properly be moved; and
 - (b) is proposed as a written resolution under section 549(b) of the Companies Ordinance.

If a member requests a Company to circulate a resolution, the member may request the Company to circulate with the resolution a statement of not more than 1,000 words on the subject matter of the resolution.

However, each member may only request the Company to circulate one such statement with respect to the resolution.

2. A company must circulate a resolution proposed as a written resolution under section 549(b) of the Companies Ordinance and any statement mentioned in section 551(2) of the Companies Ordinance if it has received requests that it do so from the members of the Company representing not less than 5% of the total voting rights of all the members entitled to vote on the resolution (or a lower percentage specified for this purpose in the Company's articles).

C. 股東在股東大會上提呈動議的程序

倘股東在本公司股東週年大會上提呈決議案，必須根據公司條例第551至554條（書面決議）、第579條（決議之通告）、第580至583條（陳述書）、第615條、第616條（股東週年大會的決議）之規定進行。有關要求及程序如下：

1. 本公司的成員可要求本公司傳閱符合以下說明的決議 –
 - (a) 可恰當地被動議的；及
 - (b) 屬根據公司條例第549(b)條提出的採用書面決議形式的。

有關成員如要求本公司傳閱某決議，可要求本公司在傳閱該決議的同時，傳閱關於該決議的標的事宜而字數不多於1,000字的陳述書。

然而，每名成員僅可就有關決議要求本公司傳閱一份上述的陳述書。

2. 如有根據公司條例第549(b)條提出的採用書面決議形式的決議，及有公司條例第551(2)條所述的任何陳述書，而本公司收到佔全體有權就該決議表決的成員的總表決權不少於5%（或本公司的章程細則為此目的而指明的較低百分比）提出的要求，要求該公司傳閱該等決議及陳述書，則該公司須傳閱該等決議及陳述書。

A request –

- (a) may be sent to the Company in hard copy form or in electronic form;
- (b) must identify the resolution and any statement mentioned in section 551(2) of the Companies Ordinance; and
- (c) must be authenticated by the person or persons making it.

3. If by any provision of the Companies Ordinance special notice is required to be given of a resolution, the resolution is not effective unless notice of the intention to move it has been given to the Company at least 28 days before the meeting at which it is moved.

The Company must, if practicable, give its members notice of the resolution at the same time and in the same manner as it gives notice of the meeting.

If that is not practicable, the Company must give its members notice of the resolution at least 14 days before the meeting –

- (a) by advertisement in a newspaper circulating generally in Hong Kong; or
- (b) in any other manner allowed by the Company's articles.

If, after notice of the intention to move the resolution has been given to the Company, a meeting is called for a date 28 days or less after the notice has been given, the notice is to be regarded as having been properly given, though not given within the time required.

要求 –

- (a) 可採用印本形式或電子形式送交本公司；
- (b) 須指出有關決議及公司條例第551(2)條所述的陳述書；及
- (c) 須經所有提出該要求的人認證。

3. 如根據公司條例的任何條文規定，須就在某會議上動議的某決議給予特別通知，則除非在該會議前最少28日，已向本公司發出動議該決議的意向的通知，否則該決議無效。

本公司須（如切實可行的話）於發出有關會議的通知的同時，按發出該通知的同樣方式，向其成員發出該決議的通知。

如上述做法並非切實可行，則本公司須於有關會議前最少14日，以下述方式向其成員發出有關決議的通知 –

- (a) 在一份於香港廣泛流通的報章刊登廣告；或
- (b) 本公司的章程細則所容許的任何其他方式。

如擬動議有關決議的通知向本公司發出，而會議於該通知發出後的28日內召開，則該通知雖然並非在規定的時限內發出，亦須視為已恰當地發出。

4. Pursuant to Article 105 of the Company's Articles of Association, no person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as director at any general meeting unless a notice signed by a member (other than the person to be processed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the registered office of the Company provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven days and that the period for lodgement of such notice(s) shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting.

4. 根據本公司之組織章程細則第105條，除非獲董事會提名參選，或經有權出席大會並於會上投票的股東（不得為被推舉者）簽署之書面通知述明其有意推舉某人參選，而擬被推舉之人士亦簽署同意被推舉之書面通知已各自送交本公司註冊辦事處，否則除於大會上退任之董事外，概無人士符合資格於任何股東大會上膺選董事職位。發出通知的最短期限最少為七日；提交該通知的期間由就該選舉發出股東大會通告後之日開始計算，直至該股東大會舉行日期之前七日止。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

This is the fourth environmental, social and governance (“ESG”) report (the “Report”) prepared by Forebase International Holdings Limited (together with its subsidiaries referred to as the “Group” or “We” and “us”). It provides an annual update of the Group’s ESG management approaches, environmental and social performance and efforts during the period from 1 January 2019 to 31 December 2019 (the “Reporting Period” or “2019”), unless otherwise stated.

The Report is prepared in accordance with the ESG Reporting Guide as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“HKEX”). The Report covers our business segments including 1) the hotel operation in Canada offering resort and spa services, namely Brentwood Bay Resort (“BBR”) in Victoria, British Columbia, Canada, 2) the property management in Chongqing, the People’s Republic of China (the “PRC”) namely Nuofute Property Management Co., Ltd. (“Nuofute Property Management”) and 3) the Hong Kong office where provides administrative support to the group companies.

ESG MANAGEMENT APPROACH

The Group understands the importance of ESG management and is committed to making continuous improvements in corporate social responsibility into our business operation. We set a top-down management approach for ESG strategy and implementation.

The Board of Directors (the “Board”) is responsible for the oversight of the ESG-related issues including risks and opportunities. An internal ESG working task force has also been set up to collect relevant ESG data and compile the ESG report. The Report has been reviewed and approved by the Board to ensure all material issues and impacts on sustainability development are fairly presented.

關於本報告

本報告為申基國際控股有限公司（連同其附屬公司統稱「本集團」）編製之第四份環境、社會及管治報告。除非另有說明，本報告提供本集團在二零一九年一月一日至二零一九年十二月三十一日期間（「報告期」）於環境、社會及管治方面之管理方式及表現的年度更新。

本報告環境、社會及管治報告根據香港聯合交易所有限公司（「聯交所」）證券上市規則附錄二十七項下《環境、社會及管治報告指引》所編製。本報告涵蓋了我們的業務部門，包括 1) 在加拿大提供度假勝地和水療服務的酒店運營，即加拿大不列顛哥倫比亞省維多利亞的 Brentwood Bay Resort（「BBR」），2) 中華人民共和國重慶的物業管理，即諾富特物業管理有限公司和 3) 香港辦事處，向集團公司提供行政支持。

環境、社會及管治的管理方針

本集團知悉環境、社會及管治管理的重要性，並承諾在我們業務營運中不斷提升企業社會責任。我們就環境、社會及管治策略及實施設立由上而下的管理方法。

董事會負責監督環境、社會及管治相關事宜，包括風險及機遇。本集團亦已設立內部環境、社會及管治工作小組，以收集環境、社會及管治的相關數據及編撰環境、社會及管治報告。該報告已獲董事會審閱及批准，以確保就有關可持續發展之所有重大事項及影響進行恰當呈報。

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環境、社會及管治報告

STAKEHOLDER ENGAGEMENT

Maintaining open and constant communication with our stakeholders can better understand our stakeholders' needs, concerns and expectations in ESG management. During the Reporting Period, we have been engaging with our internal and external stakeholders to strengthen initiatives and strategies which are essential for the Group's sustainable growth via a spectrum of communication channels illustrated in the below table. We have identified our key stakeholders as government and regulatory authorities, shareholders, customers, business partners, employees, the environment, the community and the media.

持份者參與

與持份者保持開放和持續的溝通，可以更好地了解持份者在環境、社會及管治管理中的需求、關注及期望。於報告期內，我們一直與內部及外部持份者進行交流，透過下表所示的各種溝通渠道，強化各項措施及策略，達到維持本集團的可持續增長目標。我們視政府及監管機構、股東、客戶、業務伙伴、員工、環境、社區及媒體為我們的主要持份者。

| Stakeholders 持份者 | Communication Channels 溝通渠道 | Stakeholders' Concerns and Expectations 持份者的關注及期望 |
|---|--|--|
| Government and regulatory authorities 政府及監管機構 | <ul style="list-style-type: none"> Regular submission of information 定期報送資料 Regular communication with regulatory authorities 與監管機構定期對話 Forum, seminar and conference 論壇、研討會及會議 | <ul style="list-style-type: none"> Operation in compliance 合規經營 Fulfilment of tax obligations 繳納稅款 Creation of job opportunities 制造就業機會 |
| Shareholders 股東 | <ul style="list-style-type: none"> Company website 公司網站 General meetings 股東週年大會 Corporate reports and announcements 公司報告及公告 Inspection on site 實地考察 | <ul style="list-style-type: none"> Sustainable investment returns and business development 可持續投資回報及業務發展 Transparent financial information 透明財務資料 |
| Customers 客戶 | <ul style="list-style-type: none"> Customer satisfaction surveys 客戶滿意度調查 Customer feedback and complaints 客戶反饋及投訴 Online Commenting Platform 線上意見平台 | <ul style="list-style-type: none"> Privacy protection 私隱保障 Upholding high quality of services 維持優質服務 |
| Business Partners 業務伙伴 | <ul style="list-style-type: none"> Lawful actions and communications 合法行動及溝通 On-going direct engagement 持續直接參與 Procurement and tendering 採購及招標 Inspection on site 實地考察 | <ul style="list-style-type: none"> Business integrity 業務誠信 Mutual cooperating relationship 相互合作關係 |

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| Stakeholders 持份者 | Communication Channels 溝通渠道 | Stakeholders' Concerns and Expectations 持份者的關注及期望 |
|------------------------------|--|---|
| Employees 員工 | <ul style="list-style-type: none"> • Emails and suggestion box 電郵及意見箱 • Employee representatives meeting 職工代表大會 • Annual performance review 年度績效檢討 • Employee training 僱員培訓 • Team building activities 團隊建設活動 | <ul style="list-style-type: none"> • Career development 職業發展 • Remuneration and benefits 薪酬福利 • Occupational health and safety 職業健康及安全 • Corporate support 公司支援 |
| The Environment 環境 | <ul style="list-style-type: none"> • Communication with local environmental protection department 與本地環保部門交流 | <ul style="list-style-type: none"> • Fulfilment of emission standards 達標排放 • Energy conservation and emission reduction 節能減排 |
| The Community 社區 | <ul style="list-style-type: none"> • Communication meeting with the community 社區溝通會議 • Sponsorship and donation 贊助及捐贈 | <ul style="list-style-type: none"> • Participation in local community 本地社區參與 • Support for community welfare and investment 支持社區公益及投資 |
| The Media 媒體 | <ul style="list-style-type: none"> • Company website 公司網站 • Media enquiry 媒體查詢 • Press conference on important events 為重要活動舉辦記者會 | <ul style="list-style-type: none"> • Information transparency 資訊透明 |

MATERIALITY ASSESSMENT

The Company has commissioned an independent consultant to carry out the materiality assessment. We have identified the key ESG issues and invited our stakeholders to rate the ESG issues as well as sharing their views on our 2019 ESG report, through an online survey. Based on the inputs and results from our stakeholders, the materiality of the ESG issues towards the stakeholders themselves as well as the business operation of the Group is prioritised and outlined in the below table.

重要性評估

本公司已委託獨立顧問進行重要性評估。我們已確定環境、社會及管治的主要事項，並邀請持份者透過網上調查對環境、社會及管治事宜進行評級，以及分享彼等對我們二零一九年環境、社會及管治報告的意見。根據持份者的輸入數據及結果，環境、社會及管治事宜對持份者本身以及本集團業務經營的重要性將按優先順序排列，並於下表概述。

Environmental, Social and Governance Report

環境、社會及管治報告

| Aspects 層面 | ESG Issues 環境、社會及管治事項 | Priority 優先等級 |
|---|---|------------------|
| Environment 環境 | • Environmental compliance 環境合規 | High 高 |
| | • Materials consumption 包裝材料消耗 | Medium 中 |
| | • Energy use 能源使用 | Medium 中 |
| | • Greenhouse gas emissions 溫室氣體排放 | Medium 中 |
| | • Water use 耗水量 | Low 低 |
| | • Waste management 廢棄物管理 | Low 低 |
| | • Biodiversity 生物多樣性 | Low 低 |
| Employment and labour practices 僱傭及勞工常規 | • Employee engagement 僱員投入度 | High 高 |
| | • Employee relations 僱員關係 | High 高 |
| | • Diversity and equal opportunities 多元化及平等機會 | High 高 |
| | • Occupational health and safety 職業健康及安全 | High 高 |
| | • Employee training and career development 僱員培訓及職業發展 | High 高 |
| | • Labour compliance 勞工合規 | Medium 中 |
| | • Child and forced labour 童工及強制勞工 | Low 低 |
| Operational practices 營運常規 | • Customer privacy 客戶私隱 | High 高 |
| | • Customer health and safety 客戶健康及安全 | High 高 |
| | • Customer satisfaction 客戶滿意度 | High 高 |
| | • Products and services quality 產品及服務品質 | High 高 |
| | • Supply chain management 供應鏈管理 | Medium 中 |
| | • Anti-corruption 反貪污 | Medium 中 |
| Community investment 社區投資 | • Community investment 社區投資 | Low 低 |

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OUR EMPLOYEES

Employment

Employment Practices

The Group strives to attract and retain the talented employees, and creates a motivated, inclusive and diverse workforce in achieving the business success. The Group has established a set of human resources management policies to ensure the compliance with all relevant labour laws and regulations, namely China's Labour Law of the PRC《中華人民共和國勞動法》, Labour Contract Law of the PRC《中華人民共和國勞動合同法》, Cap 57. Employment Ordinance of Hong Kong Special Administrative Region ("HKSAR")《僱傭條例》, Cap 608 Minimum Wage Ordinance《最低工資條例》of HKSAR and the Employment Standards Acts of British Columbia, Canada, in the regions where we operate. During the Reporting Period, the Group was no aware of any incident of non-compliance in relation to relevant employment and labour laws and regulations.

Remuneration, Compensation and Benefits

The Group offers attractive and equitable remuneration package for our employees. We maintain the regular review on the staff remuneration package and benchmark the recent market level to ensure our employees rewarded in a fair employee condition.

For employees working in Hong Kong office and property management business sector, the Group offers medical and social insurance, life insurance plan and retirement plan to our employees. Our employees are entitled to paid annual leave, sick leave, marriage leave, maternity/paternity leave, bereavement leave, jury duty leave, apart from statutory leave. We ensure a fair arrangement of working hours and rest days for our employees and we encourage our employees to work according to the standard working hours per day and week as stated in the labour contract. In case of any overtime work due to operational needs, compensational leave or overtime pays pursuant to the applicable laws is granted to the eligible staff.

In our hotel operation, our employees are entitled to paid vacation leave, sick leave, and maternity/paternity leave. The Group also offers insurance premiums, retirement plan and overtime pay pursuant to the applicable laws to our employees. Staff benefits such as discounted hotel stays, spa services, free paddle sport rentals, meal allowances and industry discounts are granted to the eligible staff awarded their contribution.

我們的員工

僱傭

僱傭慣例

本集團致力吸納及挽留優秀員工，並建立積極、包容及多元化的工作團隊，以達致業務成功。本集團已建立一套人力資源管理政策，以確保遵守我們業務所在地區的所有相關勞工法律及法規，即《中華人民共和國勞動法》及《中華人民共和國勞動合同法》、香港特別行政區的《僱傭條例》第57章、香港特別行政區的《最低工資條例》第608章及加拿大英屬哥倫比亞省的《僱傭標準法》。於報告期內，本集團並無知悉任何與相關僱傭及勞工法律及法規有關的違規事件。

薪酬、補償及福利

本集團向僱員提供具吸引力及公平的薪酬組合。我們定期檢討員工的薪酬組合，並以近期市場水平為基準，以確保員工在公平的僱員條件下獲得報酬。

對於在香港辦公室及物業管理業務部門工作的員工，本集團為彼等提供醫療及社會保險、人壽保險計劃及退休計劃。除法定假期外，我們的員工還享有帶薪年假、病假、婚假、產假／陪產假、喪假、陪審員休假等。我們確保員工於工作時間及休息日方面獲公平的安排，並鼓勵僱員根據勞動合約列明的標準每日及每週的工作時間工作。倘因營運需要而引致超時工作，則我們會根據適用法律向合資格員工授出補假或加班費。

在酒店營運方面，員工享有帶薪假期、病假及產假／陪產假。本集團亦根據適用的法律向僱員提供保險費、退休計劃及加班費。我們亦會向合資格員工提供員工福利（例如酒店住宿優惠、水療服務、免費租借皮划艇、膳食津貼及行業折扣），作為對彼等貢獻的獎勵。

Equal opportunity, Diversity and anti-discrimination

The Group is committed to providing an equal employment opportunity environment which is free from discrimination and any kind of harassment, and ensuring that people are treated fairly in all areas associated with our business operation. The Group has formulated equal and fair policies to guarantee equal employment opportunity in recruitment, transfer and promotion, performance appraisal, and wage practices for our employees, without any differentiation with their gender, age, race, religion, national origin, ancestry, disability and any other classification protected under the relevant laws. Discrimination, bullying and/or any kind of harassment is strictly prohibited in the Group and all employees have the responsibility to abide by the Group's policies in equal employment opportunity, diversity and anti-discrimination.

Labour Standards

The Group adheres to a strict set of employment practices and protects the human rights. The Group is forbidden any use of child labour and force labour in our business operations. For example, when recruiting employees in Canada, the Group strictly prohibits the employment of any person under the age of 15 unless the person has obtained the written consent of the child's parent or guardian. The Group also strictly abides by the Labour Contract Law of the PRC and does not employ any persons who are aged under 16. In the event of any child labour and the use of forced labour found, the person concerned will be dismissed immediately and the Board will discuss, review the issue and take corrective actions to prevent the recurrence of the same problem. On the other hands, our employees sign the labour contract with the Group in voluntary basis. They have their freedom of choice for job and they can resign the existing position with requested notice period or pay in lieu of notice.

平等機會、多元化及反歧視

本集團致力提供一個不受歧視及任何形式的騷擾的平等就業機會環境，並確保與本集團業務營運有關的所有領域中的員工獲公平對待。本集團已制定平等及公平的政策，以保障員工在招聘、調任及晉升、績效評估及工資措施方面的平等就業機會，而不會因性別、年齡、種族、宗教、國籍、血統、殘疾及受相關法律保護的任何其他類別而有任何差別待遇。本集團嚴禁歧視、欺凌及／或任何形式的騷擾，而所有員工均有責任遵守本集團有關平等就業機會、多元化及反歧視方面的政策。

勞工規範

本集團堅持遵守嚴格的僱傭慣例及保障人權。本集團嚴禁在經營業務時僱用童工及強制勞動。例如，在加拿大招募僱員時，本集團嚴禁僱用任何15歲以下的人員，惟該人士已取得該兒童家長或監護人的書面同意則除外。本集團亦嚴格遵守《中華人民共和國勞動合同法》，且不會僱用任何16歲以下的人員。倘發現任何童工及使用強制勞動的情況，有關人士將被即時解僱，董事會將對該問題進行討論及檢討，並採取糾正措施以防再次發生相同問題。另一方面，員工以自願形式與本集團簽訂勞動合約。彼等可自由選擇工作，並可以所需的通知期或代通知金辭去現有職位。

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Listening to our employees

The Group treasures the voice and feedback of our employees as their suggestion can enable us to optimise the existing labour management approaches and working conditions in order to create a more cooperative and friendly working environment. We maintain regular communication with our employees in different business sectors through meeting, interview, email, e-newsletter and employee engagement survey to understand their concerns and expectations at work and address their needs in a timely manner in order to enhance the level of employee satisfaction. Besides, we have staff complaint and grievance system in place for our employees to report any complaint and/or grievance in workplace and the Group will take prompt action to resolve the reported issues once received the complaint and grievance from our employees.

Employee Profile

The total number employees within the reporting scope is 329 (as at 31 December 2019). The breakdown of the total workforce divided by gender, age group and geographical region is indicated as below.

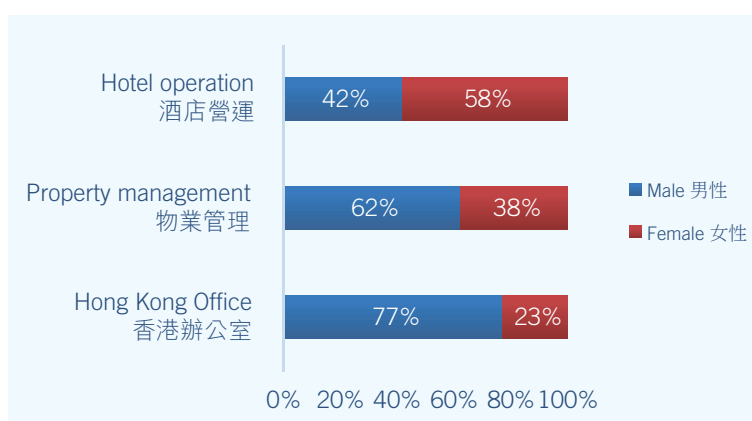
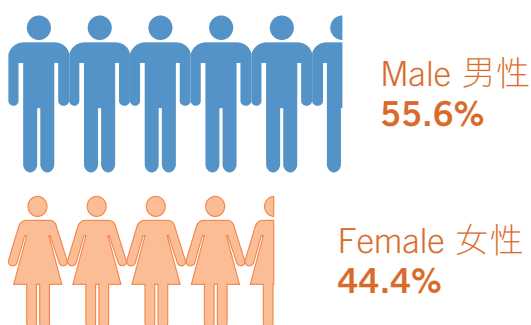
聆聽僱員意見

本集團重視僱員的意見及反饋，因為彼等的建議有助我們優化現行的勞工管理方法及工作條件，以打造一個更合作、更友好的工作環境。我們通過會議、面談、電郵、電子通訊及員工參與度調查與不同業務部門的員工保持定期溝通，以了解他們在工作中的關注及期望，並及時回應彼等的需要，以提升員工滿意度。此外，我們設有員工投訴及申訴制度，以便員工匯報工作場所的任何投訴及／或申訴，而本集團將於收到員工投訴及申訴後立即採取行動解決所匯報的問題。

員工概況

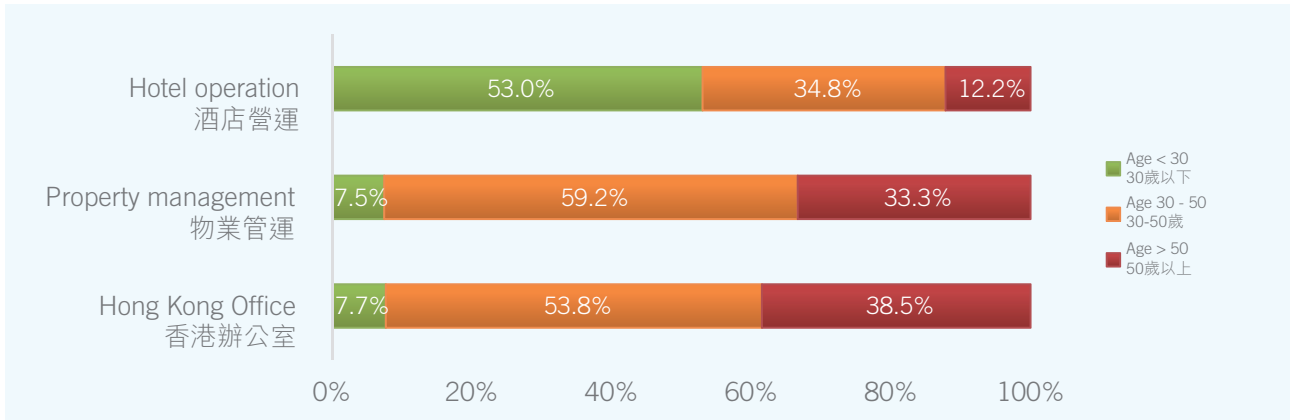
報告範圍內的僱員總數為329人（截至二零一九年十二月三十一日）。按性別、年齡組別和地理區域劃分的員工總數分佈如下。

Breakdown of total workforce by gender 按性別劃分的員工總數分佈

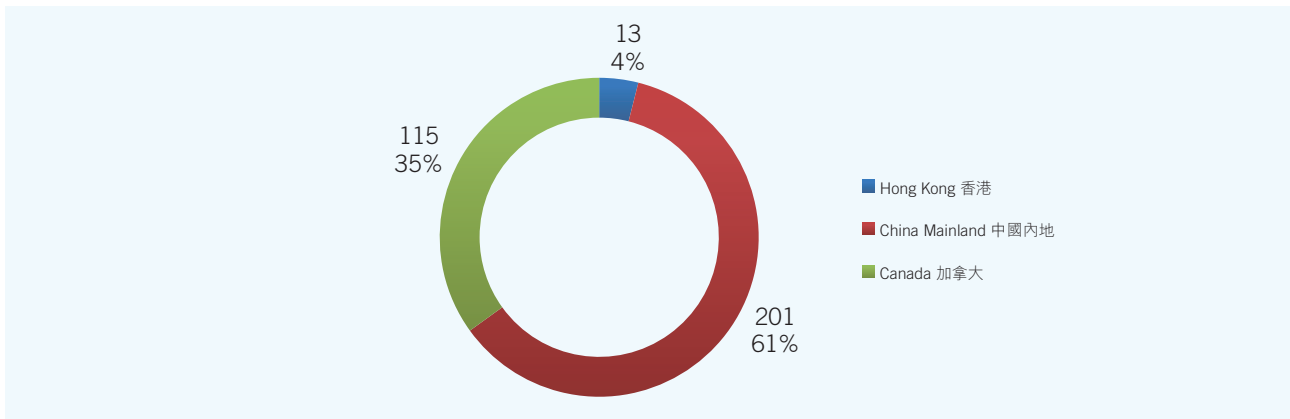


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Breakdown of total workforce by age group 按年齡組別劃分的員工總數分佈



Breakdown of total workforce by geographical region 按地理區域劃分的員工總數分佈



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環境、社會及管治報告

Health and Safety

The Group acknowledges its top concern in the safety of each employee. The Group has set up a clear safety and health policy and management procedures in our business sectors in achieving “zero accident” in the workplace as our ultimate goal.

In our property management business sector, we have implemented an occupational health and safety management system certified with the internationally recognised standard of OHSAS18001(GB/T28001-2011) to systematically identify, assess and manage the safety risks and hazards in workplace. We conduct safety risk assessment, determine and implement the respective mitigation measures in workplace, and provide personal protective equipment as the last resort, to lower the risk level posed to the employees. Regular safety inspections are carried out to ensure the safety measures are effectively maintained. We have set up an emergency preparedness and response procedure and incident, accident handling and investigation procedure for our employees to follow in case of emergency (e.g. fire, earthquake, flooding etc.) occurs. Regular internal training covered with the topics of workplace hazards, safe operating procedures and emergency drills are also arranged to our employees in order to increase their safety awareness in workplace and equip their knowledge and skills in emergency preparedness and response. For the employees who performs the high-risk activities such as electricity work and elevator maintenance work, they require to attend specific training courses and become as qualified person before commencing the work.

In our hotel operation business, we have established a series of safety policies, health and safety management procedures and working guidelines to eliminate or minimise safety risks to our employees. The Health & Safety Committee in resort organises regular meeting to review any incidents or accidents that have recently occurred and address any concerns that impacted the wellness of the staff and guests. Regular onsite safety inspections and safety training (including the emergency drills) are arranged to enhance their awareness of workplace safety and join hand with efforts in fostering a safe working environment.

During the Reporting Period, the Group has complied with all the relevant health and safety laws and regulations (e.g. Cap 509 Occupational Safety and Health Ordinance of HKSAR, Law of the PRC on Prevention and Control of Occupational Diseases《中華人民共和國職業病防治法》and Occupational Health and Safety Regulation in British Columbia, Canada. There were no work-related fatal accidents in 2019.

健康及安全

本集團深切關注各員工的安全，並已在業務部門設立明確的安全及健康政策及管理程序，以實現工作場所「零事故」為最終目標。

在物業管理業務方面，我們已實施獲國際公認的OHSAS18001(GB/T28001-2011)標準認證的職業健康及安全管理系統，以便有系統地識別、評估及管理工作場所的安全風險及隱患。我們進行安全風險評估，在工作場所決定及實施各項緩解措施，並提供個人防護裝備（作為最後手段），以降低員工面對的風險。我們會定期進行安全檢查，以確保安全措施得到有效維護。我們已設立應急預案及應對程序以及事故、意外處理及調查程序，以便員工在緊急情況（如火災、地震、水災等）出現時遵循。我們亦為僱員安排定期內部培訓，內容涵蓋工作場所隱患、安全操作程序及緊急演練等主題，以提高彼等在工作場所的安全意識，並讓彼等學習應急預案及應對方面的知識及技能。對於從事電力工程及電梯維修工作等高風險活動的僱員，彼等須參加特定的培訓課程，並於開始工作前成為合資格人士。

在酒店經營業務方面，我們已制定一系列安全政策、健康及安全管理程序以及工作指引，以消除或儘量減低僱員的安全風險。度假酒店的健康及安全委員會定期舉行會議，以檢討最近發生的任何事故或意外，並解決任何影響員工及客人健康的問題。我們會定期進行現場安全檢查及安全培訓（包括緊急演練），以加強彼等對工作場所的安全意識，並攜手努力營造安全的工作環境。

於報告期內，本集團已遵守所有相關健康及安全法律及法規，如香港特別行政區第509章《職業安全及健康條例》、《中華人民共和國職業病防治法》及加拿大英屬哥倫比亞省的《職業健康及安全規例》。二零一九年概無發生與工作相關的死亡事故。

Development and Training

The Group believes developing our talent pool and nurturing our people's professional skills and competence are the key to uphold our quality of services in our business sectors and long-term business continuity. The Group has provided a variety of internal universal and topic-specific training programme for employees in different career level, as well as external training courses to enhance their professional expertise and develop their career plans.

In our property management business sector, the Group develops an annual training plan and offers in-house and external training courses to the employees in enhancing their technical skills, managerial leadership and team cohesion. Orientation training is provided to our new hirers with the introduction of corporate culture, service etiquette, basic knowledge of property management and laws and regulations on property management to enable our new hirers to swiftly adapt in new working environment. In-house on-job training sessions, covering the topics including elevator safety management, maintenance of high voltage electricity, fire control and monitoring, corporate management, customer services, building and facilities maintenance and property cleaning, are provided to strengthen the skills and techniques of our employees in serving our customers in property management. We also encourage our employees to supplement their training in their leisure time via attending the external training and seminars offered by industry institutions. During the Reporting Period, the total number of trained employees per month was 2.1 times more than the total number of employees.

In our hotel operation business, we provide various programmes such as "The Human Element" and "The Implicit Career Search" to assist our employee to discover their career purpose and career aspirations, apart from introducing an array of internal training programs and external training opportunities. Additionally, a 13-month career development program named "The Emergent Leaders Program", which is designed to develop individual's technical skills and leadership abilities through coaching and goal setting, is mandatory to the managerial staff, but also is open for all employees to participate in order to create space for career growth and fulfilment, as well as greater personal satisfaction. In Canada, average number of training hours received by our employees per year is 32.5 hours.

發展及培訓

本集團相信，發展人才儲備及培養員工的專業技能及能力乃維持我們業務部門服務質素及長期業務持續性的關鍵。本集團已為不同職階的僱員提供多個內部通用的專題培訓課程及外部培訓課程，以提升彼等的專業知識及發展彼等的職業規劃。

在物業管理業務方面，本集團制定年度培訓計劃，並向僱員提供內部及外部培訓課程，以加強彼等的技術技能、管理領導能力及團隊凝聚力。我們會向新僱員提供入職培訓，包括介紹企業文化、服務禮儀、物業管理基本知識以及物業管理法律及法規，讓新僱員迅速適應新的工作環境。我們亦會提供內部在職培訓課程，當中涵蓋電梯安全管理、高壓電力維護、消防監控、公司管理、客戶服務、樓宇及設施保養以及物業清潔等主題，以加強員工為客戶提供物業管理服務的技能和技術。我們亦透過參同行業機構舉辦的外部培訓及研討會，鼓勵僱員在閒暇時間進行補充培訓。於報告期內，每月經培訓員工總數較員工總數多2.1倍。

在酒店經營業務方面，除了推出一系列內部培訓課程及外部培訓機會外，我們亦提供多項計劃，例如「The Human Element」及「The Implicit Career Search」，協助我們的僱員發掘彼等的事業目標及職業抱負。此外，我們制定了一個為期13個月的職業發展計劃「The Emergent Leaders Program」，旨在透過輔導及設定目標培養個人技能及領導才能，屬管理人員強制性參與的計劃，但亦歡迎所有僱員參與，以打造康莊大道達成職業發展及成就，並提升自我滿足感。我們在加拿大的員工的平均受訓時數為每年32.5小時。

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Besides, the Group continuously identifies the training needs and review the training performance through employee performance appraisal and soliciting staff feedback after training, in order to make improvement on training organisation and further determine tailor-made training sessions for our employees to perform their job duties more efficiently.

OUR BUSINESS OPERATION

Supply Chain Management

The Group recognises the heavy purchasing of materials and services, including but not limited to office supplies, uniforms, internet and software, food and beverage, hygiene amenities, elevator and fire maintenance, air conditioner cleaning service and pest control, from our suppliers in order to support our daily business operation. Therefore, maintaining a close collaboration with our suppliers is the crucial to maintaining sustainable supply chain as well as enhancing our competitive advantages in the industry.

The Group has a stringent supplier selection process and management mechanism in place to evaluate the qualification, competency and performance of the new and existing suppliers. The procurement department will take multiple criteria into account when accessing suppliers' profile such as legal compliance, product quality, financial stability, corporate reputation, sustainability performance. Only the suppliers who can fulfil the legal requirements, industry standards and our pre-determined requirements can qualify as our approved suppliers. The Group also gives priority to local suppliers with good track records in environmental and safety management when possible, to reduce the carbon emission of material transportation and minimise the adverse impact on the environment and society. We carry out regular supplier performance assessment to ensure the suppliers maintain the product and/or service quality that can meet our standards and comply with the relevant laws and regulations.

此外，本集團不斷透過員工績效評估及在培訓後徵詢員工反饋來識別培訓需求及檢討培訓表現，以改善培訓的組織及進一步為員工提供度身訂造的培訓課程，讓彼等能更有效地履行職責。

業務營運

供應鏈管理

本集團向供應商購買大量物料及服務（包括但不限於辦公用品、制服、網絡及軟件、餐飲、衛生用品、電梯及防火維修、空調清潔服務及害蟲防治）來支援我們的日常業務營運。因此，與供應商保持緊密合作對維持可持續供應鏈以及提升我們的行內競爭優勢而言至關重要。

本集團設有嚴格的供應商甄選過程及管理機制，以評估新供應商及現有供應商的資格、能力及表現。在評估供應商資料時，採購部門將考慮若干條件如法律合規性、產品質素、財務穩定性、公司商譽、可持續性表現等。只有符合法律規定、行業標準及我們預先設定的要求的供應商才符合資格成為我們的認可供應商。本集團亦在可能的情況下，優先考慮在環境及安全管理方面擁有良好往績記錄的本地供應商，以減少物料運輸的碳排放及減低對環境及社會的不利影響。我們會定期對供應商進行績效評估，以確保供應商保持符合我們標準的產品及／或服務質量，並遵守相關法律及法規。

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The Group adheres to open and fair procurement practices. The Group requires the departments in different business sectors to obtain adequate quotations (at least three quotations) from our approved suppliers for cost and performance comparison, excepted those products and services can only be provided by sole supplier due to technical constraint. We also expect our suppliers have strong commitments in ESG management, pay attention to the concerning issues such as environmental sustainability, health and safety and ethical conduct, and implement ESG practices in their business activities.

Product Responsibility

The Group pays every effort to enhance the customer satisfaction and trust in terms of quality products and customer-focused services we deliver.

Adhering to the core value of “exceeding the customer’s growing needs and expectations” and the service philosophy of “Five-star service to accompany you in your lifetime” in our property management business sector, the Group is committed to providing customer-first, sincere and attentive property management services to the tenants and guests. We have implemented quality management system certified with the international standard of ISO 9001 and formulated a set of internal customer service operational procedures, including but not limited to greeting, grooming, telephone etiquettes and attitude, customer requests handling and value-added service, in guiding our employee to uphold excellent standard of service, as well as enhancing the customer experience in our property management services. Regular in-house trainings are organised to our employees to equip them with necessary knowledge and communication skills in pursuing exceptional service and maintain our committed service standards. We also set up an engineering team with experienced personnel to conduct regular inspections and handle the daily and emergency facility maintenance to ensure the customer safety in our managed properties. Striving for continuous improvement of our property management services and customer satisfaction, we carry out regular tenant visits and customer satisfaction survey with an aim to further understand the needs and concerns of our tenants and guests in our services, as well as evaluating our service quality and performance through the customer feedback. A customer complaint handling procedure is established to ensure that the received customer complaints are dealt with in a timely manner and properly resolve the complaint issue(s).

本集團堅持遵守公開及公平的採購慣例。本集團要求不同業務的部門自我們批准的供應商取得足夠的報價（至少三個報價），以比較其成本及表現，惟由於技術限制而只能由獨家供應商提供的產品和服務除外。我們亦預期供應商嚴格遵守環境、社會及管治管理，關注環境可持續性、健康及安全以及道德操守等議題，並在其業務活動中實施環境、社會及管治規範。

產品責任

本集團竭盡全力提高客戶對我們所提供的優質產品和以客戶為中心的服務的滿意度和信任。

本集團物業管理業務秉承「超越客戶不斷增長的需求及期望」的核心價值及「五星級服務伴您一生」的服務理念，致力為租戶及客人提供客戶至上、真誠周到的物業管理服務。我們已實施符合 ISO 9001 國際標準認證的質量管理系統，並制定一套內部客戶服務營運程序，包括但不限於問候、儀容、電話禮儀及態度、客戶要求處理及增值服務，以引導僱員保持卓越的服務水準，以及提升我們物業管理服務的客戶體驗。我們定期為員工組織內部培訓，讓彼等掌握必要的知識和溝通技巧，以向客戶提供卓越的服務，並保持我們承諾的服務標準。我們亦成立了一支由經驗豐富的人員組成的工程團隊，進行定期檢查並處理日常及緊急設施維修，以確保我們的管理物業的客戶安全。為持續改善物業管理服務及客戶滿意度，我們定期進行租戶訪問及客戶滿意度調查，旨在進一步了解我們服務的租戶及客人的需求及關注，以及透過客戶反饋評估我們的服務質素及表現。設立客戶投訴處理程序，確保及時處理收到的客戶投訴並妥善處理投訴事宜。客戶投訴處理程序已經設立，以確保及時處理收到的客戶投訴並妥善解決投訴問題。

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During the Reporting Period, we have received several awards related to property management service provision rewarding our dedication and efforts in superior service.



2019 Chongqing Underground ring road garage management - Project of Forebase Financial Centre
2019重慶解放碑地下環道車庫管理單位 — 申基金融廣場項目

In our hotel operation business, the Group spares no efforts to go beyond the high expectations of our guests and offers them a unique and memorable experience with gracious hospitality in full of personal touches, with the mission of enriching the lives of our guests and promoting wellness and relaxation. We offer a full array of luxurious spa treatments packages and all treatments provided by our talented and nurturing spa team to ensure the supreme services are maintained. We have also implemented a set of service manual in hotel operation to comply with the applicable laws and regulations (e.g. the Hotel Keepers Act) and optimise the consistency of our excellent service standards for attracting our guests for more returning visits.

Besides, we provide food and beverage, meeting and banquet services in our hotel operation and thus food safety is the top prioritised issue we concern. Our food and beverage team has set out a kitchen manual to standardise the food service provision and adopted the best practices on food handling according to the applicable local laws and regulations. All the employees who handle food and beverage are 100% trained to ensure they acquired adequate knowledge on food preparation and food hygiene. Regular inspections are conducted to make sure the stringent control of food preparation and handling is maintained.

於報告期內，我們已獲得多項有關提供物業管理服務的獎項，表揚我們為提供優質服務所付出的努力。



Yuzhong District Four-Star Commercial Building — Project of Forebase Financial Centre
渝中區四星商務樓宇 — 申基金融廣場項目

在酒店經營業務方面，本集團不遺餘力地超越客人的高度期望，並以特色的親切款待為客人提供獨特而難忘的體驗，旨在豐富客人的生活及促進身心健康。我們提供全方位豪華水療的護理組合，並由我們富有經驗的護理水療團隊提供一切護理療程，確保最優質的服務。我們亦已在酒店營運中執行服務指南，以遵守適用的法律及法規（如《酒店財物保管法》），並提高我們優質服務標準的一致性，以吸引更多客人回訪。

此外，我們在酒店營運中提供餐飲、會議及宴會服務，因此食品安全乃我們所關注的首要事項。我們的餐飲團隊已制定廚房指南以規範食品服務的供應，並根據適用的當地法律及法規採納食品處理的最佳慣例。所有餐飲員工均已接受全面培訓，以確保彼等充分掌握食品製作及食品衛生方面的知識。我們會定期進行檢查，以確保嚴格控制食物的製作及處理。

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環境、社會及管治報告

In order to protect the customer privacy, the Group has complied with the Business Practices and Consumer Protection Act and only collect the essential customer personal information in a lawful mean for service delivery and all the employees require to abide by the confidentiality obligations as stipulated in employee handbook to preserve any unauthorised use and leakage of customer data. To better secure the customer rights and interest in our services, we ensure the information published in the marketing materials and promotion brochures are factual and unbiased, as well as complying with the applicable provincial and federal laws in marketing disclosure.

We attained several recognitions for our continuous efforts in supreme service quality. Our Brentwood Bay Resort was ranked as the #2 resort on Condé Nast Traveller “Top 10 Resorts in Canada: Readers’ Choice Awards 2019” list and has attained the 2019 Certificate of Excellence by TripAdvisor and The Love by Guest: Most Wanted Award by Hotel.com.

Below is a list of company awards we have received in recent years:

- 2019 #2 Top 10 Resorts in Canada on Condé Nast Traveller
- 2019-2020 Hotel.com The Love by Guest: Most Wanted Award
- 2019 TripAdvisor Certificate of Excellence
- 2018 AAA Inspector’s Best of Housekeeping
- 2018 Peninsula Reader’s Choice for Accommodation
- 2018 #7 Best Resort in Canada by Condé Nast Traveller
- 2017 OpenTable Diners’ Choice
- 2017 TripAdvisor Certificate of Excellence
- 2016 Canadian Tourism Business of the Year
- 2016 Victoria Chamber Employer of the Year

為保障客戶私隱，本集團已遵守《商業行為和消費者保護法》，並僅以合法方式收集重要客戶的個人資料以提供服務，而所有僱員均須遵守員工手冊所規定的保密責任，以防止客戶資料任何未經授權的使用及泄露。為更有效地保障客戶於我們服務中享有的權利及權益，我們確保營銷材料及宣傳小冊子所刊載的資料屬真實及公正，並遵守營銷披露的適用省級及聯邦法律。

我們在至佳服務品質方面的持續努力獲得多項認可。我們的Brentwood Bay Resort被評為Condé Nast Traveller「加拿大十大度假酒店：二零一九讀者票選獎」中排名第二的度假酒店，並獲得貓途鷹頒發的「二零一九年度卓越獎」及Hotel.com頒發的「旅客最喜愛住宿：最受歡迎大獎」。

下表為我們於近年獲得的公司獎項：

- Condé Nast Traveller頒發之二零一九年加拿大十大度假酒店第二位（2019 #2 Top 10 Resorts in Canada）
- 二零一九至二零二零年Hotel.com頒發之旅客最喜愛住宿：最受歡迎大獎（2019-2020 Hotel.com The Love by Guest: Most Wanted Award）
- 二零一九年貓途鷹卓越獎（2019 TripAdvisor Certificate of Excellence）
- 二零一八年AAA級督察員最佳房務（2018 AAA Inspector’s Best of Housekeeping）
- 二零一八年半島讀者住宿之選（2018 Peninsula Reader’s Choice for Accommodation）
- Condé Nast Traveller頒發之二零一八年加拿大最佳度假酒店第七位（2018 #7 Best Resort in Canada）
- 二零一七年OpenTable食家評選大獎（2017 OpenTable Diners’ Choice）
- 二零一七年貓途鷹卓越獎（2017 TripAdvisor Certificate of Excellence）
- 二零一六年年加拿大旅遊業業務（2016 Canadian Tourism Business of the Year）
- 二零一六年年維多利亞商會僱主（2016 Victoria Chamber Employer of the Year）

Environmental, Social and Governance Report

環境、社會及管治報告

Business Integrity and Anti-corruption

The Group is committed to upholding the highest standard of business integrity. We exact a zero-tolerance policy on corruption, fraud, money laundering, bribery and extortion and all our employees are required to observe the confidentiality obligations as stipulated in the employee handbook and employment contract. Employees are strictly prohibited to disclose and leak the confidential and sensitive information, including but not limited to the business strategy and plans, financial information, pricing, client information and contact, to the unauthorised third parties during and after their employment without prior approval by the Group.

The Group is prohibited our employees to solicit and/or accept any advantages (e.g. gifts, entertainment and commission etc.) directly or indirectly. The Group has complied with the relevant laws and regulations in the operating regions such as Cap 201. Prevention of Bribery Ordinance of HKSAR, the Criminal Law of the PRC, the Anti-money Laundering Law of the PRC and the provisions of the Combating Crimes (Money Laundering) and Terrorist Financing Act.

The Group has taken specific measures to detect and prevent money laundering and terrorist financing activities, such as:

- (i) establish and maintain financial service provider records and customer identification requirements;
- (ii) request for reporting suspicious financial transactions and currency cross-border movements; and
- (iii) establish an agency dedicated to ensuring compliance with all the acts.

There was no concluded legal case regarding corruption practices in the Group during the Reporting Period.

商業誠信及反貪污

本集團致力維護商業誠信的最高標準。我們對貪污、欺詐、洗錢、賄賂及敲詐勒索實行零容忍政策，以及所有僱員均須遵守員工手冊及僱傭合約所規定的保密責任。員工嚴禁在未經本集團事先批准的情況下，在受僱期間及離職後向未經授權的第三方披露及洩露機密及敏感資料，包括但不限於業務策略及計劃、財務資料、定價、客戶資料及聯絡方法。

本集團禁止僱員直接或間接索取及／或接受任何利益（如禮物、娛樂及佣金等）。本集團已遵守經營地區的相關法律及法規，例如香港特別行政區的《防止賄賂條例》第201章、《中華人民共和國刑法》、《中華人民共和國反洗錢法》及《打擊犯罪收益（洗錢）及恐怖分子融資法》的規定。

本集團已採取特定措施，以偵查及阻止洗錢及恐怖分子融資活動，例如：

- (i) 建立並保存金融服務供應商的記錄及客戶識別要求；
- (ii) 要求申報可疑的金融交易及貨幣跨境動向；及
- (iii) 建立專門負責確保遵守所有法例的機構。

於報告期內，本集團並無有關貪污行為的已結案法律案件。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT

The Group believes that the long-term business success and growth is built upon the environmental sustainability. Hence, the Group pays great attention to the balance between sustainable development and its business development and has formulated a series of environmental management policies and procedures in managing the emission, the use of the natural resources in the responsible manner and promoting clean and environment-friendly operations in our business sectors to reduce the adverse impacts on the environment. For instance, Nuofute Property Management has implemented the environmental management system accredited with ISO 14001 certification to manage the environmental issues in a well-planned manner and the environmental performance to make continuous improvement.

The Group has complied with the applicable environmental laws and regulations (e.g. The Environmental Protection Law of the PRC, The Environmental Protection Tax Law of the PRC and The Environmental Management Act in British Columbia, Canada etc.) where we locate. During the Reporting Period, the Group was not aware of material breaches of relevant laws and regulations relating to the air and greenhouse gas (“GHG”) emission, discharges into water and land, and generation of hazardous waste and non-hazardous waste.

Emission

The major sources of air emission in our business sectors are mainly the exhausted gas from fuel-powered stationary plants and mobile vehicles, as well as the cooking fumes from the kitchen in BBR. To mitigate the air emission, the Group strives to opt for the cleaner and superior fuels for all fuel-driven stationary plants and company vehicles. We also install the pollution control equipment such as grease filter and hydrovent in the kitchens of our resorts to reduce the cooking fumes emission to the surrounding environment.

The main sources of the Group’s GHG emissions are derived from fuel combustion (natural gas) from boiler, fuel combustion from vehicles owned by the Group and the fugitive emissions from the use of refrigerants (“Scope 1 emission”), the consumption of purchased electricity (“Scope 2 emission”) and the air business travel by employees (“Scope 3 emission”) in our business operations.

環境

本集團相信，長期的業務成功及增長建基於環境的可持續發展。因此，本集團非常重視可持續發展與業務發展之間的平衡，並已制定一系列環境管理政策及程序，以管理排放、以負責任的方式使用自然資源，並促進我們業務部門的清潔和環保營運，以減少對環境的不利影響。例如，諾富特物業管理已實施獲ISO 14001認證的環境管理系統，周密地管理環境問題，並持續改進環保表現。

本集團已遵守我們所在地適用的環境法律及法規（例如《中華人民共和國環境保護法》、《中華人民共和國環境保護稅法》及加拿大英屬哥倫比亞省的《環境管理法》等）。於報告期內，本集團並不知悉有關廢氣及溫室氣體排放、向水及土地的排污以及產生有害廢棄物及無害廢棄物的相關法律及法規的嚴重違規情況。

排放

我們業務部門的廢氣排放主要為燃料發動固定裝置及車輛所排放的氣體以及來自BBR廚房的煮食油煙。為減少廢氣排放，本集團力求為所有燃料發動裝置及車輛選用更清潔及優等的燃料。本集團致力為所有燃料驅動固定裝置及公司車輛選擇清潔及優質燃料。我們亦在度假酒店廚房安裝油煙隔及運水煙罩等污染控制設備，盡量減少烹飪油煙排放至周圍環境。

本集團溫室氣體排放之主要來源來自業務營運中鍋爐的燃料燃燒（天然氣）、自本集團擁有之車輛的燃料燃燒及使用製冷劑產生的逃逸性排放（「範圍1排放」）、外購電力的消耗（「範圍2排放」）及僱員的航空商旅（「範圍3排放」）。

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During the Reporting Period, the total amount of GHG emission is illustrated in the table below:

於報告期內，溫室氣體排放總量如下表所示：

| GHG 溫室氣體 | Unit 單位 | 2019 二零一九年 |
|---|--|-----------------|
| Direct GHG emission (Scope 1) 直接溫室氣體排放 (範圍1) | Tonne of carbon dioxide equivalent (“tCO ₂ e”) 噸二氧化碳當量 | 1,232.96 |
| Energy Indirect GHG emission (Scope 2) 能源間接溫室氣體排放 (範圍2) | tCO ₂ e 噸二氧化碳當量 | 5,708.80 |
| Other Indirect GHG emission (Scope 3) # 其他間接溫室氣體排放 (範圍3) # | tCO ₂ e 噸二氧化碳當量 | 2.52 |
| Total 總計 | tCO₂e 噸二氧化碳當量 | 6,944.29 |

- The above greenhouse gas emissions are defined and calculated according to the GHG Protocol and HKEX Guidance of ESG report Annex II
- The above calculation emission factor is sourced from National Development and Reform Commission (NDRC), HKEX Guidance of ESG report Annex II and 2017 B.C. Best Practices Methodology for Quantifying Greenhouse Gas Emissions published by Ministry of Environment & Climate Change Strategy

Other indirect emission (Scope 3) covered the emission from the business travel of employees only

- 上述溫室氣體排放乃根據溫室氣體協議(GHG Protocol)及聯交所環境、社會及管治報告指引附件二定義及計算
- 上述計算的排放係數來自國家發展和改革委員會(國家發改委)、聯交所環境、社會及管治報告指引附件二及環境和氣候變遷策略廳出版的二零一七年卑詩省溫室氣體排放定量最佳實踐方法

其他間接排放(範圍3)僅涵蓋僱員商務旅行的排放

WASTE MANAGEMENT

Certain amount of hazardous waste such as light tubes/bulbs, dry batteries, waste fire extinguisher and container with waste paint are indispensably generated in our operation of property management services and hospitality services during the Reporting Period. All the waste is properly sorted, stored at designated area and consigned to the qualified cleansing company for further handling and treatment.

Various types of non-hazardous waste such as general waste, paper, plastic, construction waste is produced in our property management services while grease, general waste and used amenities are produced in our resort. To minimise the waste generation at source, we regularly review the materials stock records and analyse the amount of materials used in service provision in order to prevent the unnecessary waste of materials. We also reuse the materials as many as possible in our operations and set up recycling facilities nearby the working area for waste recycling. All the harmless waste is properly collected and disposed by qualified recycling company for handling and disposal.

廢棄物管理

於報告期內，我們的物業管理服務及酒店服務營運過程中會無可避免產生若干有害廢棄物(如：燈管/燈泡、乾電池、廢棄滅火器及廢漆容器等)。所有廢物均妥善分類，儲存於指定範圍並交付合資格的清潔公司作進一步處理。

一般廢棄物(如：紙張、塑膠、建築廢棄物等)各類無害廢棄物產生自物業管理服務，而油脂、一般廢棄物及使用過的一次性用品則產生自度假酒店。為儘量減少源頭產生的廢物，我們會定期審閱物料存貨記錄及分析提供服務所用物料的數量，以避免不必要的物料浪費。我們亦在營運中盡量重用物料，並於工作區附近設立回收設施進行廢物回收。所有無害廢棄物均由合資格回收公司妥善收集及處置以作處理及處置。

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During the Reporting Period, the Group produced in total of 12.36 tonnes of hazardous waste and 304.99 tonnes of non-hazardous waste.

於報告期內，本集團共產生12.36噸有害廢棄物及304.99噸無害廢棄物。

| 2019 二零一九年 | | | |
|-----------------------------|--------------------|--|--|
| | Unit 單位 | Hazardous waste 有害廢棄物 | Non-hazardous waste 無害廢棄物 |
| Hong Kong office 香港辦公室 | Tonne 噸 | No available data ¹ 無可用數據 ¹ | No available data ¹ 無可用數據 ¹ |
| Property management 物業管理 | Tonne 噸 | 12.20 | 240.75 |
| Hotel operation 酒店營運 | Tonne 噸 | 0.16 | 64.24 |
| Total 總計 | Tonne 噸 | 12.36 | 304.99 |

¹ The hazardous waste is collected by service provider while the non-hazardous waste is collected by the property management company for handling, hence there is no available data for information disclosure.

¹ 有害廢棄物由服務提供商收集，而無害廢棄物由物業管理公司收集處理，因此並無可用數據作資料披露。

USE OF RESOURCES

Energy Use

Gasoline, electricity, kerosene and natural gas are the main types of energy consumed in business operations of the Group. Gasoline is mainly supplied to vehicles owned by the Group. Electricity and kerosene are mainly supplied to building services and lighting in our managed properties and our resort, while natural gas is used by the boilers for heat generation. To enhance the energy efficiency and in turn reduce our carbon footprints, we look for energy saving opportunities and take certain measures to reduce the use of energy. For instance, we replaced conventional lighting by energy-efficient light bulbs, installed energy-efficient hot tubs and replace the old models of machine with high energy-efficient one. Regular maintenance and commissioning of the building plants and equipment was taken by the Group to ensure the machinery maintains the optimal function and energy efficiency. In our office operation, we engage our employee to take up the shared responsibility and adopt the good practices of energy saving in our workplace. For example, searching for higher energy-efficient models when purchasing new office appliance, switching off the office appliances when they are not in use and maintaining the room temperature at comfort level about 24-26 degrees Celsius.

資源使用

能源使用

本集團業務營運所消耗的主要能源類型為汽油、電力、煤油及天然氣。汽油主要供應予本集團擁有之車輛。電力及煤油主要供應予我們所管理的物業及度假酒店的樓宇服務及照明系統，而天然氣則用於鍋爐供熱。為提高能源效率從而減少碳足跡，我們盡可能節省能源，並採取若干措施減少能源使用。例如，我們以節能燈泡取代傳統燈具、安裝節能熱水浴缸，並以高效節能的機器取代舊款機型。本集團定期維修及調試樓宇廠房及設備，以確保機器保持最佳功能及能源效率。在辦公室營運方面，我們讓僱員承擔共同責任，並在工作場所採用實用的節能方法。例如，於購買新辦公室電器時尋找更高效節能的型號、在無需使用辦公室電器時關閉辦公室電器，及將室內溫度保持在約攝氏24-26度的舒適水平。

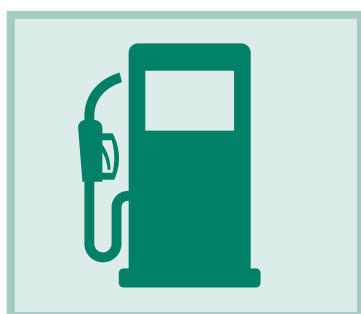
Environmental, Social and Governance Report

環境、社會及管治報告

The Group's Energy Consumption during the Reporting Period

本集團於報告期內的能源消耗：

Gasoline
汽油 8,350.53L 公升



Electricity
電力 6,962,784.61 kWh
千瓦時



Natural Gas
天然氣 423,675.10m³ 立方米

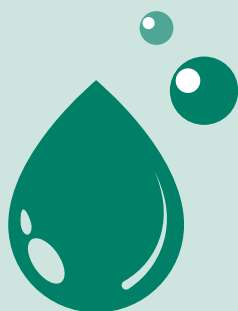
Kerosene
煤油 400 L 公升

Water Use

The Group attaches great importance to the water conservation in the daily operation of different business sectors and hence the Group has taken various water-saving measures to reduce our water consumption. In our property management business sector, we maintain regular checks and maintenance of the water plumbing and flushing systems in our managed buildings to prevent water leakage but also to ensure water quality and safety. Our BBR provides bedding change card and encourages our guests to reuse bed linens and towels in order to lower the water consumption for laundry. Regular inspection on water facilities and irrigation system is commissioned in BBR and the repair and upgrade of irrigation system was completed in 2019. During the Reporting Period, the Group did not aware of any water sourcing problem in our business operations.

用水

本集團非常重視不同業務部門的日常運作中的節水情況，因此本集團已採取多項節水措施以減少用水量。在物業管理業務方面，我們維持定期檢查及維修我們所管理的樓宇的水管及沖水系統以防漏水，同時確保水源質量及安全。我們的BBR提供寢具更換卡，並鼓勵客人重用床單及毛巾，以減少洗衣用水量。BBR已委託定期檢查供水設施及灌溉系統，而灌溉系統的維修及升級已於二零一九年完成。於報告期內，本集團並不知悉業務營運中出現任何水源問題。



The Group's Water Consumption during the Reporting Period:
本集團於報告期內的用水量：

84,600m³ 立方米

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The Environment and Natural Resources

In accordance with the Group's environmental philosophy, we are committed to providing high quality services while also ensuring that all business activities impact the environment positively, maintaining the balance between operational efficiency and resource consumption. The Group continues to increase the staff awareness on environmental protection, energy and water saving and emission reduction through staff training and make efforts to reduce our carbon footprint in our operations.

OUR COMMUNITY

Community Investment

The Group is committed to its corporate social responsibility and giving back to the society where it operates. The Group strives to leverage its resources and manpower to create positive impacts to the community.

During the Reporting Period, we supported the caring community partner program in Canada called "Soap for Hope" that provides the hygiene kits to local shelters, transitional homes, food bank and low-income seniors in the community. Our Brentwood Bay Resort was donated 70 sets of used hygiene amenities such as shampoo and soap and linens for reprocessing to create hygiene kits and redistributing to the needy in the local community to safeguard their health as well as to divert usable products from landfills and reduce waste generation. In 2019, we also make donation amounting in total of CAD\$2000 to different local charities or non-profit organisations such as Children's Health Foundation, Big Brother's Big Sister's Victoria, Pet's Without Vets, BC Children's Hospital, Amanda Tood Legacy and CIBC Run for the Cure etc. to assist to the community programme development. The Group also encourages employees to actively participate in charitable activities and voluntary services to serve the needy to the society.

環境及自然資源

根據本集團的環境理念，我們有責任在提供優質服務的同時，亦確保所有業務活動對環境產生良性影響，維持營運效率與資源消耗之平衡。本集團透過員工培訓持續增加員工對環保、節能及節水減排的意識，並致力減少營運過程的碳足跡。

我們的社區

社區投資

本集團致力履行其企業社會責任並回饋其經營所在的社會。本集團努力善用其資源及人力，為社區帶來正面影響。

於報告期內，我們支援了加拿大的關愛社區合作伙伴計劃「製皂希望」，為當地庇護所、過渡性房屋、食物銀行及社區內的低收入老年人提供衛生用品包。我們的Brentwood Bay Resort捐贈70套二手衛生用品（如洗髮液、肥皂及床單），透過再加工來製造衛生用品包，並向當地社區的有需要人士派發，以保護彼等健康及避免可用產品落入堆填區，減少廢物產生。於二零一九年，我們亦向不同當地慈善機構或非牟利組織（如兒童健康基金會(Children's Health Foundation)、Big Brother's Big Sister's Victoria、Pet's Without Vets、卑詩兒童醫院(BC Children's Hospital)、托德傳承協會(Amanda Tood Legacy)及CIBC慈善跑(CIBC Run for the Cure)等)捐贈共2000加拿大元，以協助社區計劃的發展。本集團亦鼓勵員工積極參與慈善活動及義工服務，服務社會上有需要人士。

Environmental, Social and Governance Report

環境、社會及管治報告

KEY PERFORMANCE INDICATORS

關鍵績效指標

| | Unit 單位 | 2019 ¹ 二零一九年 ¹ | 2018 ² 二零一八年 ² | 2017 二零一七年 |
|---|--|---|---|---------------|
| GHG emissions 溫室氣體排放 | | | | |
| Direct GHG emissions (Scope 1) 直接溫室氣體排放 (範圍1) | tCO ₂ e 噸二氧化碳當量 | 1,232.96 | 554.39 | 16.30 |
| Indirect GHG emissions (Scope 2) 間接溫室氣體排放 (範圍2) | tCO ₂ e 噸二氧化碳當量 | 5,708.81 | 8,946.36 | 36.23 |
| Other Indirect GHG emissions (Scope 3) 其他間接溫室氣體排放 (範圍3) | tCO ₂ e 噸二氧化碳當量 | 2.52 | 0.88 | 23.07 |
| Total GHG emission 溫室氣體排放總量 | tCO ₂ e 噸二氧化碳當量 | 6,944.29 | 9,501.84 | 75.60 |
| GHG intensity 溫室氣體密度 | | | | |
| Hong Kong office 香港辦公室 | tCO ₂ e/people 噸二氧化碳當量/ 人 | 0.87 | — | — |
| Property management 物業管理 | tCO ₂ e/m ² 噸二氧化碳當量/ 平方米 | 0.010 | — | — |
| Hotel operation 酒店營運 | tCO ₂ e/guest night 噸二氧化碳當量/ 客人房晚 | 0.043 | — | — |
| Waste disposal³ 廢棄物處理 ³ | | | | |
| Hazardous waste 有害廢棄物 | | | | |
| Hong Kong office 香港辦公室 | Tonne 噸 | No available data 無可用數據 | — | — |

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| | Unit 單位 | 2019 ¹ 二零一九年 ¹ | 2018 ² 二零一八年 ² | 2017 二零一七年 |
|------------------------------------|--------------------------|---|---|---------------|
| Property management 物業管理 | Tonne 噸 | 12.20 | — | — |
| Hotel and resort 酒店及度假村 | Tonne 噸 | 0.16 | — | — |
| Total hazardous waste 有害廢棄物總量 | Tonne 噸 | 12.36 | — | — |
| Non-hazardous waste 無害廢棄物 | | | | |
| Hong Kong office 香港辦公室 | Tonne 噸 | No available data 無可用數據 | — | — |
| Property management 物業管理 | Tonne 噸 | 240.75 | — | — |
| Hotel operation 酒店營運 | Tonne 噸 | 64.24 | — | 4.72 |
| Total hazardous waste 有害廢棄物總量 | Tonne 噸 | 304.99 | 18 | 4.72 |
| Energy consumption 能源消耗 | | | | |
| Gasoline 汽油 | L 公升 | 8,350.53 | 2,221.77 | 6,021 |
| | Gigajoules (“GJ”) 吉焦耳 | 273.75 | 72.83 | — |
| Natural gas 天然氣 | m ³ 立方米 | 423,675.10 | 200,556.10 | — |
| | GJ 吉焦耳 | 16,614.71 | 11,002.20 | — |
| Kerosene 煤油 | L 公升 | 460.00 | — | — |
| | GJ 吉焦耳 | 16.28 | — | — |
| Electricity 電力 | kWh 千瓦時 | 6,963,267.61 | 10,231,182.00 | 1,035,138.00 |
| | GJ 吉焦耳 | 25,067.76 | 36,832.25 | 3,726.50 |
| Total energy consumption 能源消耗總量 | GJ 吉焦耳 | 41,972.50 | 47,907.28 | |

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| | Unit 單位 | 2019 ¹ 二零一九年 ¹ | 2018 ² 二零一八年 ² | 2017 二零一七年 |
|--|---|---|---|----------------------------|
| Energy intensity 能源密度 | | | | |
| Hong Kong office 香港辦公室 | GJ/people 吉焦耳/人 | 8.35 | — | — |
| Property management 物業管理 | GJ/m ² 吉焦耳/平方米 | 0.041 | — | — |
| Hotel operation 酒店營運 | GJ/guest night 吉焦耳/客人房晚 | 1.13 | — | — |
| Water consumption⁴ 用水量 ⁴ | | | | |
| Hong Kong office 香港辦公室 | m ³ 立方米 | No available data 無可用數據 | No available data 無可用數據 | No available data 無可用數據 |
| Property management 物業管理 | m ³ 立方米 | 72,739.00 | 78,873.31 | 354,000 |
| Hotel operation 酒店營運 | m ³ 立方米 | 11,861.00 | 14,516.00 | 16,729,000 |
| Total water consumption 總用水量 | m ³ 立方米 | 84,600.00 | 93,389.31 | 17,083,000 |
| Water intensity 用水密度 | | | | |
| Hong Kong office 香港辦公室 | m ³ /people 立方米/人 | No available data 無可用數據 | — | — |
| Property management 物業管理 | m ³ /m ² 立方米/平方米 | 0.11 | — | — |
| Hotel and resort 酒店及度假村 | m ³ /guest night 立方米/客人房晚 | 0.90 | — | — |
| Type of resources use 資源使用種類 | | | | |
| Refrigerant ⁵ 製冷劑 ⁵ | kg 公斤 | 400.00 | — | — |
| Paper ⁶ 紙張 ⁶ | kg 公斤 | 93.95 | — | — |

Note:

- The coverage of GHG emissions, waste, energy and water consumption data in 2019 includes the office in Hong Kong, the four managed property projects in Chongqing, Mainland China (Forebase Financial Plaza (申基金融廣場), Forebase Convention International Building (申基金會展國際大廈), Liangping Daisi International Community Project (梁平戴斯國際酒店社區) and Xiushan haosheng International Community Project (秀山豪生國際酒店社區)) by Nuofute Property Management and our BBR in Victoria, British Columbia, Canada. Due to the business nature, no packaging materials are utilised in our business segments.

附註：

- 二零一九年溫室氣體排放、廢棄物、能源及水消耗數據的涵蓋範圍包括香港辦公室、中國內地重慶四個由諾富特物業管理管理的物業項目（申基金融廣場、申基金會展國際大廈、梁平戴斯國際酒店社區及秀山豪生國際酒店社區）及我們位於加拿大英屬哥倫比亞省維多利亞市的BBR。基於業務性質，我們的業務分部並無使用包裝材料。

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2. The data of GHG emission, energy and water consumption is restated due to data collection error and the alignment with the data presentation of 2019.
 3. The hazardous waste and non-hazardous waste in Hong Kong office is collected by the service provider and property management company respectively for handling, hence there is no available data for information disclosure.
 4. The water payment in Hong Kong office is included in the rental fee and there is no available data for information disclosure.
 5. The data only covers the consumption by property management business segment.
 6. The data only covers the consumption by Hong Kong office.
2. 由於數據收集出錯及為了與二零一九年的數據呈列一致，溫室氣體排放、能源及水消耗的數據經重列。
 3. 香港辦公室的有害廢棄物及無害廢棄物分別由服務供應商收集及物業管理公司收集處理，因此並無可用數據作資料披露。
 4. 香港辦公室的水費已計入租金內，故並無可用數據作資料披露。
 5. 該數據僅涵蓋物業管理業務分部的消耗。
 6. 該數據僅涵蓋香港辦公室的消耗。

Directors and Senior Management

董事及高層管理人員

EXECUTIVE DIRECTORS

Ms. Yeung So Mui (Co-Chairman)

Ms. Yeung, aged 44, is experienced in corporate management. Ms. Yeung is an executive director of Imperium Group Global Holdings Limited (Stock code: 776), a company principally engaged in household furnishings business which also operates property investment and various loan products and services, as well as the mobile game business, and the issued shares of which are listed on the main board of the Stock Exchange. Ms. Yeung was also an executive director of Suncity Group Holdings Limited (Stock Code: 1383), a company listed on the Main Board of the Stock Exchange, from 5 October 2010 to 20 July 2017. Ms. Yeung is the spouse of Mr. Cheng Ting Kong, a controlling shareholder of the Company. Ms. Yeung is deemed to be interested in 253,122,558 shares of the Company, representing approximately 34.74% of the issued share capital of the Company, held by Rich Vision Developments Limited which is wholly and beneficially owned by Mr. Cheng Ting Kong.

Ms. Yeung was appointed as a director of Yan Oi Tong Limited on 1 April 2013.

執行董事

楊素梅女士 (聯席主席)

楊女士，44歲，於企業管理方面擁有豐富經驗。楊女士為帝國集團環球控股有限公司（股份代號：776）的執行董事，該公司主要從事家居裝飾業務，亦經營物業投資及多類貸款產品及服務，以及移動遊戲業務，其已發行股份於聯交所主板上市。楊女士亦於二零一零年十月五日至二零一七年七月二十日出任太陽城集團控股有限公司（股份代號：1383）執行董事，該公司於聯交所主板上市。楊女士為鄭丁港先生之配偶，本公司的控股股東。楊女士被視為擁有由Rich Vision Developments Limited持有的253,122,558股本公司股份的權益，約佔本公司已發行股本的34.74%，而Rich Vision Developments Limited由鄭丁港先生全資實益擁有。

楊女士於二零一三年四月一日獲委任為仁愛堂有限公司董事。

Directors and Senior Management

董事及高層管理人員

Mr. Choi Yun Chor (Co-Chairman)

Mr. Choi, aged 37, started as the general manager, and currently as the executive director, at Realway Investment Limited and Key Target Investments Limited, each a company principally engaged in the trading of lifestyle fast-moving consumer goods in local and overseas market. At Realway Investment Limited, Mr. Choi manages to provide professional global lifestyle fast-moving consumer goods trading services to worldwide countries. He established different distribution channels and target segment in the past 15 years. He leads a team to explore new markets in Southeast Asia and maintain a stable growth in the well-developed market in the European Union and Middle East. Apart from the trading business, Mr. Choi has been and is still working in a family business in property management, with a team of about 10 talents in Hong Kong for over a decade. He is the director of the leasing and property management company and is responsible for planning business strategies and managing the local and overseas operation teams. Mr. Choi owns the entire equity interest in Great Match International Limited which holds 253,122,558 shares of the Company, representing approximately 34.74% of the issued share capital of the Company. Mr. Choi graduated from Seneca College, Toronto, Canada in General Business in 2003.

Mr. Choi is also a director of the board of Yan Oi Tong, one of the biggest charity organizations in Hong Kong.

Mr. Ng Kwai Wah Sunny

Mr. Ng, aged 40, is the founder and managing director of Davisons Group, a business and private equity consultancy services organization based in Hong Kong, and has over 18 years of experience in corporate restructuring, mergers and acquisitions, project financing, loan and investment management. Mr. Ng started his career at the transaction advisory services department of Ernst and Young, and has previously served as investment director and consultant to a number of listed and unlisted companies in Hong Kong and overseas. Mr. Ng graduated with a Bachelor of Commerce degree in actuarial studies and accounting from the University of New South Wales, Australia and is a member of both the Certified Practising Accountants of Australia and the Hong Kong Institute of Certified Public Accountants.

蔡潤初先生（聯席主席）

蔡先生，37歲，彼以總經理一職加入兆進投資有限公司及Key Target Investments Limited，目前擔任執行董事，該等公司分別主要從事本地及海外市場的消閒快速消費品貿易。蔡先生於兆進投資有限公司提供專業環球消閒快速消費品貿易服務予世界各國。彼於過去十五年建立不同分銷渠道及目標分部。彼領導團隊開拓東南亞新市場並於歐盟及中東的發達市場維持穩定增長。除了貿易業務外，蔡先生在香港於物業管理範疇的家族企業與一隊約十名專才的團隊工作超過十年，現仍於該企業工作。彼為租賃及物業管理公司的董事，負責規劃業務策略及管理本地及海外業務團隊。蔡先生擁有Great Match International Limited的全部股權，而Great Match International Limited持有本公司253,122,558股股份，佔本公司已發行股本約34.74%。蔡先生於二零零三年畢業於加拿大多倫多聖力嘉學院一般商業專業。

蔡先生亦為仁愛堂（香港最大慈善機構之一）的董事會之總理。

吳季驊先生

吳先生，40歲，為戴維信集團（香港一間商業及私募股權諮詢服務機構）的創始人及董事總經理，並於企業重組、併購、項目融資、貸款及投資管理方面擁有逾18年經驗。吳先生早年任職於安永會計師事務所的交易諮詢服務部，曾擔任多間香港及海外上市及非上市公司的投資總監及顧問。吳先生畢業於澳大利亞新南威爾士大學，獲頒精算及會計商學學士學位，並為澳大利亞會計師公會及香港會計師公會的會員。

Directors and Senior Management

董事及高層管理人員

Mr. Chen Jian

Mr. Chen, aged 63, joined Realway Investment Limited in 2014 as the director of sales and marketing. From 2009 to 2014, Mr. Chen worked as the sales and marketing manager of Great King International Limited. Mr. Chen worked as the sales and marketing manager of Great King International Limited from 2009 to 2014. Mr. Chen served as the marketing executive of Nippon Tsusho Co., Ltd.* (有限會社日本通商) from 2005 to 2008, and worked for Ideal Properties Corp. as the department manager from 1997 to 2005. Mr. Chen is a professional in sales and marketing. He is experienced in business development in both developed and emerging markets including Hong Kong, Malaysia, Singapore, Egypt, Greece and Pakistan etc. Mr. Chen obtained a bachelor of engineering from Shanghai Nautical College (now known as Shanghai Maritime University) in July, 1982.

Mr. Tai Kwok Keung Kenny

Mr. Tai, aged 58, Mr. Tai started his career with his expertise in the information technology department in Hong Kong at the Bank of China Group in the 1980s. Since 2014, he is the general manager of Gold Companion International Limited, a trading company of lifestyle fast-moving consumer goods, and since 2006, the director of the Realway International (Phil.) Co. Rp., managing over 100 employees in Hong Kong and the Philippines. Mr. Tai obtained a bachelor of electronic and communication engineering from the De La Salle University, the Philippines in 1985. Mr. Tai is appointed as the deputy manager of the executive committee of The Fukienese Association Limited (香港福建同鄉會).

Mr. Lin Junwei

Mr. Lin, aged 24, is currently the chief financial officer of Imperium Green Power Limited and his primary responsibilities includes the planning, implementation, managing and running of all the finance activities, including business planning, budgeting, forecasting and negotiations. Mr. Lin is a nephew of Ms. Yeung So Mui, an executive Director and Mr. Cheng Ting Kong, a controlling shareholder of the Company. Mr. Lin obtained a bachelor of science in accounting and finance from University of East Anglia in 2018.

陳健先生

陳先生，63歲，生於二零一四年加入兆進投資有限公司，擔任銷售及營銷主管。由二零零九年至二零一四年，陳先生擔任大鴻國際有限公司的銷售及營銷經理。陳先生於二零零九年至二零一四年任職大鴻國際有限公司的銷售及營銷經理。陳先生於二零零五年至二零零八年擔任有限會社日本通商的營銷執行人員，並於一九九七年至二零零五年於Ideal Properties Corp.擔任部門經理。陳先生為銷售及營銷專業人員。彼於已發展及新興市場（包括香港、馬來西亞、新加坡、埃及、希臘及巴基斯坦等）擁有業務發展經驗。陳先生於一九八二年七月在上海海運學院（現為上海海事大學）取得工程學士學位。

戴國強先生

戴先生，58歲，於一九八零年代在中國銀行集團利用其於香港資訊科技部門的專門知識開展事業。自二零一四年及二零零六年起，彼分別為金弘國際有限公司（為消閒快速消費品貿易公司）的總經理及Realway International (Phil.) Co. Rp.的董事，於香港及菲律賓管理逾100名僱員。戴先生於一九八五年在菲律賓德拉薩爾大學取得電子及傳訊工程學士學位。戴先生獲委任為香港福建同鄉會副監事長。

林俊煒先生

林先生，24歲，林先生目前為帝國環保能源科技有限公司的財務總監，主要負責所有金融活動的規劃、實施、管理及營運，包括業務規劃、預算編製、預測及磋商。林先生為執行董事楊素梅女士及本公司控股股東鄭丁港先生的外甥。林先生於二零一八年在東英吉利亞大學取得會計及金融理學士學位。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Ms. Lai Cheuk Yu Cherrie

Ms. Lai, aged 39, obtained a Master's degree in Civil Engineering from University College London, United Kingdom in 2004 and was qualified as a solicitor in England and Wales in 2013. In 2016, Ms. Lai was also qualified as a solicitor in Hong Kong. Ms. Lai has more than 14 years' management experience in the construction and engineering industry, both as a civil engineer and qualified legal practitioner, including project management, project planning and implementation, financing and resourcing, litigation, dispute resolution, contracts and corporate governance. Between 2016 and 2017, Ms. Lai held the position of legal counsel of SUEZ (Asia) Limited. Between 2017 and 2018, Ms. Lai held the position of legal counsel of SUEZ NWS Limited. Ms. Lai is promoted to the position of senior legal counsel of SUEZ NWS Limited in 2019. Ms. Lai previously held the position of graduate engineer for Halcrow Group Limited and the position of senior engineer for Mouchel Limited, United Kingdom and Legal Counsel for Ove Arup & Partners Hong Kong Limited from 2012 to 2015 and Gammon Construction Limited from 2015 to 2016.

Mr. Ting Wong Kacee

Mr. Ting, aged 44, holds a Master of Laws and Postgraduate Certificate in Laws from City University of Hong Kong. He is currently a member of The Hong Kong Bar Association. He is also the independent non-executive director of Imperium Group Global Holdings Limited (Stock code: 776), a company principally engaged in household furnishings business which also operates property investment and various loan products and services, as well as the mobile game business, and the issued shares of which are listed on the main board of the Stock Exchange.

獨立非執行董事

黎卓如女士

黎女士，39歲，於二零零四年在英國倫敦大學學院取得土木工程碩士學位及於二零一三年獲認可為英格蘭及威爾斯律師。黎女士亦於二零一六年獲認可為香港律師。黎女士於建築及工程行業擁有逾14年管理經驗（擔任土木工程師及合資格法律執業者），包括項目管理、項目規劃及實施、財務資金管理、訴訟、解決糾紛、合約及企業管治。於二零一六年至二零一七年，黎女士於蘇伊士（亞洲）有限公司擔任法律顧問。於二零一七年至二零一八年，黎女士於蘇伊士新創建有限公司擔任法律顧問。黎女士於二零一九年晉升為蘇伊士新創建有限公司的高級法律顧問。黎女士過往曾於英國Halcrow Group Limited擔任見習工程師及於Mouchel Limited擔任高級工程師，並於二零一二年至二零一五年在奧雅納工程顧問擔任法律顧問，並於二零一五年至二零一六年金門建築有限公司擔任法律顧問。

丁煌先生

丁先生，44歲，持有香港城市大學法學碩士學位及法學專業證書。彼目前為香港大律師公會的會員。彼亦為帝國集團環球控股有限公司（股份代號：776）的獨立非執行董事，該公司主要從事家居裝飾業務，亦經營物業投資及多類貸款產品及服務，以及移動遊戲業務，其已發行股份於聯交所主板上市。

Directors and Senior Management 董事及高層管理人員

Dr. Loke Yu alias Loke Hoi Lam

Dr. Loke Yu (alias Loke Hoi Lam), aged 70, has over 41 years of experience in accounting and auditing for private and public companies, financial consultancy and corporate management. He holds a Master of Business Administration degree from University Teknologi Malaysia and a Doctor of Business Administration degree from University of South Australia. Dr. Loke is a fellow member of The Institute of Chartered Accountants in England and Wales, Hong Kong Institute of Certified Public Accountants, and the The Hong Kong Institute of Chartered Secretaries. He is also a member of the Hong Kong Independent Non-Executive Director Association. Currently, he serves as an independent non-executive director of Chiho Environmental Group Limited (formerly known as Chiho-Tiande Group Limited), CIMC-TianDa Holdings Company Limited, Hang Sang (Siu Po) International Holding Company Limited, Hong Kong Resources Holdings Company Limited, Zhong An Group Limited, Matrix Holdings Limited, TC Orient Lighting Holdings Limited, Tianhe Chemicals Group Limited, Tianjin Development Holdings Limited, TradeGo FinTech Limited, V1 Group Limited and Zhenro Properties Group Limited, all are companies listed on the Stock Exchange.

陸海林博士

陸海林博士，70歲，彼於私人及上市公司之會計及審計工作、財務顧問及企業管理等方面擁有逾41年經驗。彼持有馬來西亞科技大學工商管理碩士學位及南澳洲大學工商管理博士學位。陸博士為英格蘭與威爾斯特許會計師學會、香港會計師公會及香港特許秘書公會資深會員，彼亦為香港獨立非執行董事協會之會員。目前彼亦為多家於聯交所上市之公司，包括齊合環保集團有限公司（前稱齊合天地集團有限公司）、中集天達控股有限公司、Hang Sang (Siu Po) International Holding Company Limited、香港資源控股有限公司、眾安集團有限公司、美力時集團有限公司、達進東方照明控股有限公司、天合化工集團有限公司、天津發展控股有限公司、捷利交易寶金融科技有限公司、第一視頻集團有限公司及正榮地產集團有限公司之獨立非執行董事。

Directors and Senior Management

董事及高層管理人員

SENIOR MANAGEMENT

Mr. Leung Tak Chee Frankie

Mr. Leung Tak Chee Frankie, aged 46, is Chief Financial Officer and company secretary of the Company. He holds a Bachelor Degree in Commence from University of Adelaide, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia. He has held managerial and financial executive positions in various listed companies and financial institutions in Hong Kong. He has more than 20 years of experience in financial management, taxation, and corporate finance.

高層管理人員

梁德志先生

梁德志先生，現年46歲，為本公司財務總裁暨公司秘書。彼持有澳洲阿德萊德大學商學士學位。彼為香港會計師公會及澳洲會計師公會會員。彼曾於香港多間上市公司及金融機構擔任管理及財務行政職位，擁有逾20年財務管理、稅務、及企業融資等相關經驗。

Report of the Directors

董事會報告書

The directors submit herewith their report together with the audited financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company.

The principal activities of its subsidiaries are hotel operation in Canada and provision of property management services in PRC.

The principal activities and other particulars of the subsidiaries are set out in note 18 to the consolidated financial statements. An analysis of the Group's performance for the year by business and geographical segments is set out in note 6 to the consolidated financial statements. Further discussion and analysis of these activities as required by schedule 5 of the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business, can be found in the "Management Discussion and Analysis" set out on page 8 to 15 of this annual report. This discussion forms part of this directors' report.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of revenue and cost of sales for the year ended 31 December 2019 attributable to the Group's major suppliers and customers from continuing operations are as follows:

| | |
|-------------------------------------|-----|
| Revenue | |
| The largest customer | 4% |
| Five largest customers in aggregate | 13% |
| Cost of sales | |
| The largest supplier | 8% |
| Five largest suppliers in aggregate | 13% |

At no time during the year, have the directors, their associates or any shareholder (which, to the knowledge of the directors, owns more than 5% of the issued share capital of the Company) has a beneficial interest in the five largest customers or suppliers of the Group.

董事會全體成員謹將報告連同截至二零一九年十二月三十一日止年度之經審核財務報表呈覽。

主要業務及業務回顧

本公司為投資控股公司。

其附屬公司的主要業務為於加拿大之酒店營運及於中國提供物業管理服務。

附屬公司之主要業務及其他詳情載於綜合財務報表附註18。本集團本年度業務及地區分部表現之分析載列於綜合財務報表附註6。根據《香港公司條例》附表5的要求對該等活動所作的進一步討論及分析，包括對本集團面臨的主要風險及不確定因素以及本集團業務未來發展跡象的討論，可參閱本年報第8至15頁所載的「管理層討論及分析」一節。該討論屬董事會報告書的一部分。

主要客戶及供應商

於截至二零一九年十二月三十一日止年度，本集團持續經營業務之主要供應商及客戶應佔之收益及銷售成本百分比如下：

| | |
|---------|-----|
| 收益 | |
| 最大客戶 | 4% |
| 五大客戶總和 | 13% |
| 銷售成本 | |
| 最大供應商 | 8% |
| 五大供應商總和 | 13% |

於本年度任何時間，各董事、其聯繫人或任何股東（就董事所知，擁有本公司已發行股本5%以上者）概無於本集團之五大客戶或供應商中擁有實益權益。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 and the state of the Group's affairs as at that date are set out in the "Consolidated Statement of Profit or Loss and Other Comprehensive Income" and "Consolidated Statement of Financial Position" on pages 90 to 92 of this annual report.

The Board does not recommend the payment of any final dividend for the year ended 31 December 2019 (2018: HK\$Nil).

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the "Consolidated Statement of Changes in Equity" on pages 93 to 94 and page 211 respectively of this annual report.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2019, calculated under the Hong Kong Companies Ordinance, amounted to HK\$Nil (2018: HK\$Nil).

No dividend was paid or declared for the year ended 31 December 2019 (2018: HK\$Nil).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company or the laws of the Hong Kong which would oblige the Company to offer new Shares on a pro-rata basis to existing shareholders.

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Details of movements in property, plant and equipment and intangible assets of the Group during the year are set out in notes 15 and 16 respectively, to the consolidated financial statements.

業績及分派

本集團於截至二零一九年十二月三十一日止年度之業績及本集團於該日事務之狀況載於本年報第90至92頁之「綜合損益及其他全面收益表」及「綜合財務狀況表」內。

董事會不建議就截至二零一九年十二月三十一日止年度派發任何末期股息（二零一八年：零港元）。

儲備

年內，本集團及本公司儲備之變動詳情分別載於本年報第93至94頁的「綜合權益變動表」及第211頁。

可供分派儲備

按香港公司條例計算，本公司於二零一九年十二月三十一日之可供分派儲備為零港元（二零一八年：零港元）。

截至二零一九年十二月三十一日止年度並無派付或宣派任何股息（二零一八年：零港元）。

優先權

本公司組織章程細則或香港法例並無條文規定本公司須按比例向現有股東發售新股份。

物業、機器及設備及無形資產

本集團物業、機器及設備以及無形資產之變動詳情分別載於綜合財務報表附註15及16。

Report of the Directors

董事會報告書

SECURED LOANS

Particulars of secured loans of the Group as at 31 December 2019 are set out in note 30 to the consolidated financial statements.

BONDS

Particulars of bonds of the Group as at 31 December 2019 are set out in note 32 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year ended 31 December 2019 are set out in note 27 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Share options granted to directors

The following table discloses movements in the Company's share option during the year:

| | Exercise period 行使期 | Exercise price 行使價 | Outstanding as at 1 January 2019 於二零一九年 一月一日 尚未行使 | Granted during the year 年內授出 | Exercised during the year 年內行使 | Cancelled during the year 年內註銷 | Outstanding as at 31 December 2019 於二零一九年 十二月三十一日 尚未行使 |
|---|--|-----------------------|--|---------------------------------------|---|---|--|
| Directors | | | | | | | |
| 董事 | | | | | | | |
| Mr. Gan Lin ⁽¹⁾ 甘霖先生 ⁽¹⁾ | 4.5.2019 - 3.5.2028 | 0.415 | 3,240,499 | - | - | 3,240,499 | - |
| Mr. Huang Xiang Yang ⁽²⁾ 黃向陽先生 ⁽²⁾ | 20.1.2020 - 19.1.2027 | 0.47 | 2,105,330 | - | - | 2,105,330 | - |
| Mr. Shen Yong ⁽³⁾ 申勇先生 ⁽³⁾ | 20.1.2020 - 19.1.2027 4.5.2019 - 3.5.2028 | 0.47 0.415 | 323,898 456,408 | - - | - - | 323,898 456,408 | - - |
| Continuous contract employees | | | | | | | |
| 持續合約僱員 | | | | | | | |
| Employee 僱員 | 4.5.2019 - 3.5.2028 | 0.415 | 28,251,678 | - | - | 28,251,678 | - |
| Employee 僱員 | 20.1.2020 - 19.1.2027 | 0.47 | 26,721,495 | - | - | 26,721,495 | - |
| Other eligible participants 其他合資格參與者 | 20.1.2020 - 19.1.2027 | 0.47 | 3,238,970 | - | - | 3,238,970 | - |
| Other eligible participants 其他合資格參與者 | 4.5.2019 - 3.5.2028 | 0.415 | 13,692,249 | - | - | 13,692,249 | - |
| | | | 78,030,527 | - | - | 78,030,527 | - |

(1) resigned on 11 June 2019
(2) resigned on 20 November 2019
(3) removed on 19 December 2019

抵押貸款

本集團於二零一九年十二月三十一日之抵押貸款詳情均載於綜合財務報表附註30。

債券

本集團於二零一九年十二月三十一日之債券詳情均載於綜合財務報表附註32。

股本

本年度股本於截至二零一九年十二月三十一日止年度之變動詳情載於綜合財務報表附註27。

權益掛鈎協議

購股權授予董事

下表披露本公司購股權於年內之變動：

(1) 於二零一九年六月十一日辭任
(2) 於二零一九年十一月二十日辭任
(3) 於二零一九年十二月十九日被罷免

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

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

DIRECTORS

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

Executive directors

Ms. Yeung So Mui (*Co-Chairman*)⁽¹⁾
Mr. Choi Yun Chor (*Co-Chairman*)⁽¹⁾
Mr. Ng Kwai Wah Sunny⁽¹⁾
Mr. Chen Jian⁽¹⁾
Mr. Tai Kwok Keung Kenny⁽¹⁾
Mr. Lin Junwei⁽¹⁾
Mr. Shen Yong⁽²⁾
Mr. Gan Lin⁽³⁾
Mr. Pang Huan Kun^{(4) (5)}
Ms. Wang Yi Ya^{(2) (4)}

Non-executive director

Mr. Huang Xiang Yang⁽⁵⁾

Independent non-executive directors

Ms. Lai Cheuk Yu Cherrie⁽¹⁾
Mr. Ting Wong Kacee⁽¹⁾
Dr. Loke Yu (alias Loke Hoi Lam)
Mr. Yu Lei⁽⁵⁾
Mr. Ernst Rudolf Zimmermann⁽⁵⁾

- ⁽¹⁾ appointed on 10 October 2019
⁽²⁾ removed on 19 December 2019
⁽³⁾ resigned on 11 June 2019
⁽⁴⁾ appointed on 11 June 2019
⁽⁵⁾ resigned on 20 November 2019

購買、出售或贖回本公司上市證券

本公司或任何其附屬公司於截至二零一九年十二月三十一日止年度概無購買、出售或贖回本公司任何上市證券。

董事

本財政年度內及至本報告日之董事如下：

執行董事

楊素梅女士 (*聯席主席*)⁽¹⁾
蔡潤初先生 (*聯席主席*)⁽¹⁾
吳季驊先生⁽¹⁾
陳健先生⁽¹⁾
戴國強先生⁽¹⁾
林俊煒先生⁽¹⁾
申勇先生⁽²⁾
甘霖先生⁽³⁾
逢煥坤先生^{(4) (5)}
王一雅女士^{(2) (4)}

非執行董事

黃向陽先生⁽⁵⁾

獨立非執行董事

黎卓如女士⁽¹⁾
丁煌先生⁽¹⁾
陸海林博士
余磊先生⁽⁵⁾
司馬文先生⁽⁵⁾

- ⁽¹⁾ 於二零一九年十月十日獲委任
⁽²⁾ 於二零一九年十二月十九日被罷免
⁽³⁾ 於二零一九年六月十一日辭任
⁽⁴⁾ 於二零一九年六月十一日獲委任
⁽⁵⁾ 於二零一九年十一月二十日辭任

Report of the Directors

董事會報告書

The biographical details of the current directors are set out under the section “Directors and Senior Management” of this annual report.

In accordance with Article 101 of the Company’s Articles of Association, Ms. Yeung So Mui, Mr. Choi Yun Chor and Dr. Loke Yu shall retire from the Board by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

On 20 November 2019, Mr. Pang Huan Kun, Mr. Huang Xiang Yang, Mr. Yu Lei and Mr. Ernst Rudolf Zimmermann resigned as an executive director, a non-executive director, as an independent non-executive director and as an independent non-executive director respectively of the Company. Mr. Pang Huan Kun, Mr. Huang Xiang Yang, Mr. Yu Lei and Mr. Ernst Rudolf Zimmermann have confirmed that they have no disagreements with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

The names of all persons who, during the financial year and/or during the period from the end of the financial year to the date of this report, serve/served as directors of all those companies included as subsidiaries in the consolidated financial statements of the Company for the financial year ended 31 December 2019 are set out below:

Except for those directors listed above, the persons who were directors of the subsidiaries of the Company during the year and up to the date of this report were (unless otherwise stated):

— Mr. Shen Yong [^]

[^] removed as a director on 19 December 2019

現任董事的履歷資料載於本年報之「董事及高層管理人員」一節。

根據本公司組織章程細則第101條，楊素梅女士、蔡潤初先生及陸海林博士將輪席退任董事，彼等合乎資格並願意於應屆股東週年大會上膺選連任。

逢煥坤先生、黃向陽先生、余磊先生及司馬文先生於二零一九年十一月二十日分別辭任本公司執行董事、非執行董事、獨立非執行董事及獨立非執行董事職位。逢煥坤先生、黃向陽先生、余磊先生及司馬文先生已經確認與董事會並無任何意見分歧及並沒有任何有關本公司事務需要提請本公司股東注意。

於本財政年度內及／或由本財政年度結束至本報告日期期間，於本公司截至二零一九年十二月三十一日止財政年度綜合財務報表內，列為附屬公司的所有相關公司擔任董事的所有人士之名稱如下：

除非另有說明，本年度內及至本報告日之附屬公司的董事名稱如下（不包括以上列出的董事）：

— 申勇先生 [^]

[^] 於二零一九年十二月十九日被罷免董事職務

DIRECTORS' SERVICE CONTRACTS

As at the date of this report, each of the Directors has entered into a service contract or an appointment letter (as the case may be) with the Company for either no fixed term of service or an initial fixed term of three years commencing from their appointment or re-designation, subject to retirement by rotation and re-election at annual general meetings of the Company pursuant to Articles of Association of the Company, and will continue thereafter until terminated by (i) in cases of executive Directors and independent non-executive Directors, not less than one months' notice in writing served by either party on the other or payment in lieu of such notice, or (ii) in case of non-executive Directors, not less than one month's notice in writing by the non-executive Director or the written notice issued by the Company with immediate effect.

DIRECTORS' EMOLUMENTS

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board of the Company with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors or 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 ("SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules adopted by the Company (the "Model Code") (collectively "disclosure interests") to be notified to the Company and the Stock Exchange, were as follows:

董事服務合約

於本報告日期，各董事已與本集團訂立服務合約或委任函（視情況而定），年期為並無固定年期或初步固定年期為獲委任或調任起計三年，並須根據本公司組織章程細則於本公司股東週年大會上輪席退任及膺選連任，而其任期在其後將持續，直至經由以下方式終止：(i) 如為執行董事及獨立非執行董事，在任何一方發出不少於一個月書面通知或以付款代替該通知，或(ii) 如為非執行董事，在非執行董事提供不少於一個月書面通知，或由本公司發出書面通知時即時生效。

董事酬金

董事袍金須經股東於股東大會上批准方可作實。其他酬金乃本公司董事會參考董事之職責、責任及表現以及本集團之業績後釐定。

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，董事或本公司最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中，擁有須(i)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例有關條文彼等被視作或視為擁有之權益及淡倉）；或(ii)根據證券及期貨條例第352條記入該條所述登記冊之權益及淡倉；或(iii)根據本公司所採納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」）知會本公司及聯交所之權益及淡倉（統稱「須予披露權益」）如下：

Report of the Directors

董事會報告書

Directors' interests in Issued Shares of the Company

董事於本公司已發行股份之權益

| Name of directors 董事姓名 | Personal Interests 個人權益 | Interest of controlled corporation 受控制法團 之權益 | Interest of spouse 配偶權益 | Total 合計 | Approximately Percentage of shareholding 股權概約百分比 |
|----------------------------|-------------------------------|--|--------------------------------------|-----------------|---|
| Mr. Choi Yun Chor 蔡潤初先生 | – | 253,122,558 (L) (note 1) (附註1) | – | 253,122,558 (L) | 34.74% |
| Ms. Yeung So Mui 楊素梅女士 | – | – | 253,122,558 (L) (note 2) (附註2) | 253,122,558 (L) | 34.74% |

Note:

- (1) These Shares are held by Great Match International Limited (“Great Match”), a company wholly-owned by Mr. Choi Yun Chor.
- (2) These Shares are held by Rich Vision Developments Limited (“Rich Vision”), a company wholly-owned by Mr. Cheng Ting Kong, who is the spouse of Ms. Yeung So Mui, the co-Chairman of the Company. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Yeung So Mui is deemed to be interested in those Shares.

(L) Long position

Save as disclosed above, as at 31 December 2019, none of the directors and/or the chief executive of the Company, or their respective associates had any other discloseable interests as required.

附註：

- (1) 該等股份由Great Match International Limited(「Great Match」)持有，該公司由蔡潤初先生全資擁有。
- (2) 該等股份由Rich Vision Developments Limited(「Rich Vision」)持有，該公司由本公司聯席主席楊素梅女士之配偶鄭丁港先生全資擁有。根據證券及期貨條例第XV部第2及第3分部之條文，楊素梅女士被視為於該等股份中擁有權益。

(L) 好倉

除上文披露者外，於二零一九年十二月三十一日，概無本公司之董事及／或最高行政人員或彼等各自之關連人士擁有任何其他須予披露之權益。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the following persons (other than the directors or chief executive of the Company) had interests or long positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO or as otherwise notified to the Company were as follows:

主要股東及其他人士於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，除本公司之董事或最高行政人員外，下列人士於本公司之股份及相關股份中，擁有本公司根據證券及期貨條例第336條須予備存之登記冊所記錄或已知會本公司之權益或好倉如下：

| Substantial shareholders 主要股東 | Ordinary shares 普通股 | | % of issued share capital 佔已發行 股本百分比 |
|---|--|---|---|
| | No. of ordinary shares held 持有之 普通股數目 | Nature of interest/Capacity 權益性質／身份 | |
| Great Match (Note 1) (附註1) | 253,122,558 (L) | Beneficial owner 實益擁有人 | 34.74% |
| Rich Vision (Note 2) (附註2) | 253,122,558 (L) | Beneficial owner 實益擁有人 | 34.74% |
| (L) Long position | | (L) 好倉 | |
| Notes: | | 附註： | |
| (1) Great Match is wholly-owned by Mr. Choi Yun Chor. | | (1) Great Match由蔡潤初先生先生全資擁有。 | |
| (2) Rich Vision is wholly-owned by Mr. Cheng Ting Kong, who is the spouse of Ms. Yeung So Mui, the co-Chairman of the Company. Pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, Ms. Yeung So Mui is deemed to be interested in all the ordinary shares in which Mr. Cheng Ting Kong is, or is deemed to be, interested. | | (2) Rich Vision由本公司聯席主席楊素梅女士之配偶鄭丁港先生全資擁有。根據證券及期貨條例第XV部第2及第3分部之條文，楊素梅女士視為於鄭丁港先生擁有或視為擁有權益之所有普通股中擁有權益。 | |

Save as disclosed above, as at 31 December 2019, no other interests required to be recorded in the register kept under Section 336 of the SFO had been notified to the Company.

除上文所披露者外，於二零一九年十二月三十一日，本公司並無得悉其他需要記錄於依據證券及期貨條例第336條須予備存之登記冊內之權益。

Report of the Directors

董事會報告書

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its directors, the directors confirmed that the Company has maintained the amount of public float as required under the Listing Rules during the year and up to the date of this report.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

Save as disclosed under the section headed "Connected Transactions" and note 40(a) to the consolidated financial statements, no other transactions, arrangements or contracts of significance, to which the Company or any of its holding Company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors and his/her respective associates had interests in the businesses which competes or was likely to compete, whether directly or indirectly, with the business of the Group. Mr. Shen Yong has undertaken to the Company that for so long as he remains as a Director or a controlling Shareholder, all enquiries and actual or potential business opportunities received by him (and/or his associates) in relation to hotel real estate business (the "Business Opportunities") shall be referred to the Company on a timely basis and the Business Opportunities must be first offered or made available to the Group.

There has been no material change in directors' interests in any competing business subsequent to 31 December 2019.

MANAGEMENT CONTRACTS

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

足夠公眾持股量

基於公開所得之資料及據董事所知，董事確認於本年度內及截至本年度報告日期為止，本公司有足夠公眾持股量。

對本公司業務有重大關連的董事交易、協議或合約權益

除下文「關連交易」一節及綜合財務報表附註40(a)外，於年終或本年度內任何時間，本公司或其任何控股公司，附屬公司或同系附屬公司概無訂有本公司董事直接或間接擁有重大權益之重大交易、協議或合約。

董事於競爭性業務之權益

概無董事及各自聯繫人士於與或可能與本集團業務競爭（不論直接或間接）的業務中擁有權益。申勇先生向本公司承諾，於彼擔任董事或控股股東期間，彼（及／或其聯繫人士）因酒店地產業務而遇到的所有查詢及實際或可能商機（「商機」）須即時轉介至本公司，有關商機須首先向本集團提供。

於二零一九年十二月三十一日後，董事於競爭業務之權益並無任何重大轉變。

管理合約

年內並無訂立或存續有關本公司全部或任何主要部分業務之管理及行政合約。

CONNECTED TRANSACTIONS

Continuing connected transactions

In 2016, the Company entered into a Framework Agreement with Mr. Shen Yong, the Chairman of the Board, an executive Director and a beneficial owner of 51% equity interest in Ultra Harvest, which constituted continuing connected transactions (the “connected transactions”) as defined in the Listing Rules.

Pursuant to the Framework Agreement, the Group agreed to provide the Property Management Services to certain premises owned by corporations controlled by Mr. Shen Yong including offices, residential apartments and car parking spaces for a term of three years commencing from the Effective Date and ending on the earlier of (i) 31 December 2018; or (ii) the date the owners’ committee of such premises has been formed (both days inclusive). During the year, service fee of Property Management Services amounted to RMB9,119,000 (equivalent to HK\$10,818,000) was charged to corporations controlled by Mr. Shen Yong.

As all of the applicable percentage ratios (as defined under Chapter 14A of the Listing Rules) in respect of the annual caps for the Framework Agreement exceed 0.1% but are less than 5%, the connected transactions are subject to announcement and reporting requirements but is exempt from circular and the Independent Shareholders’ approval requirement under the Listing Rules. The connected transactions up to the limit specified in the annual cap amount for each of the financial years ended/ending 31 December 2016, 2017 and 2018 are HK\$13,900,000, HK\$12,500,000, and HK\$12,400,000 respectively.

關連交易

持續關連交易

於二零一六年，本公司與董事會主席兼執行董事申勇先生（亦為Ultra Harvest 51%股權之實益擁有人）訂立一份框架協議，該等交易構成上市規則所界定之持續關連交易（「關連交易」）。

根據框架協議，本集團同意向申勇先生所控公司擁有之若干場所（包括寫字樓、住宅公寓及車位）提供為期三年的物業管理服務，由生效日期開始直至(i)二零一八年十二月三十一日；或(ii)該等場所業主委員會成立當日（包括首尾兩日）為止（以較早者為準）。年內，向申勇先生所控公司所支取之物業管理服務費用為人民幣9,119,000元（相等於10,818,000港元）。

由於就框架協議年度上限而言，適用百分比率（定義見上市規則第14A章）超過0.1%但少於5%，故根據上市規則，關連交易須遵守公告及申報規定，惟可豁免通函及獨立股東批准之規定。關連交易於截至二零一六年、二零一七年及二零一八年十二月三十一日止財政年度各年的年度上限分別為13,900,000港元、12,500,000港元及12,400,000港元。

Report of the Directors

董事會報告書

On 21 December 2018, the Company and Mr. Shen Yong entered into a new Framework Agreement to extend the term of three years commencing from 1 January 2019 and ending on the earlier of (i) 31 December 2021 (both days inclusive); or (ii) the date the owners' committee of such premises has been formed (both days inclusive). The connected transactions up to the limit specified in the annual cap amount for each of the financial years ended/ending 31 December 2019, 2020 and 2021 are RMB8,042,153 (equivalent to HK\$9,087,633), RMB7,760,056 (equivalent to HK\$8,768,863), and RMB7,534,112 (equivalent to HK\$8,513,547) respectively. As all of the applicable percentage ratios (as defined under Chapter 14A of the Listing Rules) in respect of the annual caps for the Framework Agreement exceed 0.1% but are less than 5%, the connected transactions are subject to announcement and reporting requirements but is exempt from circular and the Independent Shareholders' approval requirement under the Listing Rules.

The connected transactions were entered in the ordinary and usual course of business of the respective companies after due negotiations on an arm's length basis with reference to the prevailing market conditions.

Announcements were published regarding the connected transactions in accordance with the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in so far as they are applicable.

All Independent non-executive directors of the Company have reviewed the connected transactions and confirmed that the connected transactions are entered into:

1. in the ordinary and usual course of business of the Company;
2. on normal commercial terms or better; and
3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

於二零一八年十二月二十一日，本公司與申勇先生訂立新框架協議延長框架協議三年，由二零一九年一月一日開始直至(i)二零二一年十二月三十一日(包括首尾兩日)；或(ii)該等場所業主委員會成立當日(包括首尾兩日)為止(以較早者為準)。關連交易於截至二零一九年、二零二零年及二零二一年十二月三十一日止財政年度各年的年度上限分別為人民幣8,042,153(相當於9,087,633港元)、人民幣7,760,056(相當於8,768,863港元)元及人民幣7,534,112元(相當於8,513,547港元)。由於就框架協議年度上限而言，適用百分比率(定義見上市規則第14A章)超過0.1%但少於5%，故根據上市規則，關連交易須遵守公告及申報規定，惟可豁免通函及獨立股東批准之規定。

該等關連交易已參考當時市場情況後於有關公司在日常業務過程中以公平原則磋商後而訂立。

載有有關關連交易之公告已根據上市規則刊登。本公司確定已遵守適用於該等交易之上市規則第14A章之披露規定。

所有本公司獨立非執行董事均已檢討該等關連交易，並確認該等關連交易：

1. 於本公司一般及正常業務過程中訂立；
2. 按照一般或更佳商業條款訂立；及
3. 根據有關協議訂立，而交易條款屬公平合理，並且符合本公司股東的整體利益。

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

Saved as disclosed above, details of the material related party transactions during the year are set in note 40 to the consolidated financial statements.

RETIREMENT SCHEMES

Details of the retirement schemes participated by the Group are set out in note 36 to the consolidated financial statements.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year under review. The Company has also taken out and maintained appropriate insurance cover to indemnify the Directors for liabilities that may arise out of corporate activities of the Group. The insurance coverage is reviewed on an annual basis. During the year ended 31 December 2019, no claims were made against the Directors.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 225 of this annual report.

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the independent non-executive directors, an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all the independent non-executive directors are independent.

根據上市規則第14A.56條，本公司已聘用核數師，遵照香港會計師公會發出的《香港審核保證委聘準則3000號（經修訂）》的「審核或審閱過去財務資料以外的核證委聘」及參照《實務說明》第740號「關於香港上市規則所述持續關連交易的核數師函件」，就本集團的持續關連交易作出匯報。就持續關連交易的結果，核數師已發出無保留意見函件。本公司已將該核數師函件副本呈交聯交所。

除上文披露者外，本年度內重大關聯交易之詳情載於綜合財務報表附註40。

退休計劃

本集團參與之退休計劃之詳情，載於綜合財務報表附註36。

獲准許的彌償條文

以董事為受益人之經許可彌償條款現時生效及於回顧年度內持續生效。本公司亦已投購及維持適當保險，保障董事不會承擔本集團的公司活動可能產生的責任。保險保障獲每年檢討。於截至二零一九年十二月三十一日止年度，概無對董事作出申索。

五年財務概要

本集團過去五個財政年度業績、資產與負債概要載於本年報第225頁。

確認獨立性

本公司已收取各獨立非執行董事根據上市規則第3.13條之年度獨立性確認函件，並認為所有獨立非執行董事均維持獨立身份。

Report of the Directors

董事會報告書

AUDITOR

The consolidated financial statements for the year ended 31 December 2019 have been audited by Grant Thornton Hong Kong Limited.

Grant Thornton Hong Kong Limited will retire and, being eligible, offer themselves for reappointment. A resolution for the re-appointment of Grant Thornton Hong Kong Limited as auditor of the Company is to be proposed at the forthcoming AGM.

By order of the Board

Choi Yun Chor

Co-Chairman

Hong Kong, 14 May 2020

核數師

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致同（香港）會計師事務所有限公司審核。

致同（香港）會計師事務所有限公司即將告退，惟符合資格並願意膺選連任。重新委聘致同（香港）會計師事務所有限公司為本公司核數師的決議，將於應屆股東週年大會上提出。

承董事會命

聯席主席

蔡潤初

香港，二零二零年五月十四日



To the members of Forebase International Holdings Limited
(incorporated in Hong Kong with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

QUALIFIED OPINION

We have audited the consolidated financial statements of Forebase International Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 90 to 224, which comprise the consolidated statement of financial position as at 31 December 2019, 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, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, 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 Hong Kong Companies Ordinance.

致申基國際控股有限公司股東
(於香港註冊成立的有限公司)

綜合財務報表審核報告

保留意見

我們已審核載於第90至224頁的申基國際控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，包括於二零一九年十二月三十一日的綜合財務狀況報表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，除本報告保留意見基礎一段所述事宜的影響外，綜合財務報表根據香港會計師公會頒佈的香港財務報告準則真實而公平地反映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，並已按照香港公司條例適當編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR QUALIFIED OPINION

Scope Limitation – Information about the seizure of investment properties owned by the joint ventures of the Group

As explained in note 20 to the consolidated financial statements, Triple Market Limited and its subsidiaries (“Triple Market Group”) are the joint ventures of the Group. Triple Market Group mainly holds investment properties amounted to HK\$84,920,000 as at 31 December 2019. The interests in joint ventures in the consolidated statement of financial position amounted to HK\$44,516,000 as at 31 December 2019.

During the course of our audit, we noted that all the investment properties of the joint ventures were seized by the Intermediate People's Court of Chongqing (重慶第一中級人民法院) (the “Court”) in relation to a loan dispute with a financial institution. The directors of the Company inquired of the management of the joint ventures in relation to the seizure of investment properties and the loan dispute, including the court orders, the reason and the latest development of the seizure of the investment properties and the loan dispute, but they are still not able to obtain all relevant information. Because the information and reason about the Court's seizure of the investment properties and the loan dispute are not available to us, we are unable to assess the likely outcome and the financial impact associated with the seizure of the investment properties and the loan dispute, and to assess as to whether any adjustments related to the understatement of liabilities of the joint ventures and impairment in the interests in joint ventures are required to be made by the Group. Accordingly, we are unable to satisfy ourselves as to whether the interests in joint ventures were fairly stated and whether the relevant details are properly disclosed in the consolidated financial statements as at 31 December 2019. Any adjustments to the amounts might have a significant consequential effect on the consolidated financial position as at 31 December 2019 and the consolidated financial performance for the year then ended.

保留意見基礎

範圍限制 – 有關查封 貴集團合營企業擁有的投資物業的資料

如綜合財務報表附註20所述，Triple Market Limited及其附屬公司（「Triple Market集團」）為貴集團的合營企業。Triple Market集團於二零一九年十二月三十一日的主要持有投資物業為84,920,000港元。於二零一九年十二月三十一日，綜合財務狀況表的合營企業之權益為44,516,000港元。

於審核過程中，我們注意到合營企業的所有投資物業因涉及與金融機構的貸款糾紛而被重慶第一中級人民法院（「該法院」）查封。貴公司董事向合營企業管理層查詢有關查封投資物業及貸款糾紛，包括法院頒令、查封投資物業及貸款糾紛的原因及最新發展，但彼等仍未能獲取所有相關資料。由於我們未能取得有關該法院查封投資物業及貸款糾紛的資料及了解原因，我們未能評估查封投資物業及貸款糾紛引起的可能結果及財務影響，亦未能評估貴集團是否需就低估合營企業負債作出任何調整及於合營企業之權益作出任何減值。因此，我們未能信納於合營企業之權益是否已獲公平列賬及相關資料是否於二零一九年十二月三十一日的綜合財務報表內獲適當披露。對該等金額作出的任何調整可能對於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現造成重大後果影響。

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the 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 qualified opinion.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.1 in the consolidated financial statements, which indicates that as at 31 December 2019 the Group’s current liabilities exceeded its current assets by HK\$64,030,000. Such event or condition indicates that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. The validity of the going concern basis depends on the management’s arrangements to address the going concern issue as described in note 2.1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

我們已根據香港會計師公會頒佈的香港審計準則進行審核。根據該等準則，我們的責任於本報告中核數師就審計綜合財務報表承擔的責任一節中詳述。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，並已遵循守則中的其他道德責任。我們認為，我們獲取的審核憑證屬充分及適當，可為我們發表保留意見提供基準。

有關持續經營的重大不明朗因素

我們謹請閣下注意綜合財務報表附註2.1，貴集團於二零一九年十二月三十一日的流動負債較其流動資產多64,030,000港元。上述事件或情況顯示存有重大不明朗因素，將可能對貴集團繼續持續經營的能力產生重大疑問。持續經營基準的有效性取決於管理層對綜合財務報表附註2.1所詳述的持續經營問題的安排。綜合財務報表並未包括任何該不明朗因素可能導致的調整。我們並無就此事發表保留意見。

關鍵審核事項

關鍵審核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核最為重要的事項。這些事項是在我們審核整體綜合財務報表及對其出具意見過程中需要應對的，但我們不對這些事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

Loss Allowance of Trade Receivables

貿易應收賬款虧損撥備

The Key Audit Matter

關鍵審核事項

Please refer to note 22 to the consolidated financial statements and the accounting policies as set out on note 2.11.

As at 31 December 2019, the carrying amount of the Group's trade receivables amounted to HK\$19,344,000 and loss allowance of trade receivables amounted to HK\$21,092,000.

The Group's loss allowance of trade receivables are based on management's estimate with reference to the valuation performed by an independent external professional valuer for the expected credit losses to be incurred, which is estimated by taking into account the credit profile of different customers, the ageing profiles, their knowledge about the customers, past settlement patterns and current market conditions.

請參閱綜合財務報表附註22以及附註2.11所載的會計政策。

於二零一九年十二月三十一日，貴集團的貿易應收賬款賬面值為19,344,000港元及貿易應收賬款虧損撥備為21,092,000港元。

貴集團貿易應收賬款的虧損撥備是基於管理層的估算並參考獨立專業外部估值師就將產生信貸虧損所編製的估值而得出，該估設計及不同客戶的信貸組合、賬齡組合、彼等對客戶的認識、過往結付模式及現時市況後估算。

How the Matter was Addressed in Our Audit

我們在審核中如何回應該等關鍵事項

Our audit procedures in relation to the loss allowance of trade receivables included the following:

- Assessing the competency, capability and objectivity of the independent professional external valuer, and the scope of the valuer's work.
- Assessing the valuation methodologies.
- Assessing the accuracy of the ageing of trade receivables on a sample basis by tracing to the respective invoices.

我們對貿易應收賬款虧損撥備的相關審核程序包括：

- 評估獨立專業外部估值師的資格、能力及客觀性以及估值師的工作範圍。
- 評估估值方法。
- 抽樣跟蹤相應發票，評估貿易應收賬款賬齡的準確性。

Loss Allowance of Trade Receivables (Continued)

貿易應收賬款虧損撥備（續）

The Key Audit Matter

關鍵審核事項

Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses of customers.

The loss allowance of trade receivables is sensitive to key underlying assumptions applied by the management such as credit-rating of the customers, default rate and recovery rate which involves significant management judgement.

管理層亦考慮可能影響客戶償還尚付結餘能力的前瞻性資料，從而估算客戶的預期信貸虧損。

貿易應收賬款虧損撥備對管理層所用主要相關假設（如客戶信貸評級、違約比率及收回比率）敏感，當中涉及重大管理層判斷。

How the Matter was Addressed in Our Audit

我們在審核中如何回應該等關鍵事項

- Assessing the assumptions and estimates made by the management for the loss allowances with reference to our understanding of the debtors' financial condition, the industry in which the debtors are operating, the ageing of overdue balances and historical and forward-looking information.
- Comparing, on a sample basis, cash receipts from customers subsequent to the financial year end relating to trade debtor balances as at 31 December 2019 with bank statements and relevant remittance documentation.
- 參照我們對該等債務人財政狀況的認知、該等債務人所經營的行業、過期結餘賬齡、過往以及前瞻性資料，評估管理層就虧損撥備所作出的假設及估算。
- 抽查截至二零一九年十二月三十一日財政年度，貿易應收賬款結餘的期後現金還款，並與銀行結單及相關匯款證明文件進行比對。

Independent Auditor's Report

獨立核數師報告

Impairment of Property, Plant and Equipment

物業、機器及設備之減值

The Key Audit Matter

關鍵審核事項

Please refer to note 15 to the consolidated financial statements and the accounting policies as set out on notes 2.5 and 2.12.

As at 31 December 2019, the carrying amount of property, plant and equipment of the Group were HK\$86,724,000, of which land and buildings amounted to HK\$84,759,000.

Management carries out an impairment assessment of land and buildings on an annual basis. The impairment assessment requires evaluation as to whether any impairment indicators existed in the land and buildings by reference to the profitability of the relevant cash-generating units ("CGUs").

請參閱綜合財務報表附註15以及附註2.5及附註2.12所載的會計政策。

於二零一九年十二月三十一日，貴集團的物業、機器及設備之賬面值為86,724,000港元，其中土地及樓宇為84,759,000港元。

管理層每年對土地及樓宇進行減值評估。減值評估需要參照有關現金產生單位的盈利能力，評估土地及樓宇是否存在減值跡象。

How the Matter was Addressed in Our Audit

我們在審核中如何回應該等關鍵事項

Our audit procedures to assess the impairment testing of land and buildings included the following:

- Assessing the competency, capability and objectivity of the independent professional external valuer, and the scope of the valuer's work.
- Assessing the valuation methodologies.
- Assessing the reasonableness of the key assumptions and estimates used against general market practice.

我們評估土地及樓宇之減值測試的審核程序包括：

- 評估獨立專業外部估值師的資格、能力及客觀性以及彼等之工作範圍。
- 評估估值方法。
- 評估一般市場慣例評估所用的主要假設及估計的合理性。

Impairment of Property, Plant and Equipment (Continued)

物業、機器及設備之減值（續）

The Key Audit Matter

關鍵審核事項

Where there are indicators, management is required to assess the recoverable amount of the land and buildings with reference to valuation performed by the independent professional external valuer using the income capitalisation method for resort hotel and sales comparison method for development land. The valuation of land and buildings requires the application of significant judgement and estimation in determining the appropriate valuation methodologies to be used, use of subjective assumptions and various unobservable inputs.

The valuation of resort hotel is sensitive to key underlying assumptions applied by the valuer such as volatility of income, occupancy rate and discount rate used. The valuation of development land is sensitive to market comparables with adjustments of other individual factors by the valuer which may have a significant impact to the valuation.

倘存在減值跡象，管理層須參照獨立專業外部估值師就度假酒店使用收入資本化方法及就發展土地使用銷售比較方法進行的估值來評估土地及樓宇的可收回金額。土地及樓宇的估值須進行重大判斷及估計以確定將使用的適當估值方法，並採用主觀假設及各種不可觀察的輸入數據。

對度假酒店的估值對估值師採用的主要相關假設敏感，例如收入波動、入住率及所採用的折扣率等。就發展土地的估值對估值師採用的可能對估值產生重大影響的市場可比較數據（就其他個別因素進行調整）敏感。

How the Matter was Addressed in Our Audit

我們在審核中如何回應該等關鍵事項

Please refer to P. 82.

請參閱第82頁。

Independent Auditor's Report

獨立核數師報告

Impairment of Intangible Assets

無形資產之減值

The Key Audit Matter

關鍵審核事項

Please refer to note 16 to the consolidated financial statements and the accounting policies as set out on notes 2.8 and 2.12.

The carrying amounts of intangible assets amounted to HK\$25,467,000 as at 31 December 2019. Management reviews the carrying amounts of intangible assets annually or more frequently when impairment indicators are present.

Where there are indicators, management is required to assess the recoverable amount of the intangible assets with reference to valuation performed by the independent professional external valuer based on a value-in-use calculation using future cash flow projections. The valuation of intangible assets requires the application of significant judgement in the use of subjective assumptions. The valuation is sensitive to underlying assumptions applied by the valuer such as discount rate and retention rate used are based on the assets' past performance and management's expectation of market development and the future cash flow projections were prepared based on financial budgets approved by management which may have a significant impact to the valuation.

請參閱綜合財務報表附註16以及附註2.8及附註2.12所載的會計政策。

於二零一九年十二月三十一日，無形資產的賬面值為25,467,000港元。管理層每年對無形資產的賬面值進行一次檢討，當出現減值跡象時，該檢討則需要進行得更加頻密。

倘存在減值跡象，管理層須參照獨立專業外部估值師根據使用未來現金流量預測的使用價值計算方式進行的估值來評估無形資產的可收回金額。無形資產的估值於使用主觀假設時須進行重大判斷。該估值對估值師採用的相關假設敏感，例如所用貼現率及保留率，乃基於資產過往表現及管理層對市場發展的預期，而未來現金流量預測乃根據管理層批准的財務預算編製，可能對估值產生重大影響。

How the Matter was Addressed in Our Audit

我們在審核中如何回應該等關鍵事項

Our procedures in relation to management's impairment assessment of the Group's intangible assets included the following:

- Assessing the valuation methodology adopted by management.
- Assessing the reasonableness of key assumptions, in particular those relating to the six-year period cash flow forecasts, the discount rates and retention rates, based on our knowledge of the business and industry.
- Reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.

我們對管理層就 貴集團無形資產的減值評估的相關審核程序包括：

- 評估管理層採用的估值方法。
- 根據我們對業務及行業的了解，評估主要假設的合理性，特別是與六年期現金流量預測及貼現率及保留率相關的假設。
- 調整支持證據的輸入數據（例如經批准的預算），並考慮該等預算的合理性。

Valuation of Interest in an Associate

於一間聯營公司之權益之估值

The Key Audit Matter

關鍵審核事項

Please refer to note 19 to the consolidated financial statements and the accounting policies as set out on notes 2.3 and 2.12.

As at 31 December 2019, the carrying amount of interest in an associate amounted to HK\$21,070,000. The associate holds investment properties which are stated at fair value.

The fair values of the investment properties owned by the associate were estimated by the management of the Group with reference to the valuation conducted by an independent professional external valuer using direct comparison approach. The valuation of investment properties require the application of significant judgement and estimation in determining the appropriate valuation methodologies to be used, use of subjective assumptions and various unobservable inputs. They are sensitive to market comparables with adjustments of other individual factors by the valuer which may have significant impacts to the valuation.

請參閱綜合財務報表附註19以及附註2.3及附註2.12所載的會計政策。

於二零一九年十二月三十一日，於一間聯營公司之權益之賬面值為21,070,000港元。該聯營公司持有按公允價值列賬的投資物業。

該聯營公司擁有的投資物業的公允價值由貴集團的管理層參考由獨立專業外部估值師採用直接比較法進行估值。投資物業的估值需要運用重大判斷及估計以確定所使用的估值方法適當，並使用主觀假設及各種不可觀察輸入數據。有關估值對估值師採用的可能對估值產生重大影響的市場可比較數據（就其他個別因素進行調整）敏感。

How the Matter was Addressed in our Audit

我們在審核中如何回應該等關鍵事項

Our audit procedures in relation to the valuation of interest in an associate included the following:

- Assessing the appropriateness of the management's accounting for interest in an associate.
- Assessing the competency, capability and objectivity of the independent professional external valuer, and the scope of the valuer's work.
- Assessing the valuation methodologies.
- Assessing the reasonableness of the key assumptions and estimates used against general market practice.

我們就於一間聯營公司之權益的估值的審核程序包括：

- 評估管理層就於一間聯營公司之權益所作會計處理的合理性。
- 評估獨立專業外部估值師的資格、能力及客觀性以及估值師的工作範圍。
- 評估估值方法。
- 對比一般市場慣例評估所用的主要假設及估計的合理性。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information included in the 2019 annual report of the Company, 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. As described in the Basis for Qualified Opinion section above, we were unable to obtain all relevant information in relation to the seizure of investment properties and the loan dispute of the joint ventures, including the court orders, the reason and the latest development of the seizure of the investment properties and the loan dispute. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

其他資料

貴集團董事需對其他資料負責。其他資料包括本公司二零一九年年報的全部資料，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資料，我們亦不對其他資料發表任何形式的鑒證結論。

在我們審核綜合財務報表時，我們的責任為閱讀其他資料，並在此過程中考慮其他資料是否與綜合財務報表或我們於審核過程中所了解的情況有重大抵觸，或似乎有重大錯誤陳述。基於我們已執行之工作，倘我們認為其他資料有重大錯誤陳述，我們須報告該事實。誠如上文「保留意見基礎」一節所述，我們無法獲取所有有關查封合營企業的投資物業及貸款糾紛的相關資料，包括法院頒令、查封投資物業及貸款糾紛的原因及最新發展。因此，我們無法確定其他資料是否於此方面有任何重大錯誤陳述。

董事對綜合財務報表的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的規定編製綜合財務報表以令綜合財務報表作出真實而公平之反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

董事獲審核委員會協助履行其監督貴集團的財務報告程序。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是根據香港公司條例第405條向閣下（作為整體）報告我們的意見，除此之外別無其他目的。我們不會就本報告內容對任何其他人士負責或承擔任何責任。

合理保證屬高水平的保證，但不能擔保根據香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可源於欺詐或錯誤引起，如果合理預期他們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，設計及執行審核程序以應對這些風險，以及獲得充足及適當審核憑證為我們的意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部控制，因此未能發現因欺詐而導致的重大錯誤陳述風險高於未能發現錯誤而導致的重大錯誤陳述風險。
- 了解與審核有關的內部控制，以設計恰當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評估董事所用會計政策的恰當性及作出會計估計及相關披露的合理性。

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.
- 總結董事採用以持續經營為基礎的會計基準是否恰當，並根據已獲取的審核憑證，總結是否有對 貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，我們則發表非無保留意見。我們的結論以截至核數師報告日所獲得的審核憑證為基礎，惟未來事件或情況可能導致 貴集團不再具有持續經營的能力。
- 評估綜合財務報表的整體列報、架構及內容（包括披露）、以及綜合財務報表是否已公平反映及列報相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足的審核憑證，以就綜合財務報表發表意見。我們須負責指導、監督及執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

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

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

除其他事項外，我們與審核委員會溝通了計劃的審核工作範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部監控的任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施（如適用）與審核委員會溝通。

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

REPORT ON OTHER MATTERS UNDER SECTIONS 407(2) AND 407(3) OF THE HONG KONG COMPANIES ORDINANCE

In respect alone of the inability to obtain sufficient appropriate audit evidence as described in the Basis for Qualified Opinion section of our report above:

- we were unable to determine whether adequate accounting records had been kept; and
- we have not obtained all the information and explanations that, to the best of our knowledge and belief, are necessary and material for the purpose of our audit.

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12
28 Hennessy Road
Wanchai
Hong Kong

14 May 2020

Han Pui Yu
Practising Certificate No.: P07101

從與審核委員會溝通的事項中，我們決定哪些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審核事項。除非法律或法規不容許公開披露該等事項，或於極罕有的情況下，我們認為披露該等事項可合理預期的不良後果將超越公眾知悉該等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述該等事項。

對香港公司條例第407(2)及第407(3)條規定下其他事項的報告

僅就本報告上述保留意見基礎一節所述無法取得充足及合適審計證據而言：

- 我們未能釐定是否已備存足夠的會計記錄；及
- 我們未能取得就我們所知及所信對進行審計屬必要及重大的一切資料及解釋。

致同（香港）會計師事務所有限公司

執業會計師

香港
灣仔
軒尼詩道28號
12樓

2020年5月14日

韓佩瑜
執業證書編號：P07101

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 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|---------------------------|------------|----------------------------------|--|
| Revenue | 收益 | 5 | 92,228 | 94,582 |
| Direct costs | 直接成本 | | (55,347) | (58,890) |
| Gross profit | 毛利 | | 36,881 | 35,692 |
| Other income and gain, net | 其他收入及收益淨額 | 7 | 1,860 | 1,409 |
| Share of profit of an associate | 分佔一間聯營公司溢利 | 19 | 1,171 | – |
| Share of (losses)/profits of joint ventures | 分佔合營企業(虧損)/溢利 | 20 | (94) | 553 |
| Administrative expenses | 行政開支 | | (64,663) | (50,716) |
| Finance costs | 融資成本 | 8 | (5,971) | (7,522) |
| Loss before income tax | 除所得稅前虧損 | 9 | (30,816) | (20,584) |
| Income tax credit/(expenses) | 所得稅抵扣/(開支) | 12 | 372 | (1,236) |
| Loss for the year | 本年度虧損 | | (30,444) | (21,820) |
| Other comprehensive income/(expense) for the year | 本年度其他全面收益/(開支) | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>其後可能會重新分類至損益的項目：</i> | | | |
| – Exchange differences on translation of financial statements of overseas operations | – 換算海外業務之財務報表之匯兌差額 | | 885 | (5,293) |
| – Share of other comprehensive income/(expense) of joint ventures | – 分佔合營企業之其他全面收益/(開支) | 20 | 6 | (1,230) |
| – Exchange reserve released upon disposal of subsidiaries | – 出售附屬公司時轉出匯兌儲備 | 35 | 393 | – |
| Other comprehensive income/(expenses) for the year | 本年度其他全面收益/(開支) | | 1,284 | (6,523) |
| Total comprehensive expense attributable to the equity shareholders of the Company for the year | 本公司權益股東應佔本年度全面開支總額 | | (29,160) | (28,343) |
| Loss per share | 每股虧損 | 14 | HK cents 港仙 | HK cents 港仙 |
| Basic and diluted | 基本及攤薄 | | (4.28) | (4.11) |

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

The notes on pages 97 to 224 are an integral part of these consolidated financial statements.

載於第97至224頁的附註乃為該等綜合財務報表的組成部分。

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

| | | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|--------------------|------------|----------------------------------|--|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | 15 | 86,724 | 84,738 |
| Intangible assets | 無形資產 | 16 | 25,467 | 30,029 |
| Right-of-use assets | 使用權資產 | 17 | 2,853 | – |
| Interest in an associate | 於一間聯營公司之權益 | 19 | 21,070 | – |
| Interests in joint ventures | 於合營企業之權益 | 20 | 44,516 | 44,604 |
| Deferred tax assets | 遞延稅項資產 | 29 | 1,749 | – |
| | | | 182,379 | 159,371 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 21 | 828 | 837 |
| Trade and other receivables | 貿易及其他應收賬款 | 22 | 28,301 | 37,712 |
| Bank balances and cash | 銀行結餘及現金 | 23(a) | 6,898 | 7,757 |
| | | | 36,027 | 46,306 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 貿易及其他應付賬款 | 24 | 25,202 | 11,972 |
| Contract liabilities | 合約負債 | 26 | 4,407 | 5,019 |
| Amounts due to related companies | 應付關聯公司款項 | | – | 7,157 |
| Current taxation | 即期稅項 | | 13,246 | 11,596 |
| Secured loans | 抵押貸款 | 30 | 34,275 | 2,012 |
| Loan from shareholders | 股東貸款 | 31 | 11,187 | – |
| Bonds | 債券 | 32 | 10,000 | – |
| Lease liabilities | 租賃負債 | 33 | 1,740 | – |
| | | | 100,057 | 37,756 |
| Net current (liabilities)/assets | 流動(負債)/資產淨值 | | (64,030) | 8,550 |
| Total assets less current liabilities | 資產總值減流動負債 | | 118,349 | 167,921 |
| Non-current liabilities | 非流動負債 | | | |
| Amount due to a director | 應付一名董事款項 | 25 | – | 3,315 |
| Deferred tax liabilities | 遞延稅項負債 | 29 | 5,849 | 6,305 |
| Secured loans | 抵押貸款 | 30 | – | 34,001 |
| Bonds | 債券 | 32 | 50,181 | 60,181 |
| Lease liabilities | 租賃負債 | 33 | 1,199 | – |
| | | | 57,229 | 103,802 |
| Net assets | 資產淨值 | | 61,120 | 64,119 |

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

| | | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|---------------------|------------|----------------------------------|--|
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 27 | 388,883 | 368,984 |
| Reserves | 儲備 | 28 | (327,763) | (304,865) |
| Total equity attributable to equity shareholders of the Company | 本公司權益股東應佔總權益 | | 61,120 | 64,119 |

Approved and authorised for issue by the board of directors on 14 May 2020.

於二零二零年五月十四日獲董事會批准及授權發行。

Choi Yun Chor
蔡潤初
Director
董事

Yeung So Mui
楊素梅
Director
董事

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

The notes on pages 97 to 224 are an integral part of these consolidated financial statements.

載於第97至224頁的附註乃為該等綜合財務報表的組成部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2019
截至二零一九年十二月三十一日止年度

| | | Attributable to the equity shareholders of the Company 本公司權益股東應佔 | | | | | | | |
|--|--------------------|---|----------------|----------------------|-------------------|---------------|------------------|--------------------|----------|
| | | Share capital | Merger reserve | Contribution reserve | Statutory reserve | Share options | Exchange reserve | Accumulated losses | Total |
| | | 股本 | 合併儲備 | 出資儲備 | 法定儲備 | 購股權儲備 | 匯兌儲備 | 累計虧損 | 總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (note 27) | (note 28(a)) | (note 28(b)) | (note 28(c)) | (note 28(d)) | (note 28(e)) | | |
| | | (附註 27) | (附註 28(a)) | (附註 28(b)) | (附註 28(c)) | (附註 28(d)) | (附註 28(e)) | | |
| Balance as at 1 January 2018 | 於二零一八年一月一日的結餘 | 292,462 | (124,635) | 8,478 | 2,447 | 2,739 | (33,931) | (141,460) | 6,100 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (21,820) | (21,820) |
| Other comprehensive expense for the year | 本年度其他全面開支 | | | | | | | | |
| - Exchange differences on translation of financial statements of overseas operations | - 換算海外業務的財務報表的匯兌差額 | - | - | - | - | - | (5,293) | - | (5,293) |
| - Share of other comprehensive expense of joint ventures | - 分佔合營企業其他全面開支 | - | - | - | - | - | (1,230) | - | (1,230) |
| | | - | - | - | - | - | (6,523) | - | (6,523) |
| Total comprehensive expense for the year | 本年度全面開支總額 | - | - | - | - | - | (6,523) | (21,820) | (28,343) |
| Transactions with owners: | 與擁有人的交易： | | | | | | | | |
| Recognition of equity-settled share-based payments transactions | 確認以權益結算以股份為基礎的付款交易 | - | - | - | - | 9,840 | - | - | 9,840 |
| Issuance of shares | 發行股份 | 41,422 | - | - | - | - | - | - | 41,422 |
| Issuance of shares in relation to acquisition of joint ventures | 就收購合營企業發行股份 | 35,100 | - | - | - | - | - | - | 35,100 |
| Appropriation to statutory reserve | 撥款至法定儲備 | - | - | - | 456 | - | - | (456) | - |
| | | 76,522 | - | - | 456 | 9,840 | - | (456) | 86,362 |
| Balance as at 31 December 2018 | 於二零一八年十二月三十一日的結餘 | 368,984 | (124,635) | 8,478 | 2,903 | 12,579 | (40,454) | (163,736) | 64,119 |

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

| | | Attributable to the equity shareholders of the Company 本公司權益股東應佔 | | | | | | | |
|--|---------------------------|---|---|---|--|---|---|---|--------------------------------|
| | | Share capital 股本 HK\$'000 千港元 (note 27) (附註 27) | Merger reserve 合併儲備 HK\$'000 千港元 (note 28(a)) (附註 28(a)) | Contribution reserve 出資儲備 HK\$'000 千港元 (note 28(b)) (附註 28(b)) | Statutory reserve 法定儲備 HK\$'000 千港元 (note 28(c)) (附註 28(c)) | Share options reserve 購股權儲備 HK\$'000 千港元 (note 28(d)) (附註 28(d)) | Exchange reserve 匯兌儲備 HK\$'000 千港元 (note 28(e)) (附註 28(e)) | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
| Balance as at 31 December 2018 (note) | 於二零一八年十二月三十一日的結餘(附註) | 368,984 | (124,635) | 8,478 | 2,903 | 12,579 | (40,454) | (163,736) | 64,119 |
| Impact on initial application of HKFRS 16 (note 3) | 初始應用香港財務報告準則第16號的影響(附註3) | - | - | - | - | - | - | (28) | (28) |
| Balance at 1 January 2019, as adjusted | 於二零一九年一月一日的結餘(經調整) | 368,984 | (124,635) | 8,478 | 2,903 | 12,579 | (40,454) | (163,764) | 64,091 |
| Loss for the year | 本年度虧損 | - | - | - | - | - | - | (30,444) | (30,444) |
| Other comprehensive income/(expense) for the year | 本年度其他全面收入/(開支) | - | - | - | - | - | - | - | - |
| - Exchange differences on translation of financial statements of overseas operations | - 換算海外業務的財務報表的匯兌差額 | - | - | - | - | - | 885 | - | 885 |
| - Share of other comprehensive expense of joint ventures | - 分佔合營企業其他全面開支 | - | - | - | - | - | 6 | - | 6 |
| - Exchange reserve released upon disposal of subsidiaries | - 出售附屬公司時轉出匯兌儲備 | - | - | - | - | - | 393 | - | 393 |
| | | - | - | - | - | - | 1,284 | - | 1,284 |
| Total comprehensive income/(expense) for the year | 本年度全面收入/(開支)總額 | - | - | - | - | - | 1,284 | (30,444) | (29,160) |
| Transactions with owners: | 與擁有人的交易: | | | | | | | | |
| Recognition of equity-settled share-based payments transactions (note 39) | 確認以權益結算以股份為基礎的付款交易(附註39) | - | - | - | - | 6,290 | - | - | 6,290 |
| Issuance of shares in relation to acquisition of a subsidiary (note 27) | 就收購一間附屬公司發行股份(附註27) | 19,899 | - | - | - | - | - | - | 19,899 |
| Transfer upon cancellation of share options (note 39) | 注銷購股權時轉撥(附註39) | - | - | - | - | (18,869) | - | 18,869 | - |
| | | 19,899 | - | - | - | (12,579) | - | 18,869 | 26,189 |
| Balance as at 31 December 2019 | 於二零一九年十二月三十一日的結餘 | 388,883 | (124,635) | 8,478 | 2,903 | - | (39,170) | (175,339) | 61,120 |

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註: 本集團於二零一九年一月一日首次應用香港財務報告準則第16號, 採用經修訂追溯法。根據此方法, 比較資料並無重列。見附註3。

The notes on pages 97 to 224 are an integral part of these consolidated financial statements.

載於第97至224頁的附註乃為該等綜合財務報表的組成部分。

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

| | Note | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|------|----------------------------------|--|
| Operating activities | | | |
| Loss before income tax | | (30,816) | (20,584) |
| Adjustments for: | | | |
| Interest income | 7 | (15) | (21) |
| Interest income from advance to a third party | 7 | – | (475) |
| Finance costs | 8 | 5,971 | 7,522 |
| Depreciation | | | |
| – Property, plant and equipment | 9 | 3,150 | 3,462 |
| – Right-of-use assets | 9 | 1,723 | – |
| Amortisation | 9 | 4,562 | 4,562 |
| Loss allowance of trade and other receivables | 9 | 16,509 | 1,199 |
| Loss/(gain) on disposal of property, plant and equipment | 7 | 34 | (7) |
| Loss on disposal of subsidiaries | 35 | 885 | – |
| Equity-settled share-based payment expenses | | | |
| | 9 | 6,290 | 9,840 |
| Gain on amount due to a shareholder stated at fair value upon initial recognition | 7 | (241) | – |
| Gain on amount due to a director stated at fair value upon initial recognition | 7 | – | (151) |
| Recognition of income attributable to unused gift certificates | 7 | (781) | – |
| Share of profit of an associate | | (1,171) | – |
| Share of losses/(profits) of joint ventures | | 94 | (553) |
| Currency exchange translation | | (781) | (63) |
| Operating cash flows before movements in working capital | | 5,413 | 4,731 |
| Decrease in inventories | | 42 | 455 |
| Increase in trade and other receivables | | (8,053) | (1,863) |
| Increase in contract liabilities | | 35 | 879 |
| Increase in trade and other payables | | 3,406 | 1,954 |
| Cash generated from operations | | 843 | 6,156 |
| PRC Corporate Income Tax paid | | (136) | (659) |
| Net cash generated from operating activities | | 707 | 5,497 |

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

| | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|-----------------------------------|----------------------------------|--|
| Investing activities | 投資活動 | | |
| Proceeds on disposal of property, plant and equipment | 出售物業、機器及設備所得款項 | 6 | 7 |
| Interest received | 已收利息 | 15 | 21 |
| Advance to a third party | 給予一位第三方的墊款 | - | (1,820) |
| Net cash outflow from disposal of subsidiaries | 出售附屬公司時之淨現金流出 | (9) | - |
| Purchase of property, plant and equipment | 購置物業、機器及設備 | (1,742) | (2,324) |
| <i>Net cash used in investing activities</i> | <i>投資活動所用之現金淨額</i> | (1,730) | (4,116) |
| Financing activities | 融資活動 | | |
| Advance from shareholders | 股東墊款 | 23(b) 11,187 | - |
| Advance from related companies | 關聯公司墊款 | 23(b) - | 3,911 |
| Repayment of secured loans | 償還抵押貸款 | 23(b) (3,168) | (1,943) |
| Repayment to a director | 償還一名董事款項 | 23(b) (546) | (1,224) |
| Repayment to related companies | 償還關聯公司款項 | 23(b) (298) | - |
| Payment of lease liabilities | 償還租賃負債 | 23(b) (1,665) | - |
| Interest paid | 已付利息 | 23(b) (5,366) | (6,970) |
| <i>Net cash generated from/(used in) financing activities</i> | <i>融資活動所得/(所用)之現金淨額</i> | 144 | (6,226) |
| Net decrease in cash and cash equivalents | 現金及現金等價物之減少淨額 | (879) | (4,845) |
| Cash and cash equivalents at 1 January | 於一月一日的現金及現金等價物 | 7,757 | 13,027 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | 20 | (425) |
| 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，即銀行結餘及現金 | 6,898 | 7,757 |

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料不予重列。見附註3。

The notes on pages 97 to 224 are an integral part of these consolidated financial statements.

載於第97至224頁的附註乃為該等綜合財務報表的組成部分。

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

1. GENERAL

Forebase International Holdings Limited (the “Company”) was incorporated in Hong Kong with limited liability. The addresses of the registered office and principal place of business of the Company are disclosed in section headed “Corporate Information and Shareholders’ Calendar” of the annual report. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In September 2019, Ultra Harvest Limited (“Ultra Harvest”), which was the ultimate and immediate holding company of the Company as at 31 December 2018, and other shareholders of the Company have completed the disposal of approximately 60.2% of the total issued share capital of the Company (the “Disposal”). As a result, the directors of the Company consider the Company has no ultimate and immediate holding companies as at 31 December 2019, while Mr. Choi Yun Chor and Mr. Cheng Ting Kong are the controlling shareholders (the “Controlling Shareholders”) of the Company.

The Company is an investment holding company and the principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are hotel operation in Canada and properties management in the People’s Republic of China (the “PRC”).

The functional currency of the Company is Hong Kong dollar (“HK\$”). For the purposes of presenting the consolidated financial statements, the Group adopted HK\$ as its presentation currency as its shares are listed in Hong Kong.

The consolidated financial statements are presented in thousands of HK\$ (“HK\$’000”), unless otherwise stated.

1. 一般資料

申基國際控股有限公司（「本公司」）是一間於香港註冊成立之有限公司。本公司之註冊辦事處及主要營業地址於本年報「公司資料及股東日程表」一節。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市。

於二零一九年九月，Ultra Harvest Limited（「Ultra Harvest」）（於二零一八年十二月三十一日為本公司之最終及直接控股公司）及本公司其他股東已完成出售本公司已發行股本總額約60.2%（「出售事項」）。本公司董事認為，於二零一九年十二月三十一日，本公司並無最終及直接控股公司。蔡潤初先生及鄭丁港先生為本公司控股股東（「控股股東」）。

本公司為投資控股公司，本公司及其附屬公司（統稱「本集團」）的主要業務為於加拿大營運酒店及於中華人民共和國（「中國」）管理物業。

本公司的功能貨幣為港元（「港元」）。就呈列綜合財務報表而言，本集團採納港元為其呈列貨幣，因為其股份於香港上市。

除另有說明外，本綜合財務報表以千港元呈列。

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. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The annual consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”).

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group’s consolidated financial statements, if any, are disclosed in note 3. The consolidated financial statements have been prepared on the historical cost basis. The measurement bases are fully described in the accounting policies below.

Going concern basis

As at 31 December, 2019, the Group’s current liabilities exceeded its current assets by HK\$64,030,000. Such event or condition indicates the existence of material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern, and thus, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

2. 主要會計政策

2.1 編製基準

年度綜合財務報表乃按照全部適用之香港財務報告準則（「香港財務報告準則」）編製，而香港財務報告準則是一個統稱，包括香港會計師公會（「香港會計師公會」）頒佈的所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則，以及香港公司條例之規定。綜合財務報表亦符合聯交所證券上市規則（「上市規則」）之適用披露規定。

編製該等綜合財務報表所採用的重大會計政策概述如下。除非另有說明，否則該等政策一直適用於所有呈列年份。採納新訂或經修訂《香港財務報告準則》及其對本集團綜合財務報表之影響（如有）於附註3披露。綜合財務報表以歷史成本基準編製。計量基礎於以下會計政策充分說明。

持續經營基準

於二零一九年十二月三十一日，本集團流動負債較其流動資產多64,030,000港元。上述事件或情況顯示存有重大不明朗因素，將可能對本集團繼續持續經營的能力產生重大疑問，因此，本集團可能無法於正常業務過程中變現資產及清償負債。

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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Going concern basis (Continued)

In order to ensure the Group's ability to operate as a going concern, certain plans and measures have been taken to mitigate the liquidity pressure and to improve its consolidated financial position which including, but not limited to, the following:

- (i) the Controlling Shareholders have given an undertaking to provide continuing financial support to the Group to enable it to meet its liabilities as and when they fall due and to enable the Group to continue in operational existence;
- (ii) In March 2020, the Group has renewed the banking facilities with the relevant bank in relation to the secured loans of HK\$34,275,000 as at 31 December 2019 for another six months; and
- (iii) the Directors have carried out a detailed review of the working capital forecast of the Group for the twelve months ending 31 December 2020, which took into account the projected future working capital of the Group.

The directors believe the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the end of the reporting period. Accordingly, the directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

2. 主要會計政策 (續)

2.1 編製基準 (續)

持續經營基準 (續)

為確保本集團持續經營的能力，我們已採取若干計劃及措施減輕流動資金壓力及改善其綜合財務狀況，包括但不限於以下各項：

- (i) 控股股東承諾向本集團提供持續性財務支持讓本集團應付到期負債及確保本集團繼續持續經營；
- (ii) 於二零二零年三月，本集團已就於二零一九年十二月三十一日的有抵押貸款34,275,000港元與相關銀行重續銀行融資函多六個月；及
- (iii) 董事已對本集團截至二零二零年十二月三十一日止十二個月的營運資金預測進行詳細審閱。該等預測已考慮本集團的預計未來營運資金。

董事相信本集團會有充裕現金資源滿足其未來營運資金及自本報告期末起未來十二個月到期的其他融資需要。董事相信本集團繼續持續經營，因此，董事認為按持續經營基準編製其綜合財務報表為合適。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Should the Group be unable to continue its business as a going concern, adjustments would have to be made in the consolidated financial statements to restate the values of the assets to their recoverable amounts and to provide for any further liabilities which might arise and to reclassify non-current assets as current assets.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

2. 主要會計政策 (續)

2.1 編製基準 (續)

倘本集團無法以持續經營繼續其業務，須對綜合財務報表作出調整以將資產價值扣減至其可收回金額，並就可能產生之任何進一步負債計提撥備，並將非流動資產重新分類為流動資產。

謹請留意，編製綜合財務報表時須作出會計估計及假設。儘管該等估計乃基於管理層對現存事件及行動的最佳理解及判斷而作出，惟實際結果最終可能有別於該等估計。涉及較高度判斷或複雜性，或其假設及估計對綜合財務報表而言有重大影響之範圍已於附註4披露。

2.2 綜合基準

綜合財務報表包括本公司及其附屬公司截至每年十二月三十一日止之財務報表。

附屬公司為本集團所控制之所有實體。倘本集團因參與一家實體之業務而可或有權獲得可變回報，且有能力透過對實體行使權力而影響其回報，則對該實體擁有控制權。於評估本集團是否對該實體擁有控制權時，僅考慮（由本集團及其他方所持有）與該實體相關之實質權利。

自本集團獲得控制權之日起至其不再控制附屬公司之日止，本集團將該附屬公司之收益及開支計入綜合財務報表。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 "Financial Instruments" ("HKFRS 9") or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2. 主要會計政策 (續)

2.2 綜合基準 (續)

集團內公司間之交易、結餘及未變現之交易收益及虧損會於編製綜合財務報表時予以抵銷。倘集團內公司間資產出售之未變現虧損於綜合賬目時撥回，相關資產亦會從本集團角度進行減值測試。附屬公司財務報表之呈報數額在必要時已予調整，確保與本集團採納之會計政策一致。

本集團於附屬公司之權益變動倘無導致失去控制權，則按權益交易入賬，並於綜合權益內對控股權益金額進行調整以反映相關權益之變動，但不會對商譽進行調整，同時也不會確認損益。

倘本集團失去對一間附屬公司之控制權，則於出售時的損益乃以下列兩項的差額計算：(i) 所收取代價之公允價值及任何保留權益公允價值的總和，及(ii) 附屬公司先前之資產（包括商譽）及負債及任何非控股權益之賬面值。倘附屬公司之若干資產按重估金額或公允價值計算，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬（即重新分類至損益或直接轉撥至保留盈利）。於失去控制權當日仍保留於前附屬公司的任何投資公允價值，則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」），將被視為就其後入賬而言初始確認的公允價值，或（如適用）於一間聯營公司或一間合營企業的投資的初始確認成本。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss (see note 2.12) unless the subsidiary is held for sale or included in a disposal group. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. 主要會計政策 (續)

2.2 綜合基準 (續)

本公司之財務狀況表中，附屬公司乃按成本減去減值虧損列賬（見附註2.12），除非該附屬公司為持作待售或包括於出售組別內。成本已就反映或然代價修訂所致之代價變動予以調整。成本亦包括直接應佔的投資成本。

附屬公司之業績由本公司按報告期末之已收及應收股息列賬。所有股息（無論是從被投資方收購前或收購後的溢利中獲取）均在本公司損益表確認。

業務合併

收購附屬公司及業務採用收購法入賬。於業務合併中轉撥的代價按公允價值計量，而公允價值按本集團所轉讓的資產、本集團向被收購方前股東承擔的負債及本集團用作交換被收購方的控制權所發行之股權於收購日之公允價值總和計算。有關收購的成本於產生時確認於損益表中。

於業務合併中收購的可識別資產及承擔的負債及或然負債乃於收購日初始按其公允價值計量。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

2. 主要會計政策 (續)

2.2 綜合基準 (續)

業務合併 (續)

商譽乃以已轉撥的代價、任何非控股權益於被收購方中所佔金額及收購方過往於被收購方所持股權的公允價值 (如有) 之總和，超出所收購的可識別資產及所承擔的負債於收購日的淨值之數額計量。倘經過評估後，所收購的可識別資產與所承擔的負債於收購日的淨額高於已轉撥的代價、非控股權益於被收購方中所佔金額及收購方過往於被收購方所持股權的公允價值 (如有) 之總和，則超出的數額即時於損益表中確認為議價收購收益。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Business combinations (Continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at the end of the reporting periods and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at the end of the reporting periods at fair value with corresponding gain or loss being recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

2. 主要會計政策 (續)

2.2 綜合基準 (續)

業務合併 (續)

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價乃按收購日期之公允價值計量並視為於業務合併中所轉讓代價的一部份。合資格估計量期間調整之或然代價之公允價值變動乃追溯調整，並對商譽或議價購買作出相應調整。計量期間調整乃於計量期間因取得有關於收購日期已存在事實及情況的額外資料所作出的調整。計量期間自收購日期起計不可超過一年。不合資格作為計量期間調整之或然代價公允價值變動之其後會計處理，取決於或然代價如何分類。分類為權益的或然代價於報告期末不會重新計量，其後結算於權益內進行入賬處理。分類為金融負債的或然代價乃根據公允價值於報告期末重新計量，而相應收益或虧損乃於損益中確認。

於收購日期前在其他全面收益及在權益內累計確認的以往持有股本權益之價值變動，於本集團取得該被收購方控制權時重新分類至損益。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.3 Interests in associate or joint ventures

An associate is an entity over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions relating about relevant activities require the unanimous consent of the parties sharing control.

2. 主要會計政策 (續)

2.2 綜合基準 (續)

業務合併 (續)

倘業務合併之初始會計處理於合併發生之結算日仍未完成，則本集團會就仍未完成會計處理之項目呈報暫定金額。該等暫定金額於計量期間（見上文）內作出調整，並確認額外資產或負債，以反映獲得有關於收購日期已存在事實及情況之新資料，而倘知悉該等資料，將會影響於當日確認之金額。

2.3 於聯營公司或合營企業之權益

聯營公司乃本集團於其中有重大影響力（指參與被投資公司的經營及財務決策，惟並非控制或共同控制該等政策的權力）的實體。

合營企業是一種共同安排，共同控制安排的各方有權分享該安排的淨資產。共同控制是指按照合約協定對某項安排所共有的控制，僅在相關活動要求共同享有控制權的各方作出一致同意之決定時存在。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Interests in associate or joint ventures (Continued)

In consolidated financial statements, interest in an associate or interests in joint ventures is initially recognised at cost and subsequently accounted for using the equity method. Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate or joint ventures recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group, plus any costs directly attributable to the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss in the determination of the Group's share of the associate or joint ventures' profit or loss in the period in which the investment is acquired.

Under the equity method, the Group's interest in the associate or interests in joint ventures is carried at cost and adjusted for the post-acquisition changes in the Group's share of the associate or joint ventures' net assets less any identified impairment loss, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). The profit or loss for the year includes the Group's share of the post-acquisition, post-tax results of the associate or joint ventures for the year, including any impairment loss on the interest in an associate or interests in joint ventures for the year. The Group's other comprehensive income for the year includes its share of the associate or joint ventures' other comprehensive income for the year.

2. 主要會計政策 (續)

2.3 於聯營公司或合營企業之權益 (續)

在綜合財務報表中，於一間聯營公司的權益或於合營企業的權益初始按成本確認，其後採用權益法入賬。收購成本超逾本集團應佔於收購日期所確認該聯營公司或該等合營企業的可識別資產、負債及或然負債的公允淨值的任何數額會確認為商譽。商譽計入投資的賬面值，並作為投資的一部分作出減值評估。收購成本按交易當日所給予的資產、所產生或承擔的負債，以及本集團已發行權益工具的公允價值總額，另加投資直接應佔的任何成本計量。重新評估後，本集團應佔可識別資產、負債及或然負債的公允價值淨值超出收購成本的任何差額，即時於損益確認，以釐定購入投資期間本集團應佔該聯營公司或該等合營企業的損益。

按照權益法，本集團於該聯營公司或該等合營企業的權益按成本列賬，並就本集團應佔該聯營公司或該等合營企業的資產淨值減任何已識別減值虧損於收購後的變動作出調整，惟列為持作出售者（或計入持作出售類別的出售組別內者）除外。往績記錄期間損益包括本集團於本年度應佔該聯營公司或該等合營企業的收購後及除稅後業績（包括於本年度確認的於一間聯營公司的權益或於合營企業的權益的任何減值虧損）。本集團應佔該聯營公司或該等合營企業之本年度其他全面收益計入本集團本年度其他全面收益。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Interests in associate or joint ventures (Continued)

Unrealised gains on transactions between the Group and its associate and joint ventures are eliminated to the extent of the Group's interests in the associate or joint ventures. Where unrealised losses on assets sales between the Group and its associate or joint ventures are reversed on equity accounting, the underlying asset is also tested for impairment from the Group's perspective. Where the associate or joint ventures use accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made, where necessary, to conform the associate or joint ventures' accounting policies to those of the Group when the associate or joint ventures' financial statements are used by the Group in applying the equity method.

When the Group's share of losses in an associate or joint ventures equals or exceeds its interest in the associate or joint ventures, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate or joint ventures. For this purpose, the Group's interests in the associate or joint ventures is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or joint ventures.

2. 主要會計政策 (續)

2.3 於聯營公司或合營企業之權益 (續)

本集團與其聯營公司及合營企業之間交易的未變現收益將會撇銷，惟以本集團所佔聯營公司或合營企業的權益為限。倘本集團與其聯營公司或合營企業之間資產銷售的未變現虧損按權益會計法撥回，本集團亦會對有關資產作減值測試。倘合營企業所用會計政策並非為本集團於同類情況下就類似交易及事件所採用者，則本集團須於採用權益法而使用該聯營公司或該等合營企業財務報表時作出必要調整，以使該聯營公司或該等合營企業的會計政策與本集團所用者一致。

當本集團應佔聯營公司或合營企業的虧損相等於或超過其於該聯營公司或該等合營企業的權益時，除非其擁有法定或推定責任或代表該聯營公司或該等合營企業付款，否則本集團不會再確認虧損。就此而言，本集團於該聯營公司或該等合營企業的權益為根據權益法計算投資的賬面值，連同實質構成本集團於該聯營公司或該等合營企業的投資淨額的長期權益部分。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Interests in associate or joint ventures (Continued)

After the application of equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's interests in its associate or joint ventures. At the end of each reporting period, the Group determines whether there is any objective evidence that the interest in an associate or interests in joint ventures is impaired. If such indications are identified, the Group calculates the amount of impairment as being the difference between the recoverable amount (i.e. higher of value in use and fair value less costs of disposal) of the associate or joint ventures and its carrying amount. In determining the value in use of the investment, the Group estimates its share of the present value of the estimated future cash flows expected to be generated by the associate or joint ventures, including cash flows arising from the operations of the associate or joint ventures and the proceeds on ultimate disposal of the investment.

2. 主要會計政策 (續)

2.3 於聯營公司或合營企業之權益 (續)

於應用權益法後，本集團決定是否須就本集團於其聯營公司或合營企業的權益確認額外減值虧損。於各報告期末，本集團決定是否有任何客觀憑證顯示於一間聯營公司之權益或於合營企業的權益出現減值。倘識別出該等跡象，則本集團所計算之減值金額為於該聯營公司或該等合營企業的可收回金額（使用價值與公允價值減出售成本兩者間之較高者）與其賬面值之差額。於釐定投資之使用價值時，本集團估計其應佔預期將由該聯營公司或該等合營企業產生的估計未來現金流量的現值，包括該聯營公司或該等合營企業的營運所產生以及最終出售該投資的所得款項的現金流量。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Interests in associate or joint ventures (Continued)

The Group discontinues the use of equity method from the date when it ceases to have significant influence over an associate or joint control over a joint venture. If the retained interest in that former associate or joint venture is a financial asset, the retained interest is measured at fair value, which is regarded as its fair value on initial recognition as a financial asset in accordance with HKFRS 9. The difference between (i) the fair value of any retained interest and any proceeds from disposing of a partial interest in the associate or joint ventures; and (ii) the carrying amount of the investment at the date the equity method was discontinued, is recognised in the profit or loss. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint ventures on the same basis as would have been required if the associate or joint ventures had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by the investee would be reclassified to profit or loss on the disposal of the related assets or liabilities, the entity reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

2. 主要會計政策 (續)

2.3 於聯營公司或合營企業之權益 (續)

本集團自其不再對聯營公司有重大影響力或對合營企業有共同控制權當日起終止使用權益法。倘於該前聯營公司或合營企業之保留權益為金融資產，該保留權益按公允價值計量，並根據香港財務報告準則第9號初始確認為金融資產時將該公允價值視作其公允價值。在(i)任何保留權益及出售該聯營公司或該等合營企業部分權益之任何所得款項之公允價值與(ii)終止使用權益法當日投資賬面值之間之差額，均於損益內確認。此外，本集團會將以往在有關該聯營公司或該等合營企業之其他全面收益中確認之所有金額入賬，且基準與有關聯營公司或合營企業直接處置相關資產或負債所需基準相同。因此，倘以往由被投資方於其他全面收益中確認之收益或虧損將於處置相關資產或負債時重新分類至損益，則實體於終止使用權益法時，將該收益或虧損自權益重新分類至損益（作為重新分類調整）。

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For the year ended 31 December 2019
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Revenue recognition

Revenue arises mainly from service income from hotel operation and properties management.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than twelve months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

2. 主要會計政策（續）

2.4 收益確認

所產生的收益主要來自於酒店經營及物業管理。

為釐定是否確認收益，本集團遵循五個步驟程序：

第一步：識別與客戶訂立之合約

第二步：識別履約責任

第三步：釐定交易價

第四步：將交易價分配至履約責任

第五步：於（或隨著）完成履約責任時確認收益

在所有情況下，合約的總交易價格根據其相對獨立的銷售價格分配至各履約責任。合約的交易價格不包括代表第三方收取的任何金額。

當（或於）本集團通過將承諾的商品或服務轉移至其客戶以履行履約責任時，收入在某個時間點或隨時間確認。

倘合約中包含為客戶提供超過12個月的重大融資利益的融資部分，則收益按應收金額的現值計量，並使用與客戶的單獨融資交易中反映的貼現率貼現，而利息收入按實際利率法單獨計量。倘合約中包含為本集團提供重大融資利益的融資部分，則根據該合約確認的收入包括按實際利率法計算的合約負債所產生的利息開支。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Revenue recognition (Continued)

The Group takes advantage of the practical expedient in paragraph 63 of HKFRS 15 “Revenue from Contracts with Customers” (“HKFRS 15”) and does not adjust the consideration for any effects of a significant financing component if the period of financing is 12 months or less.

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

- (a) Service income from hotel operation and properties management is recognised when services are rendered. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.
- (b) Interest income is recognised on a time proportion basis using the effective interest method.
- (c) Sales of goods are recognised when the customer obtains control of the promised goods in the contract. This is usually taken to be the point in time when the goods are delivered and the customer has accepted the goods.

2. 主要會計政策（續）

2.4 收益確認（續）

本集團採用香港財務報告準則第15號「客戶合約收入」（「香港財務報告準則第15號」）第63段所載的實際權宜方法，倘融資期為12個月或以下，則不會就重大融資部份的任何影響調整代價。

有關本集團收益及其他收入及收益確認政策的進一步詳情如下：

- (a) 來自酒店經營及物業管理的服務收入於提供服務時確認；收益不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。
- (b) 利息收入按時間比例基準採用實際利率法確認。
- (c) 當客戶獲得合約中承諾貨物的控制權時，確認貨物銷售，通常是在貨物交付及客戶接受貨物之時。

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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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses (see note 2.12). Historical cost includes purchase price and expenditure that is directly attributable to the acquisition of the item.

Depreciation of item of property, plant and equipment is provided to write off the cost less their residual values, if any, using the straight-line method over their estimated useful lives as follows:

| | |
|-------------------------------------|-----------------|
| Freehold land | Not depreciated |
| Buildings held for own use | 25 years |
| Leasehold improvements | 3 years |
| Motor vehicles | 5 years |
| Other property, plant and equipment | 3-5 years |

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other expenses, such as repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

2. 主要會計政策 (續)

2.5 物業、機器及設備

物業、機器及設備乃按歷史成本減累計折舊及累計減值虧損列賬(見附註2.12)。歷史成本包括收購有關項目直接應佔的購入價及開支。

物業、機器及設備項目的折舊按估計可使用年期以直線法撇銷成本減其剩餘價值(如有)計提如下:

| | |
|------------|------|
| 永久業權土地 | 不予折舊 |
| 持作自用的樓宇 | 25年 |
| 租賃物業裝修 | 3年 |
| 汽車 | 5年 |
| 其他物業、機器及設備 | 3-5年 |

資產的剩餘價值、折舊方法及可使用年期於各報告期末檢討及調整(如適用)。

廢棄或出售時產生的收益或虧損按銷售所得款項與資產賬面值間的差額釐定,並於損益確認。

其後成本僅在項目相關的未來經濟利益將會流入本集團及能夠可靠計量項目成本時,方會在適當情況下計入資產賬面值或確認為獨立資產。更換部分的賬面值終止確認。維修及保養等所有其他支出,均於產生的財政年間自損益扣除。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.7 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the end of the reporting period retranslation of monetary assets and liabilities are recognised in profit or loss.

2. 主要會計政策（續）

2.6 存貨

存貨以成本及可變現淨值兩者中的較低數額列賬。

成本按加權平均法計算，且包括採購成本、轉變成本及將存貨達致現有地點及狀況所產生的其他成本。

可變現淨值乃於日常業務過程中的估計售價減估計完工成本及適用銷售開支。

於出售存貨時，該等存貨的賬面值於確認有關收益的期間確認為開支。存貨撇減至可變現淨值的款額及所有存貨虧損均於撇減或虧損出現的期間列作開支。已撇減存貨的任何撥回金額於撥回產生年度列作開支並確認為所確認存貨金額減少。

2.7 外幣換算

於綜合實體的個別財務報表中，外幣交易按交易當日匯率換算為個別實體的功能貨幣。於報告期末，以外幣計值的貨幣資產及負債乃按當日的匯率換算。因結算該等交易列值的貨幣資產及負債而產生的匯兌收益或虧損於損益內確認。

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綜合財務報表附註

For the year ended 31 December 2019
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency translation (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates and are not retranslated (i.e. only translated using the exchange rates at the transaction date).

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the end of the reporting period. Income and expenses have been converted into Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

2. 主要會計政策 (續)

2.7 外幣換算 (續)

按歷史成本計量以外幣為單位的非貨幣項目均使用換算當日的匯率折算概不重新換算(即僅使用換算當日的匯率折算)。

於綜合財務報表內，原以由本集團呈列貨幣以外貨幣呈列的境外業務的所有個別財務報表已兌換為港元。資產及負債乃按報告期末的收盤匯率換算為港元。收入及開支乃按交易日的通行匯率或倘匯率並無大幅波動，則以報告期間的平均匯率兌換為港元。換算產生的任何差額已於其他全面收益確認並於權益內匯兌儲備中分別累計。

於出售海外業務(即出售本集團於海外業務的全部權益，或涉及失去對包括海外業務的附屬公司的控制權或失去對包括海外業務的合營企業的共同控制權)時，本集團應佔有關該業務的所有累計匯兌差額重新分類至損益。終止確認先前歸屬為非控股權益的任何匯兌差額，但無需重新分類至損益。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses (see note 2.12). Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful life is applied:

| | |
|------------------------|----------|
| Customers relationship | 10 years |
|------------------------|----------|

The assets' amortisation method and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.9 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in profit or loss.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策 (續)

2.8 無形資產

已收購無形資產初始按成本值確認。於初始確認後，具有有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損（見附註2.12）列賬。具有有限可使用年期的無形資產按估計可使用年期以直線法予以攤銷。無形資產於可供使用時隨即攤銷。下列可使用年期會予以應用：

| | |
|------|-----|
| 顧客關係 | 10年 |
|------|-----|

資產的攤銷方法及可使用年期會於報告期末予以檢討及在適用情況下予以調整。

2.9 所得稅之會計處理

所得稅包括即期稅項及遞延稅項。

即期稅務資產及／或負債包括本報告期間或過往報告期間（且於報告期末尚未支付）向財政當局繳納稅款的責任或來自有關財政當局催繳稅款的索償。所得稅乃根據有關財政期間適用的稅率及稅法按年內應課稅溢利計算。即期稅項資產或負債的所有變動於損益中確認為稅項開支的一部分。

遞延稅項乃按於報告期末綜合財務報表內資產與負債賬面值與其相應稅基的暫時差額使用負債法計算。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣稅暫時差額、可結轉稅項虧損以及其他未運用稅務抵免確認，惟以可能有應課稅溢利（包括現有應課稅暫時差額）可抵銷可扣稅暫時差額、未運用稅項虧損及未運用稅務抵免的情況為限。

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For the year ended 31 December 2019
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Accounting for income taxes (Continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, interest in an associate and interests in joint ventures, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised in profit or loss, or in other comprehensive income or directly in equity if they relate to items that are charged or credited to other comprehensive income or directly in equity.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

2. 主要會計政策（續）

2.9 所得稅之會計處理（續）

倘暫時差額由商譽或初次確認一項不影響應課稅溢利或會計溢利的交易中的其他資產及負債（業務合併除外）所產生，則遞延稅項資產及負債不予確認。

遞延稅項負債乃按與於附屬公司的投資、於一間聯營公司之權益及於合營企業之權益有關的應課稅臨時差額而確認，惟若本集團可控制臨時差額的回撥及臨時差額很有可能不會於可見將來回撥的情況除外。

遞延稅項乃按預期於清償負債或變現資產期間適用的稅率計算（不作貼現），惟有關稅率於報告期末須為已頒佈或實際上頒佈的稅率。

遞延稅項資產或負債變動於損益中確認，或倘與其他全面收益或直接於權益扣除或計入的項目有關，則於其他全面收益或直接於權益中確認。

來自股息分派的額外所得稅乃於派付有關股息的責任獲確認時確認。

當不同稅率適用於不同水平的應課稅收入時，遞延所得稅資產和負債按預期適用於預計暫時性差額撥回期間的應課稅收入的平均稅率計量。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Accounting for income taxes (Continued)

The determination of the average tax rates requires an estimation of (1) when the existing temporary differences will reverse and (2) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

- (a) income or loss excluding reversals of temporary differences; and
- (b) reversals of existing temporary differences.

Current tax assets and current tax liabilities are presented in net if, and only if:

- (a) the Group has the legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if:

- (a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. 主要會計政策 (續)

2.9 所得稅之會計處理 (續)

釐定平均稅率需要估計(1)當現有暫時性差額將撥回時及(2)該等年度的未來應課稅收入金額。估計未來應課稅收入包括：

- (a) 不包括暫時性差異撥回的收入或虧損；及
- (b) 現有暫時性差異撥回。

即期稅項資產與即期稅項負債僅於以下情況以淨額呈列：

- (a) 本集團依法有強制執行權可以將已確認金額對銷；及
- (b) 計劃以淨額基準結算或同時變現資產及清償負債。

本集團僅於以下情況以淨額呈列遞延稅項資產與遞延稅項負債：

- (a) 該實體依法有強制執行權可以將即期稅項資產與即期稅項負債對銷；及
- (b) 遞延稅項資產與遞延稅項負債是關於同一稅務機關就以下任何一項所徵收的所得稅：
 - (i) 同一應課稅實體；或
 - (ii) 計劃於各未來期間（而預期在未來將結清或收回大額的遞延稅項負債或資產）以淨額基準結算即期稅項負債與資產或同時變現資產及清償負債的不同應課稅實體。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets

Recognition and derecognition

Financial assets are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15, all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss (“FVTPL”), plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are measured at amortised cost.

The classification is determined by both:

- the entity’s business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

Expected credit losses (“ECL”) of trade and other receivables is presented within “Administrative expenses”.

2. 主要會計政策（續）

2.10 金融資產

確認及終止確認

金融資產在本集團成為工具合約條款的一方時於綜合財務狀況表中確認。

當金融資產的現金流量的合約權利到期，或金融資產及其絕大部分風險及回報轉移時，金融資產終止確認。

金融資產的分類及初始計量

除不包含重大融資成分且按交易價格按照香港財務報告準則第15號計量的貿易應收賬款外，所有金融資產初始按公允價值計量，如果金融資產不是以公允價值計量且其變動計入損益（「以公允價值計量且其變動計入損益」），加上直接歸屬於收購該金融資產的交易成本。

金融資產按攤銷成本計量。

分類由以下兩者決定：

- 實體管理金融資產的商業模式；及
- 金融資產的合約現金流量特徵。

貿易及其他應收賬款的預期信貸虧損列於「行政開支」內。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

Subsequent measurement – financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in “Other income and gain, net” in profit or loss. Discounting is omitted where the effect of discounting is immaterial. The Group’s bank balances and cash, trade and other receivables, amount due from an associate and amount due from a joint venture fall into this category of financial assets.

2.11 Credit loss and impairment of financial assets

HKFRS 9’s impairment requirements use more forward-looking information to recognise ECL – the “ECL model”. Instruments within the scope included loans and other debt-type financial assets measured at amortised cost and trade receivables.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

2. 主要會計政策 (續)

2.10 金融資產 (續)

後續計量 – 按攤銷成本計量的金融資產

如果資產符合以下條件 (並且未指定為以公允價值計量且其變動計入損益), 則金融資產按攤銷成本計量:

- 在一種商業模式中持有, 其目的是持有金融資產並收取其約定的現金流量; 及
- 金融資產的合約條款產生的現金流僅為本金及未償還本金的利息。

在初始確認後, 金融資產使用實際利率法以攤銷成本法計量。該等金融資產的利息收入計入損益表的「其他收入及收益淨額」。如果貼現的影響並不重大, 則省略貼現。本集團的銀行結存及現金、貿易及其他應收賬款、應收一間聯營公司款項以及應收一間合營企業款項均屬於此類金融資產。

2.11 金融資產信貸虧損及減值

香港財務報告準則第9號的減值規定採用更具前瞻性的資料確認預期信貸虧損 – 「預期信貸虧損模式」。範疇內的工具包括按攤銷成本計量的貸款及其他債務類之金融資產以及貿易應收賬款。

本集團在評估信貸風險及計量預期信貸虧損時考慮更廣泛的資料, 包括過去事件、當前狀況、合理且可支持的預測, 這些預測會影響工具未來現金流量的預期可收回性。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Credit loss and impairment of financial assets (Continued)

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk (“Stage 1”); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low (“Stage 2”).

“Stage 3” would cover financial assets that have objective evidence of impairment at the end of the reporting period.

“12-month ECL” are recognised for the Stage 1 category while “lifetime ECL” are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial asset.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due status.

2. 主要會計政策 (續)

2.11 金融資產信貸虧損及減值 (續)

在應用這種前瞻性方法時，區別在於：

- 自初始確認後信用質量未顯著惡化或信用風險較低的金融工具（「第一階段」）；及
- 自初始確認以來信用質量顯著惡化且信用風險不低的金融工具（「第二階段」）。

「第三階段」將涵蓋在各報告期末具有客觀減值證據的金融資產。

「12個月預期信貸虧損」被確認為第一類，而「終身預期信貸虧損」被確認為第二類。

預期信貸虧損的計量方法取決於金融資產預計使用年限內信貸虧損的概率加權估計。

貿易應收賬款

就貿易應收賬款而言，本集團採用簡化模式計算預期信貸虧損，並於各報告期末根據終身預期信貸虧損確認虧損撥備。考慮到金融資產有效期內任何時候違約的可能性，這些是合約現金流量的預期缺口。在計算預期信貸虧損時，本集團已建立一個基於其歷史信貸虧損經驗和外部指標的撥備矩陣，並根據債務人和經濟環境特定的前瞻性因素進行調整。

為計量預期信貸虧損，貿易應收賬款根據共同信貸風險特徵及逾期狀況進行分組。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Credit loss and impairment of financial assets (Continued)

Other financial assets measured at amortised cost

The Group measures the loss allowance of other receivables equal to 12-month 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 increase in the likelihood or risk of default occurring since initial recognition.

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

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

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

2. 主要會計政策 (續)

2.11 金融資產信貸虧損及減值 (續)

按攤銷成本計量的其他金融資產

本集團計算其他應收賬款的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信用風險大幅增加，本集團確認終身預期信貸虧損。是否應確認終身預期信貸虧損的評估是基於自初始確認以來發生違約的可能性或風險的顯著增加。

在評估自初始確認後信貸風險是否顯著增加時，本集團將報告期末金融資產發生違約的風險與初始確認日期金融資產違約風險進行比較。在進行評估時，本集團會考慮合理且可支持的定量和定性資料，包括歷史經驗和前瞻性資料，無需過多的成本或努力即可獲得。

具體而言，在評估信用風險是否顯著增加時，會考慮以下資料：

- 金融工具外界（如果有）或內部信用評級的實際或預期顯著惡化；
- 信貸風險的外部市場指標顯著惡化，例如信貸利差大幅增加，債務人的信用違約掉期價格；
- 預計會導致債務人履行債務能力大幅下降的業務，財務或經濟狀況的現有或預測的不利變化；

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Credit loss and impairment of financial assets (Continued)

Other financial assets measured at amortised cost (Continued)

- an actual or expected significant deterioration in the operating results of the debtor; and
- 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.

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 end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and 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.

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 collateral held by the Group).

Credit-impaired financial assets

At the end of each reporting period, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2. 主要會計政策 (續)

2.11 金融資產信貸虧損及減值 (續)

按攤銷成本計量的其他金融資產 (續)

- 債務人經營業績的實際或預期顯著惡化；及
- 債務人的監管、經濟或技術環境的實際或預期的重大不利變化，導致債務人履行債務能力大幅下降。

儘管如此，倘於各報告期末確定債務工具的信貸風險較低，本集團假設債務工具的信貸風險自初始確認後並未顯著增加。倘債務工具的違約風險較低，借款人擁有在短期內履行合約現金流責任的較強能力，而長期內經濟及商業狀況的不利變化不一定會降低借款人履行合約現金流責任的能力，則釐定其具有較低的信用風險。

就內部信貸風險管理而言，本集團認為，倘內部生成或自外部來源獲得之資料顯示債務人不太可能向其債權人（包括本集團）悉數付款（不考慮本集團持有之任何抵押品），則發生違約事件。

經信貸減值的金融資產

於各報告期末，本集團評估金融資產是否出現信貸減值。當發生對金融資產的估計未來現金流量產生不利影響的一宗或多宗違約事件時，該金融資產即出現信貸減值。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Credit loss and impairment of financial assets (Continued)

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 42.3.

2. 主要會計政策 (續)

2.11 金融資產信貸虧損及減值 (續)

經信貸減值的金融資產 (續)

金融資產出現信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違反合約，例如違約或拖欠利息或本金；
- 借款人有可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現對債務人造成不利影響的重大變動；或
- 證券活躍市場因發行人陷財政困難而消失。

撇銷政策

倘實際上並無收回的可能，金融資產的總賬面值會被撇銷（部分或全部）。該情況通常出現在本集團確定債務人沒有資產或收入來源可產生足夠現金流量以償還應撇銷的金額。

隨後收回先前撇銷的資產於收回期間在損益內確認為減值撥回。

按攤銷成本計量的貿易應收賬款及其他金融資產的預期信貸虧損評估詳情載於附註42.3。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of non-financial assets

Property, plant and equipment, intangible assets, right-of-use assets and interests in subsidiaries in the statement of financial position of the Company, are subject to impairment testing. These assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of the time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e., a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Corporate assets are allocated to individual cash-generating units, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Impairment losses recognised for cash-generating units is charged pro rata to the assets in the cash-generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

2. 主要會計政策（續）

2.12 非金融資產減值

物業、機器及設備、無形資產、使用權資產以及本公司財務狀況表內於附屬公司之權益須接受減值測試。當有跡象表明資產賬面值可能無法收回，則會進行減值測試。

減值虧損按資產賬面值超出其可收回金額的差額，即時確認為開支。可收回金額為反映市況的公允價值減出售成本與使用價值兩者的較高者。評估使用價值時，估計未來現金流量採用稅前貼現率貼現至其現值，以反映現時市場對貨幣時間值及有關資產特有風險的評估。

為評估減值，倘資產並無產生大致上獨立於其他資產的現金流入，可收回金額則按可獨立產生現金流入的最小資產組合（即現金產生單位）釐定。因此，部分資產個別進行減值測試，另有部分按現金產生單位測試。於可識別合理和一貫分配基準的情況下，企業資產亦會被分配到個別現金產生單位，否則或會被分配到可識別合理及一貫分配基準的最小現金產生單位組別中。

於現金產生單位確認的減值虧損會按比例基準自現金產生單位的資產扣除，惟資產的賬面值不得減至低於其個別公允價值減出售成本或使用價值（倘能釐定）。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Impairment of non-financial assets (Continued)

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.13 Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting", in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

2.14 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.15 Financial liabilities

The Group's financial liabilities include trade and other payables, amounts due to related companies, secured loans, bonds, amount due to a director, loan from shareholders and lease liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities (other than lease liabilities) are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

2. 主要會計政策 (續)

2.12 非金融資產減值 (續)

倘用於釐定資產可收回金額的估計出現有利變動，則撥回減值虧損，惟以資產賬面值不得高於並無確認減值虧損時原應釐定的賬面值（扣除折舊或攤銷）為限。

2.13 中期財務報告及減值

根據上市規則，集團須就財政年度的首六個月編製符合香港會計準則第34號「中期財務報告」規定的中期財務報告。集團在中期期末採用了在財政年度終結時會採用的相同減值測試、確認和撥回準則。

2.14 現金及現金等價物

現金及現金等價物包括銀行及手頭現金以及原定期限為三個月或以下、可隨時轉換為已知金額現金且價值變動風險小的其他短期高流動性投資。

2.15 金融負債

本集團的金融負債包括貿易及其他應付賬款、應付關聯公司款項、抵押貸款、債券、應付一名董事款項、股東貸款及租賃負債。

金融負債於本集團成為工具合約條款訂約方時確認。

金融負債（租賃負債除外）初始按公允價值計量，並在適用情況下就交易成本進行調整，除非本集團指定為以公允價值計量且其變動計入損益的金融負債。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Financial liabilities (Continued)

All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 2.18).

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Trade and other payables, amounts due to related companies, amount due to a director and loan from shareholders

They are recognised initially at their fair values and subsequently measured at amortised cost, using the effective interest method.

Secured loans and bonds

Borrowings, including secured loans and bonds, are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

2. 主要會計政策（續）

2.15 金融負債（續）

所有利息相關費用根據本集團的借貸成本會計政策確認（見附註2.18）。

當負債下的責任獲免除或取消或到期，金融負債將撤銷確認。

當現有金融負債以同一貸款人按極為不同的條款提供的另一項金融負債所取代，或對現有負債的條款作出重大修訂，此類交換或修訂被視為取消確認原有負債及確認新負債，有關賬面值的差額於損益中確認。

貿易及其他應付賬款、應付關聯公司款項、應付一名董事款項及股東貸款

等款項最初以其公允價值確認，隨後使用實際利息法按攤銷成本計量。

抵押貸款及債券

借款（包括抵押貸款及債券）初始以公允價值（扣除交易成本）確認並計量。借款其後按攤銷成本列賬；所得款（扣除交易成本）與贖回價值的任何差額使用實際利率法於借貸期間在損益表內確認。

除非本集團有無條件權利遞延結算報告期末後至少12個月的負債，否則借款歸類為流動負債。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2.4) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 2.11 and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2.4). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2.10).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

2.17 Provision and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) arising as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligations can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2. 主要會計政策 (續)

2.16 合約資產及合約負債

在本集團有權無條件獲取合約所載付款條款代價前確認收益(見附註2.4)時確認合約資產。合約資產按附註2.11所載政策就預期信貸虧損而獲評估，並在代價權利成為無條件後獲重新分類至應收款。

本集團確認相關收益前，合約負債在客戶支代價時確認(見附註2.4)。如本集團有無條件權利在本集團確認相關收益前收取代價，則合約負債亦會獲確認。在相關情況下，相應應收款亦會獲確認(見附註2.10)。

就與客戶的單一合約而言，淨合約資產或淨合約負債得以呈列。就多份合約而言，不相關合約的合約資產及合約負債不按淨額基準呈列。

2.17 撥備及或然負債

當本集團因過往事件而須承擔現有責任(法定或推定)，且可能須有經濟利益流出以結清責任及能夠可靠地估計有關責任金額時，則會確認撥備。倘貨幣時間值屬重大，則撥備按預計結清責任所需開支的現值列賬。

所有撥備均於各報告期末作出檢討並作出調整以反映現時的最佳估計。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Provision and contingent liabilities (Continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2.18 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.

2.19 Employee benefits

Retirement benefit

Retirement benefits to employees are provided through defined contribution plans.

Payments for defined contribution retirement schemes to local governments in the PRC and Canada pursuant to the relevant labour rules and regulations in the PRC and Canada and the Mandatory Provident Fund Scheme (the “MPF Scheme”) in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group’s obligations under these plans are limited to the fixed percentage contributions payable.

2. 主要會計政策（續）

2.17 撥備及或然負債（續）

倘經濟利益流出的可能性不大，或無法可靠估計金額時，該責任會披露為或然負債，除非經濟利益流出的可能性極低，則作別論。可能的責任（視乎日後是否發生本集團無法完全控制的一宗或多宗未確定事件而確定其是否存在）亦披露為或然負債，除非經濟利益流出的可能性極低，則作別論。

2.18 借貸成本

建造任何合資格資產所直接產生的借貸成本乃撥充該等資產的成本，直至有關資產大致上可作擬定用途為止，而合資格資產為需較長時間預備以用於擬定用途的資產。

所有其他借貸成本於產生期間在損益確認。

2.19 僱員福利

退休福利

退休福利乃通過界定供款退休計劃向僱員提供。

根據中國及加拿大的相關勞動規則及法規所制定的中國及加拿大地方政府所界定退休供款計劃的付款以及香港的強制性公積金計劃（「強積金計劃」）於僱員提供服務時賦予其供款後確認作開支。

供款於年內隨僱員提供服務於損益確認為開支。本集團根據該等計劃的責任僅限於應付固定百分比供款。

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Employee benefits (Continued)

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2.20 Share capital

Ordinary shares are classified as equity. Share capital is recognised at the amount of consideration of shares issued, after deducting any transaction costs associated with the issuing of shares (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

2. 主要會計政策 (續)

2.19 僱員福利 (續)

短期僱員福利

僱員應得的年假於其可享有時確認。截至報告期末，僱員因提供服務而可享有年假的估計負債已作撥備。

病假及產假等非累積補假於休假時方予確認。

辭退福利

辭退福利會在本集團不再能夠撤回所提供的辭退福利或確認涉及辭退福利付款的重組成本(以較早者為準)時確認。

2.20 股本

普通股分類為權益。股本以已發行股份面值釐定。與發行股份相關的任何交易成本(扣除任何相關所得稅利益)均予扣減，惟以權益交易直接應佔的增加成本為限。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Leases

(a) Definition of a lease and the Group as a lessee

Policy applicable from 1 January 2019

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contain an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

For contracts 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 and non-lease component on the basis of their relative stand-alone prices.

2. 主要會計政策（續）

2.21 租賃

(a) 租賃的定義及本集團為承租人

自二零一九年一月一日起採用的政策

對於二零一九年一月一日或之後簽訂的任何新合約，本集團將考慮合約是否為租賃或包含租賃。租賃的定義是「在一段時間內傳達使用一項已界定資產（基礎資產）使用權以換取對價的合約或合約的一部分」。為了應用此定義，本集團評估合約是否滿足以下三個關鍵評估：

- 合約中包含已識別資產，該資產在合約中已明確標識，或在向集團提供資產時被隱含指定；
- 考慮到其在合約規定範圍內的權利，本集團有權在整個使用期間從使用已識別資產中獲取實質上的所有經濟利益；及
- 本集團有權在整個使用期內指示已識別資產的使用。本集團評估其是否有權在整個使用期內指示「如何以及出於何種目的」使用該資產。

對於包含租賃部分以及一個或多個其他租賃或非租賃部分的合約，本集團根據其相對獨立價格將合約中的對價分配給每個租賃及非租賃部分。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Leases (Continued)

(a) Definition of a lease and the Group as a lessee (Continued)

*Policy applicable from 1 January 2019
(Continued)*

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset (except for those meeting the definition of investment properties) for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

2. 主要會計政策 (續)

2.21 租賃 (續)

(a) 租賃的定義及本集團為承租人 (續)

自二零一九年一月一日起採用的政策 (續)

計量和確認租賃作為承租人

在租賃開始日期，本集團在綜合財務狀況表中確認使用權資產和租賃負債。使用權資產按成本計量，該成本由租賃負債的初始計量，本集團產生的任何初始直接成本，在資產負債表日終時拆除和移除基礎資產的估計成本組成。租賃以及在租賃開始日期之前支付的任何租賃付款額（扣除收到的任何獎勵）。

本集團按直線法對使用權資產進行折舊。從租賃開始日期到使用權資產的使用壽命結束或租賃期結束之間的較早者，除非本集團有合理的把握在租賃期末獲得所有權。當該指標存在時，本集團也會評估使用權資產（符合投資物業定義的資產除外）的減值。

在開始日期，本集團以當日未付的租賃付款額的現值計量租賃負債，並使用租賃中隱含的利率（如果無法輕易確定該利率）或本集團的增量借款利率進行貼現。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Leases (Continued)

(a) Definition of a lease and the Group as a lessee (Continued)

*Policy applicable from 1 January 2019
(Continued)*

Measurement and recognition of leases as a lessee (Continued)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

Refundable rental deposits paid 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 and included in the cost of right-of-use asset.

2. 主要會計政策 (續)

2.21 租賃 (續)

(a) 租賃的定義及本集團為承租人 (續)

自二零一九年一月一日起採用的政策 (續)

計量和確認租賃作為承租人 (續)

計入租賃負債的租賃付款由固定付款 (包括實質固定付款) 減去任何應收租賃激勵款項, 基於指數或費率的可變付款以及預計在殘值擔保下應支付的金額組成。租賃付款還包括本集團將合理行使的購股權的行使價和終止租賃的罰款, 前提是租賃期反映了本集團行使終止期權的情況。

在初始計量之後, 將減少所支付的負債, 並增加租賃負債的利息成本。重新計量以反映任何重新評估或租賃變更, 或物質內部固定付款發生變化。不依賴指數或利率的可變租賃付款在觸發付款的事件或條件發生的期間內確認為費用。

重新計量租賃時, 相應的調整會反映在使用權資產中, 如果使用權資產已減少至零, 則會在損益中反映。

已付的可退還租賃按金根據香港財務報告準則第9號及初步按公允價值計量。於初步確認時對公允價值的調整被視為額外租賃付款並計入使用權資產成本。

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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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Leases (Continued)

(a) Definition of a lease and the Group as a lessee (Continued)

Policy applicable before 1 January 2019

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease. Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to the profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策 (續)

2.21 租賃 (續)

(a) 租賃的定義及本集團為承租人 (續)

於二零一九年一月一日之前採用的政策

倘一項交易或一系列交易構成一項安排，則是一項租賃或包含一項租賃，前提是本集團確定該安排傳達了在約定的期限內使用一項或多項特定資產的權利，以換取一系列付款。這種確定是基於對安排實質內容的評估而作出的，而與該安排是否採取租賃的法律形式無關。本集團根據租賃持有的，將所有權的絕大部分風險和報酬轉移給本集團的資產歸類為按融資租賃持有。並未將擁有權的絕大部分風險和報酬轉移給本集團的租賃分類為經營租賃。

作為承租人的經營租賃費用

倘本集團有權使用根據經營租賃持有的資產，則根據租賃期內作出的付款於租賃期內按直線法計入損益表，惟其他基準可更清楚地反映自租賃資產獲得的收益的時間模式則除外。收取的租賃優惠於損益確認，作為合共所作租賃付款淨額的組成部分。或然租金於產生的會計期間自損益扣除。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and other eligible participants are measured at the fair value of the share options at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of share options that will eventually vest, with a corresponding increase in share options reserve in equity.

At the end of each reporting period, the Group revises its estimate of the number of share options expected to vest. 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 share options reserve.

For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share capital. When the share options are cancelled, the amount of unvested portion will be expensed immediately to profit or loss, the amount previously recognised in share options reserve will be transferred to accumulated losses.

2. 主要會計政策（續）

2.22 以權益結算以股份為基礎的付款交易

向僱員及其他合資格參與者的人士作出的以權益結算以股份為基礎的付款乃於授出當日按購股權的公允價值計量。有關釐定以權益結算以股份為基礎的支付交易的公允價值的詳情載於附註39。

於以權益結算以股份為基礎的付款授出當日釐定的公允價值，根據本集團所估計最終歸屬的購股權，按歸屬期以直線法支銷，權益內之購股權儲備相應增加。

於各報告期末，本集團修改其估計的預期將歸屬的購股權數量。修改原先估計的影響（如有）於損益確認，累計支出反映已修改的估計，對購股權儲備進行相應調整。

就於授出日期立即歸屬的購股權而言，所授出購股權的公允價值立即於損益支銷。

當購股權獲行使時，先前於購股權儲備確認的金額將轉撥至股本。倘購股權被註銷，未歸屬部分將立即於損益支銷，則先前於購股權儲備確認的金額將轉撥至保留盈利。

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綜合財務報表附註

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are included in liabilities as “deferred government grants” in the consolidated statement of financial position and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets/ deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

Government grants relating to income is presented in gross under “Other income and gain, net” in the consolidated statement of profit or loss and other comprehensive income.

2.24 Segment reporting

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

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

2. 主要會計政策（續）

2.23 政府補助

當可合理保證補助將可收取及本集團將遵守所有附帶條件時，政府補助乃按公允價值確認。政府補助於符合擬補償成本所需的期間內予以遞延及於損益表中確認。與購買資產相關的政府補助於綜合財務狀況表中按「遞延政府補助」計入負債，及按有關資產的可使用年期以直線法在損益表中確認，或於資產之賬面值扣減，因此按資產之可使用年期以扣減折舊費用方式於損益表中有效確認。

與收入有關之政府補助於綜合損益及其他全面收益表內之「其他收入及收益淨額」項下以總額列示。

2.24 分部報告

經營分部及綜合財務報表所呈報的各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員的財務資料而確定。

個別而言屬重要的經營分部不會合計以作財務匯報，但如該等經營分部的產品和服務性質、生產工序性質、客戶類別或階層、分銷產品或提供服務的方法以至監管環境的本質等經濟特性均屬類似，則作別論。個別而言屬不重要的經營分部如果符合以上大部分準則，則可以合計為一個分部報告。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Related parties

For the purpose of these consolidated financial statements, a party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and if that person:
 - (i) has control or joint control over of the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group.
- (b) the party is an entity and if any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);

2. 主要會計政策 (續)

2.25 關聯方

就本綜合財務報表而言，符合以下條件的人士被視為與本集團有關聯：

- (a) 該人士為符合以下條件的人士或近親，且該人士：
 - (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。
- (b) 該人士為實體且符合以下任何條件：
 - (i) 該實體及本集團為同一集團的成員公司；
 - (ii) 該實體為其他實體（或為該實體所屬集團成員公司的聯營公司或合營企業）的聯營公司或合營企業；
 - (iii) 該實體及本集團為同一第三方的合營企業；
 - (iv) 一個實體為某第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體屬本集團或與本集團有關聯的實體就僱員福利設立的離職後福利計劃；
 - (vi) 該實體由一名於(a)指明的人士控制或共同控制；

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綜合財務報表附註

For the year ended 31 December 2019
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Related parties (Continued)

- (b) the party is an entity and if any of the following conditions applies (Continued):
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

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

3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSS

New and amended HKFRSS that are effective for annual periods beginning on or after 1 January 2019

In the current year, the Group has applied for the first time the following new and amended HKFRSS issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2019:

| | |
|-----------------------|--|
| HKFRS 16 | Leases |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation |
| Amendments to HKFRSs | Annual Improvements to HKFRSs 2015-2017 Cycle |

2. 主要會計政策 (續)

2.25 關聯方 (續)

- (b) 該人士為實體且符合以下任何條件 (續) :
- (vii) 於(a)(i)指明的對該實體有重大影響力或為該實體 (或該實體的母公司) 的主要管理層人員 ; 或
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團母公司提供主要管理層人員服務。

個別人士的近親指與該實體交易時預期可影響該個別人士或受該個別人士影響的家族成員。

3. 會計政策變動及採納新訂及經修訂香港財務報告準則

於二零一九年一月一日或之後的年度期間生效之新訂及經修訂香港財務報告準則

於本年度，本集團已首次採用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則，乃指與本集團業務相關且於本集團於二零一九年一月一日開始之年度期間之綜合財務報表生效者：

| | |
|-------------------|----------------------------|
| 香港財務報告準則第16號 | 租賃 |
| 香港財務報告準則第9號 (修訂本) | 具有負補償之提前還款特性 |
| 香港財務報告準則 (修訂本) | 香港財務報告準則二零一五年至二零一七年週期之年度改進 |

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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

3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2019 (Continued)

Other than the impact of the adoption of HKFRS 16 as noted below, the adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKFRS 16 “Leases” (“HKFRS 16”)

HKFRS 16 “Leases” replaces HKAS 17 “Leases” (“HKAS 17”) along with three Interpretations (HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease” (“HK(IFRIC)-Int 4”), HK(SIC) Int-15 “Operating Leases-Incentives” and HK(SIC) Int-27 “Evaluating the Substance of Transactions Involving the Legal Form of a Lease”). The Group has elected to use the modified retrospective approach, with the cumulative effect of adoption HKFRS 16 being recognised in equity as an adjustment to the opening balance of accumulated losses for the current period. Prior periods have not been restated and continued to be reported under HKAS 17.

For contracts in place at the date of initial application, the Group has elected to apply the definition of a lease from HKAS 17 and HK(IFRIC)-Int 4 and has not applied HKFRS 16 to arrangements that were previously not identified as leases under HKAS 17 and HK(IFRIC)-Int 4.

3. 會計政策變動及採納新訂及經修訂香港財務報告準則（續）

於二零一九年一月一日或之後的年度期間生效之新訂及經修訂香港財務報告準則（續）

除下文所述採納香港財務報告準則第16號之影響外，採納新訂及經修訂香港財務報告準則對本期間及過往期間業績及財務狀況之編製及呈列並無重大影響。

香港財務報告準則第16號「租賃」（「香港財務報告準則第16號」）

香港財務報告準則第16號「租賃」取代香港會計準則第17號「租賃」（「香港會計準則第17號」）以及三項詮釋（即香港（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」（「香港（國際財務報告詮釋委員會）詮釋第4號」）、香港（準則詮釋委員會）—詮釋第15號「經營租賃—優惠」及香港（準則詮釋委員會）—詮釋第27號「評估涉及租賃法律形式交易之內容」）。本集團已選擇使用經修訂追溯法，採用香港財務報告準則第16號的累計影響乃於權益中確認為本期間累計虧損期初結餘的調整。過往期間並無重列，並會繼續根據香港會計準則第17號作出報告。

就於首次應用日期已存在的合約而言，本集團選擇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號項下之租賃定義，且對先前並未根據香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號確定為租賃的安排並無應用香港財務報告準則第16號。

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3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2019 (Continued)

HKFRS 16 "Leases" ("HKFRS 16") (Continued)

As a lessee

Instead of performing an impairment review on the right-of-use asset at the date of initial application, the Group has relied on its historical assessment as to whether leases were onerous immediately before the date of initial application of HKFRS 16.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparative information for the prior reporting period, as permitted under the specific transitional provisions in the standard. At this date, the Group has also elected to measure right-of-use assets at its carrying amount as if HKFRS 16 has been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application. The reclassifications and adjustments arising from the new leasing rules are therefore not reflected in the consolidated statement of financial position as at 31 December 2018, but are recognised in the opening consolidated statement of financial position as at 1 January 2019.

3. 會計政策變動及採納新訂及經修訂香港財務報告準則 (續)

於二零一九年一月一日或之後的年度期間生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)(續)

作為承租人

本集團於首次應用當日並未就使用權資產進行減值審閱，而是依賴歷史評估，以評估緊接首次應用香港財務報告準則第16號當日前的租賃是否繁瑣。

本集團已於二零一九年一月一日起採納香港財務報告準則第16號，而按照該準則具體的過渡條款，並未重列上一報告期間的比較數字。在此日期，本集團亦選擇以其帳面值對使用權資產進行計量，猶如自開始日期起已應用香港財務報告準則第16號，惟使用承租人於首次應用日期的增量借款利率進行貼現。因此，於二零一八年十二月三十一日的綜合財務狀況表並無反映根據新租賃準則作出的重新分類及調整，惟於二零一九年一月一日的期初綜合財務狀況表內確認有關分類及調整。

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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

3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2019 (Continued)

HKFRS 16 "Leases" ("HKFRS 16") (Continued)

As a lessee (Continued)

The weighted average incremental borrowing rate applied to lease liabilities recognised under HKFRS 16 was 5.13% per annum.

The following table reconciles the operating lease commitments as at 31 December 2018 to the opening balance for leases liabilities recognised as at 1 January 2019:

| | | HK\$'000 千港元 |
|---|----------------------------|-----------------|
| Operating lease commitments at 31 December 2018 (note 37) | 於二零一八年十二月三十一日之經營租賃承擔(附註37) | 5,041 |
| Less: total future interest expense | 減：未來利息開支總額 | (437) |
| Present value of lease liabilities recognised at 1 January 2019 | 於二零一九年一月一日確認之租賃負債現值 | 4,604 |
| Classified as | 歸類為： | |
| Current lease liabilities | 流動租賃負債 | 1,665 |
| Non-current lease liabilities | 非流動租賃負債 | 2,939 |
| | | 4,604 |

3. 會計政策變動及採納新訂及經修訂香港財務報告準則(續)

於二零一九年一月一日或之後的年度期間生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)(續)

作為承租人(續)

根據香港財務報告準則第16號確認的租賃負債加權平均遞增借款年利率為5.13%。

下表載列於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日確認的租賃負債之期初結餘對賬：

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綜合財務報表附註

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3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2019 (Continued)

HKFRS 16 "Leases" ("HKFRS 16") (Continued)

As a lessee (Continued)

The remaining contractual maturities of the Group's lease liabilities as at 1 January 2019 are as follows:

3. 會計政策變動及採納新訂及經修訂香港財務報告準則 (續)

於二零一九年一月一日或之後的年度期間生效之新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)(續)

作為承租人 (續)

於二零一九年一月一日，本集團租賃負債之剩餘合約期限狀況如下：

| | | As at 1 January 2019 於 二零一九年 一月一日 HK\$'000 千港元 |
|--|---------------|---|
| Total minimum lease payments: | 最低租賃付款總額： | |
| Within one year | 於一年內 | 1,890 |
| In the second to fifth years | 於第二至第五年 | 3,151 |
| | | 5,041 |
| Less: future finance charges on leases liabilities | 減：租賃負債的未來財務費用 | (437) |
| Present value of lease liabilities | 租賃負債現值 | 4,604 |
| Present value of minimum lease payments: | 最低租賃付款現值： | |
| Within one year | 於一年內 | 1,665 |
| In the second to fifth years | 於第二至第五年 | 2,939 |
| | | 4,604 |

There is no material impact to the financial performance and cash flows upon the adoption of HKFRS 16.

採納香港財務報告準則第16號對財務表現及現金流並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2019
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3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

New and amended HKFRSs that are effective for annual periods beginning on or after 1 January 2019 (Continued)

HKFRS 16 "Leases" ("HKFRS 16") (Continued)

As a lessee (Continued)

The following table summarises the impact of transition to HKFRS 16 on the Group's consolidated statement of financial position at 1 January 2019:

| | | HK\$'000 千港元 |
|---|----------------|-----------------|
| Increase in right-of-use assets (non-current assets) | 使用權資產增加(非流動資產) | 4,576 |
| Increase in lease liabilities (current liabilities) | 租賃負債增加(流動負債) | (1,665) |
| Increase in lease liabilities (non-current liabilities) | 租賃負債增加(非流動負債) | (2,939) |
| Increase in accumulated losses | 累計虧損增加 | 28 |

Issued but not yet effective HKFRSs

The following new standards, amendments and interpretations have been published but are not mandatory effective, and have not been early adopted by the Group:

| | |
|------------------------------------|--|
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKAS 1 and HKAS 8 | Definition of Material ² |
| Amendments to HKFRS 3 | Definition of a Business ³ |

- ¹ Effective date not yet determined
² Effective for annual periods beginning on or after 1 January 2020
³ 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. 會計政策變動及採納新訂及經修訂香港財務報告準則(續)

於二零一九年一月一日或之後的年度期間生效之新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)(續)

作為承租人(續)

下表概述過渡至香港財務報告準則第16號對本集團於二零一九年一月一日之綜合財務狀況表的影響：

| | | HK\$'000 千港元 |
|---|----------------|-----------------|
| Increase in right-of-use assets (non-current assets) | 使用權資產增加(非流動資產) | 4,576 |
| Increase in lease liabilities (current liabilities) | 租賃負債增加(流動負債) | (1,665) |
| Increase in lease liabilities (non-current liabilities) | 租賃負債增加(非流動負債) | (2,939) |
| Increase in accumulated losses | 累計虧損增加 | 28 |

已頒佈但尚未生效之香港財務報告準則

以下新訂準則、修訂本及詮釋已頒佈，但尚未強制生效，且本集團並無提早採納：

| | |
|------------------------------|---------------------------------------|
| 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注資 ¹ |
| 香港會計準則第1號及香港會計準則第8號(修訂本) | 重大性的定義 ² |
| 香港財務報告準則第3號(修訂本) | 業務的定義 ³ |

- ¹ 尚未釐定生效日期
² 於二零二零年一月一日或以後開始之年度期間生效
³ 對收購日期於二零二零年一月一日或之後開始的首個年度期間開始或其後之業務合併及資產收購生效

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3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

Amendments to HKFRS 10 and HKAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments remove an acknowledged inconsistency between the requirements in HKFRS 10 "Consolidated Financial Statements" and those in HKAS 28 (2011) "Investments in Associates and Joint Ventures", in dealing with the sale or contribution of assets between an investor and its associate or joint venture and require that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The amendments were originally effective prospectively to transactions occurring in annual period beginning on or after 1 January 2016. However, such effective date has been postponed indefinitely with earlier adoption permitted. The directors expect that the amendments have no material impact on the consolidated financial statements.

Amendments to HKAS1 and HKAS 8 "Definition of Material"

The amendments clarify the definition of material and state that "information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". Materiality depends on nature or magnitude of information or both.

The amendments also:

- introduce the concept of obscuring information when considering materiality and provide some examples of circumstances that may result in material information being obscured;

3. 會計政策變動及採納新訂及經修訂香港財務報告準則（續）

已頒佈但尚未生效之香港財務報告準則（續）

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注資」

該等修訂本移除香港財務報告準則第10號「綜合財務報表」之規定與香港會計準則第28號（二零一一年）「於聯營公司及合營企業之投資」之規定間處理投資者與其聯營公司或合營企業之資產出售或注資時所獲悉之不一致情況，並要求在交易涉及業務（不論是否由附屬公司管有）時確認全部收益或虧損。當交易涉及不構成業務之資產時，即使該等資產由一間附屬公司管有，仍會確認部分收益或虧損。

該等修訂本原預期對二零一六年一月一日或之後開始之年度期間發生之交易生效。然而，該生效日期已無限期押後，並獲准提前採納。董事預期該等修訂本對綜合財務報表並無重大影響。

香港會計準則第1號及香港會計準則第8號（修訂本）「重大性的定義」

該等修訂本澄清重大性的定義，並聲明「倘資料遺漏、錯誤或模糊而合理預期會對通用財務報表之主要使用者基於該等財務報表（提供特定報告實體的財務資料）作出的決定造成影響，則有關資料有重大性」。重大性取決於有關資料的性質或重要性或兩者。

該等修訂本亦：

- 於考慮重要性時引入資料模糊不清的概念，並舉例說明可能會導致重大資料模糊不清的情況；

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綜合財務報表附註

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3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

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

- clarify that materiality assessment will need to take into account how primary users could reasonably be expected to be influenced in making economic decisions by replacing the threshold “could influence” with “could reasonably be expected to influence” in the definition of material; and
- clarify that materiality assessment will need to take into account of information provided to primary users of general purpose financial statements (i.e. existing and potential investors, lenders and other creditors that rely on general purpose financial statements for much of the financial information they need).

Amendments to HKAS 1 and HKAS 8 are effective for annual reporting period beginning on or after 1 January 2020 and apply prospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on the Group’s consolidated financial statements.

Amendments to HKFRS 3 “Definition of a Business”

The amendments narrowed and clarified the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition.

The amendments:

- clarify that a business is considered as 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. Guidance and illustrative examples are provided to help entities assess whether a substantive process has been acquired;

3. 會計政策變動及採納新訂及經修訂香港財務報告準則（續）

已頒佈但尚未生效之香港財務報告準則（續）

香港會計準則第1號及香港會計準則第8號（修訂本）「重大性的定義」（續）

- 澄清重大性評估亦須考慮重大性的定義中用「合理預期會造成影響」代替「會影響」如何合理預期會對主要用戶作出之經濟決策造成影響；及
- 澄清重大性評估亦須考慮通用財務報表的主要用戶（即就大部分彼等所需要財務資料而依賴通用財務報表的現有及潛在投資者、債務人及其他債權人）所獲提供的資料。

香港會計準則第1號及香港會計準則第8號（修訂本）於二零二零年一月一日或之後開始的年度報告期間生效並於未來應用，允許提前採用。董事預期該等修訂本將不會對本集團之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）「業務之定義」

該等修訂本收窄及釐清業務之定義，旨在協助實體釐定交易是否作為業務合併或資產收購入賬。

該等修訂本：

- 釐清業務被視為所收購之一系列活動及資產，必須包括至少一項投入和一個實質性過程，以及該過程有助創造產出之能力作出重大貢獻。修訂本提供指引並舉例說明，以幫助實體評估是否已獲得實質性過程；

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3. CHANGES IN ACCOUNTING POLICIES AND ADOPTION OF NEW AND AMENDED HKFRSs (Continued)

Issued but not yet effective HKFRSs (Continued)

Amendments to HKFRS 3 "Definition of a Business" (Continued)

- 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;
- add an optional concentration test that permits simplified assessment of whether an acquired set of activities and assets is not a business; and
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

Amendments to HKFRS 3 is effective for annual reporting period beginning on or after 1 January 2020 and apply prospectively. Earlier application is permitted. The directors expect that the amendments have no material impact on the Group's consolidated financial statements.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. The directors anticipate that the application of all new and amendments to HKFRSs and interpretations will have no material impact on the consolidated financial statements of the Group.

3. 會計政策變動及採納新訂及經修訂香港財務報告準則 (續)

已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第3號(修訂本)「業務之定義」(續)

- 加強向客戶提供之貨品及服務以及移除對降低成本能力之引述，以收窄業務及產出之定義；
- 增加一項可選擇之集中測試，容許簡化評估所收購之一系列活動及資產是否並非為業務；及
- 移除對市場參與者是否有能力替換任何缺失之投入或過程並繼續產生產出之評估。

香港財務報告準則第3號(修訂本)於二零二零年一月一日或之後開始之年度報告期間生效並於未來應用，允許提前採用。董事預期該等修訂本將不會對本集團之綜合財務報表造成重大影響。

本集團正對首次應用期間預期存在之此等修訂、新訂準則及詮釋的影響作出評估。董事預計應用所有新訂香港財務報告準則及修訂本以及詮釋於可見未來不會對綜合財務報表產生重大影響。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's significant accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of non-current assets

The Group reviews the carrying amounts of the non-current assets including property, plant and equipment, right-of-use assets and intangible assets at the end of the reporting period to determine whether there is objective evidence of impairment. When indication of impairment is identified for property, plant and equipment and right-of-use assets, management assesses its recoverable amount by reference to the transaction prices of similar assets within the same industry, less costs of disposal for development land and the present value of discounted cash flows for resort hotel and other property, plant and equipment.

4. 重大會計判斷及估計不確定因素的主要來源

於應用本集團的主要會計政策（詳述於附註2）時，本公司董事須對無法自其他來源直接獲得的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗及被視作相關的其他因素而作出。實際結果可能有別於估計。

估計及有關假設乃持續檢討。倘會計估計的修訂僅影響修訂期間，則僅於修訂期間確認；倘修訂同時影響修訂期間及未來期間，則於修訂期間及未來期間確認。

於報告期末有關未來的主要假設及存在導致下一個財政年度內資產及負債賬面值須作重大調整的重大風險的其他主要估計不確定因素來源論述如下：

非流動資產減值

本集團於報告期末檢討非流動資產（包括物業、機器及設備、使用權資產以及無形資產）的賬面值，以釐定是否存在客觀的減值證據。於發現物業、機器及設備以及使用權資產有減值跡象時，管理層參照度假酒店及其他物業、機器及設備貼現現金流量的現值及相同行業類似資產交易價格減開發土地的出售成本，以評估其可收回金額。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of non-current assets (Continued)

When indication of impairment is identified for intangible assets, management prepares discounted future cash flows to assess the differences between the carrying amount and value in use and provide for the impairment loss. Any change in assumption adopted in the cash flow forecasts or fair value assessments would increase or decrease in the provision of impairment loss and affect the Group's profit or loss for the year.

As at 31 December 2019, the carrying values of property, plant and equipment, right-of-use assets and intangible assets of the Group were approximately HK\$86,724,000 (2018: HK\$84,738,000), HK\$2,853,000 (2018: HK\$Nil) and HK\$25,467,000 (2018: HK\$30,029,000) respectively. No impairment loss was recognised during the years ended 31 December 2019 and 2018.

Loss allowance of trade and other receivables

Loss allowance of trade and other receivables are assessed and provided based on the directors' regular review of ageing analysis, evaluation of collectability, comparison with collection performance against historical trends provisioning methodology such as risk of default and expected credit loss rate. A considerable level of judgement is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer, assumption of default and forward-looking estimates. An increase or decrease in the above impairment loss would affect the profit or loss in the year and in future years.

When the actual future cash flows are different from expected, such difference will impact the carrying amount of trade receivables and other financial assets within the scope of ECL.

4. 重大會計判斷及估計不確定因素的主要來源 (續)

非流動資產減值 (續)

於發現無形資產有減值跡象時，管理層編製未來貼現現金流量，評估賬面值與使用價值的差額並計提減值虧損撥備。倘現金流量預測或公允價值評估所採用的假設發生變動，則將導致減值虧損撥備金額增加或減少並影響本集團於本年度的損益。

於二零一九年十二月三十一日，本集團物業、機器及設備、使用權資產以及無形資產的賬面值分別約為86,724,000港元（二零一八年：84,738,000港元）、2,853,000港元（二零一八年：零港元）及25,467,000港元（二零一八年：30,029,000港元）。於截至二零一九年及二零一八年十二月三十一日止年度概無確認減值虧損。

貿易及其他應收賬款的虧損撥備

貿易及其他應收賬款的虧損撥備乃根據董事對賬齡分析的定期檢討、對可收回程度的評估、回款表現與歷史趨勢比較的撥備方法（如違約風險及預期虧損比率）予以評定及計提撥備。董事於評估各個別客戶的信譽度及過往收款記錄時會做出大量判斷、違約假設及前瞻性估計。上述減值虧損增加或減少將影響本年度及未來年度的溢利。

當實際未來現金流量有別於預期時，該差異將影響貿易應收賬款及屬於預期信貸虧損範圍內的其他金融資產的賬面值。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Loss allowance of trade and other receivables (Continued)

As at 31 December 2019, the carrying amount of trade and other receivables of the Group was approximately HK\$28,301,000 (2018: HK\$37,712,000), net of loss allowance of trade receivables and other receivables of approximately HK\$21,092,000 (2018: HK\$6,611,000) and HK\$1,689,000 (2018: HK\$Nil) respectively. As at 31 December 2019, the carrying amount of amounts due from subsidiaries of the Company was HK\$99,381,000 (2018: HK\$80,999,000), net of allowance for impairment loss of amounts due from subsidiaries of approximately HK\$161,439,000 (2018: HK\$157,505,000).

Amortised cost of amount due to a shareholder/director

The directors of the Company use their best estimation to determine the effective interest rate in calculating the amortised cost of amount due to a shareholder, with reference to the market rates. Should the estimates applied are different, the carrying value of these amounts will be changed. As at 31 December 2019, the carrying amount of amount due to a shareholder was approximately HK\$2,769,000 (2018: amount due to a director of HK\$3,315,000).

Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Details of taxation are set out in note 12.

4. 重大會計判斷及估計不確定因素的主要來源 (續)

貿易及其他應收賬款的虧損撥備 (續)

於二零一九年十二月三十一日，本集團貿易及其他應收賬款的賬面值約為28,301,000港元（二零一八年：37,712,000港元），已扣除貿易及其他應收賬款虧損撥備約21,092,000港元（二零一八年：6,611,000港元）及1,689,000港元（二零一八年：零港元）。於二零一九年十二月三十一日，本公司應收附屬公司款項的賬面值約為99,381,000港元（二零一八年：80,999,000港元），已扣除應收附屬公司減值虧損撥備約161,439,000港元（二零一八年：157,505,000港元）。

應付一名股東／董事款項的攤銷成本

本公司董事採用最佳估計並參考市場利率，釐定計算應付一名股東款項的攤銷成本的實際利率。倘採用不同的估計，則該等款項的賬面值將發生變動。於二零一九年十二月三十一日，應付一名股東款項的賬面值約為2,769,000港元（二零一八年：應付一名董事款項3,315,000港元）。

所得稅

釐定所得稅撥備須對特定交易的未來稅務處理和稅務規則的詮釋作出判斷。本集團仔細評估交易的稅務影響，並相應設立撥備。該等交易的稅務處理定期予以重新考慮，以計入稅務法例的所有變動。稅項詳情載於附註12。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Income taxes (Continued)

Deferred tax asset is recognised for unused tax loss to the extent that it is probable that foreseeable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The amount of deferred tax assets recognised as at 31 December 2019 was HK\$1,749,000 (2018: HK\$Nil). Further details are contained in note 29 to the consolidated financial statements.

Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax liabilities have not been established for income tax and withholding tax that would be payable on certain profits of PRC subsidiaries to be repatriated and distributed by way of dividends as the directors consider that the timing of the reversal of the related temporary differences can be controlled and such temporary differences will not be reversed in the foreseeable future. If those undistributed earnings of the PRC subsidiaries are considered to be repatriated and distributed by way of dividends, deferred tax liabilities of approximately HK\$2,040,000 would be provided as at 31 December 2019 (2018: HK\$1,742,000).

4. 重大會計判斷及估計不確定因素的主要來源 (續)

所得稅 (續)

遞延稅項資產就所有未動用稅項虧損，於有可能動用可預見溢利抵銷稅項虧損之情況下確認。於釐定可確認遞延稅項資產之金額時，管理層須根據未來應課稅溢利之可能發生時間及水平，以及日後稅務計劃策略作出重大判斷。於二零一九年十二月三十一日確認之遞延稅項資產金額為1,749,000港元（二零一八年：零港元）。進一步詳情載於綜合財務報表附註29。

管理層會定期檢討該等評估，並在有可能獲得可供收回遞延稅項資產的未來應課稅溢利的情況下確認額外的遞延稅項資產。

本集團並無為將以股息形式匯返及派發的若干中國附屬公司溢利須支付的所得稅及預扣稅而確立遞延稅項負債，原因是董事認為可以控制撥回有關暫時差異的時間，而該等暫時差異將不會於可見將來撥回。倘該等中國附屬公司的未分派盈利被視為以股息形式匯返及分派，則於二零一九年十二月三十一日將計提遞延稅項負債約2,040,000港元（二零一八年：1,742,000港元）。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Amortisation charges of intangible assets and depreciation charges of property, plant and equipment

Intangible assets and property, plant and equipment are amortised or depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of amortisation or depreciation expenses to be recorded during each financial year. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. As at 31 December 2019, the carrying amount of intangible assets and property, plant and equipment of the Group was approximately HK\$25,467,000 (2018: HK\$30,029,000) and HK\$86,724,000 (2018: HK\$84,738,000) respectively.

The amortisation or depreciation expenses for future periods are adjusted if there are significant changes from previous estimates. Carrying amounts of the intangible assets and property plant and equipment are set out in notes 16 and 15 respectively.

Investment in Total Blossom Sdn Bhd ("Total Blossom")

The Group holds 49% of the ordinary shares in Total Blossom. As major operating decisions are made by another shareholder which holds 51% of the ordinary shares, the directors of the Company consider that the Group has significant influence in Total Blossom and Total Blossom is classified as an associate of the Group by using equity method, details of which are set out in note 19.

4. 重大會計判斷及估計不確定因素的主要來源 (續)

無形資產攤銷費用及物業、機器及設備折舊費用

無形資產的攤銷或物業、機器及設備的折舊是根據預計可使用年期扣除估計剩餘價值(如有)後,按直線法計算。本集團定期審閱資產的可使用年期,以確定在各財政年度應予入賬的攤銷或折舊費用的數額。可使用年期乃根據本集團以往在類似資產上的經驗而作出,並考慮到預期發生的技術上的變化。於二零一九年十二月三十一日,本集團無形資產及物業、機器及設備的賬面值分別約為25,467,000港元(二零一八年:30,029,000港元)及86,724,000港元(二零一八年:84,738,000港元)。

如果原有估計發生任何重大變化,未來期間內的攤銷或折舊費用將被調整。無形資產及物業、機器及設備的賬面值分別見附註16及15。

於 Total Blossom Sdn Bhd (「Total Blossom」) 的投資

本集團持有 Total Blossom 的 49% 普通股。由於主要經營決策乃由另一名持有 51% 普通股的股東作出,故本公司董事認為,本集團對 Total Blossom 有重大影響力,故 Total Blossom 分類為本集團的聯營公司並採用權益法入賬,其詳情載於附註 19。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Going concern and liquidity

As explained in note 2.1, which indicates that as at 31 December 2019 the Group's current liabilities exceeded its current assets by HK\$64,030,000. Such event or condition indicates that a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The directors of the Company consider that the Group has ability to continue as a going concern. The validity of the going concern basis depends on the management's arrangements to address the going concern issue as described in note 2.1. The assessment of the going concern assumptions involves making judgement by the directors of the Company, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain.

5. REVENUE

The Group's principal activities are disclosed in note 1 of the consolidated financial statements. Revenue from the Group's principal activities recognised during the year is as follows:

4. 重大會計判斷及估計不確定因素的主要來源 (續)

持續經營及流動資金

如附註2.1所述，於二零一九年十二月三十一日，本集團流動負債較其流動資產多64,030,000港元。上述事件或情況顯示存有重大不明朗因素，將可能對本集團繼續持續經營的能力產生重大疑問。本公司董事認為本集團具有繼續持續經營的能力。持續經營基準的有效性取決於管理層應對附註2.1所詳述的持續經營問題的安插。持續經營假設的評估涉及本公司董事於特定時間點就本質上屬不明朗之事件或情況的未來結果作出判斷。

5. 收益

本集團之主要業務於綜合財務報表附註1披露。年內確認來自本集團主要業務的收益載列如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------|--------|----------------------------------|----------------------------------|
| Hotel operation income | 酒店經營收入 | 44,372 | 44,757 |
| Properties management income | 物業管理收入 | 47,856 | 49,825 |
| | | 92,228 | 94,582 |

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5. REVENUE (Continued)

Disaggregation of revenue

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical markets:

| | | Hotel operation 酒店經營 | | Properties management 物業管理 | | Total 總計 | |
|-------------------------------|---------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Hotel accommodation | 酒店住宿 | 15,464 | 14,112 | - | - | 15,464 | 14,112 |
| Food and beverage | 餐飲 | 21,645 | 22,988 | - | - | 21,645 | 22,988 |
| Others | 其他 | 7,263 | 7,657 | - | - | 7,263 | 7,657 |
| Properties management | 物業管理 | - | - | 47,856 | 49,825 | 47,856 | 49,825 |
| | | 44,372 | 44,757 | 47,856 | 49,825 | 92,228 | 94,582 |
| Timing of revenue recognition | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| At a point in time | 在某一時時間點 | 21,645 | 22,988 | - | - | 21,645 | 22,988 |
| Over time | 隨時間 | 22,727 | 21,769 | 47,856 | 49,825 | 70,583 | 71,594 |
| | | 44,372 | 44,757 | 47,856 | 49,825 | 92,228 | 94,582 |
| Geographical markets | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| PRC | 中國 | - | - | 47,856 | 49,825 | 47,856 | 49,825 |
| Canada | 加拿大 | 44,372 | 44,757 | - | - | 44,372 | 44,757 |
| | | 44,372 | 44,757 | 47,856 | 49,825 | 92,228 | 94,582 |

The Group has recognised the aggregated amount of transaction price allocated to the unsatisfied performance obligations as at the end of the reporting period under contract liabilities (note 26). The Group expects the transaction price allocated to the unsatisfied performance obligations will be recognised as revenue when the Group transfers goods or services to the customers.

5. 收益 (續)

收益之拆解

本集團收益來自隨時間或在某一時間點就下列產品項目及地區市場轉移貨品及服務：

本集團已確認於報告期末分配至合約負債下未完成履約責任的交易價格的匯總金額(附註26)。本集團預期，分配至未完成履約責任的交易價格將於本集團向客戶轉移貨品或服務時確認為收益。

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綜合財務報表附註

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6. SEGMENT INFORMATION

The Group's reportable and operating segments, based on information reported to the Chief Executive Officer, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on goods or services provided are as follows:

(1) Hotel operation

Operation of a resort in Canada.

(2) Properties management

Properties management in the PRC.

Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the finance costs, depreciation of property, plant and equipment, interest income, amortisation, loss on disposal of property, plant and equipment and loss allowance of trade and other receivables attributable to those segments.

All assets are allocated to reportable segments other than bank balances and cash, amounts due from related companies, interest in an associate, interests in joint ventures, right-of-use assets, and unallocated head office and corporate assets; and all liabilities are allocated to reportable segments other than amount due to a director, loan from shareholders, bonds, secured loans, deferred tax liabilities, lease liabilities and unallocated head office and corporate liabilities.

6. 分部資料

本集團的可呈報營運分部乃根據報告予首席執行官，即最高營運決策者（「最高營運決策者」）作資源分配及評估分部間所出售的產品及提供服務之表現的資料，如下所示：

(1) 酒店經營

經營一間位於加拿大的度假酒店。

(2) 物業管理

於中國提供物業管理。

分部業績、資產及負債

為評估分部表現及在各分部間分配資源，本集團的高級行政管理人員按下列基準監控各可呈報分部的業績、資產及負債：

收益及開支分配至各可呈報分部乃參考各分部產生的銷售額以及該等分部產生或因該等分部的融資成本、物業、機器及設備折舊、利息收入、攤銷、出售物業、機器及設備之虧損以及貿易及其他應收賬款虧損撥備而產生的開支。

除銀行結餘及現金、應收關連公司款項、於一間聯營公司之權益、於合營企業之權益、使用權資產、及未分配之總部及公司資產外，所有資產分配至可呈報分部；除應付一名董事款項、來自股東之貸款、債券、抵押貸款、遞延稅項負債、租賃負債及未分配之總部及公司負債外，所有負債分配至可呈報分部。

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6. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

- (a) The following is an analysis of the Group's revenue, results and other material items by reportable and operating segments:

2019

| | | Hotel Operation 酒店經營 HK\$'000 千港元 | Properties management 物業管理 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|---------------------|---|---|--------------------------------|
| Revenue from external customers | 來自外部客戶之收益 | 44,372 | 47,856 | 92,228 |
| Segment profit/(loss) derived from the Group's external customers | 來自本集團外部客戶之分部溢利/(虧損) | 817 | (2,161) | (1,344) |
| Finance costs | 融資成本 | (2,131) | - | (2,131) |
| Depreciation of property, plant and equipment | 物業、機器及設備折舊 | (3,015) | (135) | (3,150) |
| Interest income | 利息收入 | - | 15 | 15 |
| Amortisation | 攤銷 | - | (4,562) | (4,562) |
| Loss on disposal of property, plant and equipment | 出售物業、機器及設備之虧損 | (34) | - | (34) |
| Loss allowance of trade and other receivables | 貿易及其他應收賬款虧損撥備 | - | (16,509) | (16,509) |
| Segment assets | 分部資產 | 87,363 | 54,280 | 141,643 |
| Additions to non-current segment assets | 添置非流動分部資產 | 607 | 1,135 | 1,742 |
| Segment liabilities | 分部負債 | 39,960 | 18,786 | 58,746 |

6. 分部資料 (續)

分部業績、資產及負債 (續)

- (a) 本集團按可呈報及經營分部劃分之收益、業績及其他重大項目分析如下：

二零一九年

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截至二零一九年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

- (a) The following is an analysis of the Group's revenue, results and other material items by reportable and operating segments (Continued):

2018 (Note)

| | | Hotel Operation 酒店經營 HK\$'000 千港元 | Properties management 物業管理 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------|---|---|--------------------------------|
| Revenue from external customers | 來自外部客戶之收益 | 44,757 | 49,825 | 94,582 |
| Segment profit derived from the Group's external customers | 來自本集團外部客戶之分部溢利 | 903 | 11,778 | 12,681 |
| Finance costs | 融資成本 | (2,176) | – | (2,176) |
| Depreciation | 折舊 | (3,343) | (58) | (3,401) |
| Interest income | 利息收入 | – | 20 | 20 |
| Amortisation | 攤銷 | – | (4,562) | (4,562) |
| Gain on disposal of property, plant and equipment | 出售物業、機器及設備之收益 | 7 | – | 7 |
| Loss allowance of trade receivables | 貿易應收賬款虧損撥備 | – | (1,199) | (1,199) |
| Segment assets | 分部資產 | 86,704 | 63,993 | 150,697 |
| Additions to non-current segment assets | 添置非流動分部資產 | 2,286 | 38 | 2,324 |
| Segment liabilities | 分部負債 | 41,422 | 17,340 | 58,762 |

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

6. 分部資料 (續)

分部業績、資產及負債 (續)

- (a) 本集團按可呈報及經營分部劃分之收益、業績及其他重大項目分析如下 (續) :

二零一八年 (附註)

| | | Hotel Operation 酒店經營 HK\$'000 千港元 | Properties management 物業管理 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|-----------------------|---|---|--------------------------------|
| Revenue from external customers | 來自外部客戶之收益 | 44,757 | 49,825 | 94,582 |
| Segment profit derived from the Group's external customers | 來自本集團外部客戶之分部溢利 | 903 | 11,778 | 12,681 |
| Finance costs | 融資成本 | (2,176) | – | (2,176) |
| Depreciation | 折舊 | (3,343) | (58) | (3,401) |
| Interest income | 利息收入 | – | 20 | 20 |
| Amortisation | 攤銷 | – | (4,562) | (4,562) |
| Gain on disposal of property, plant and equipment | 出售物業、機器及設備之收益 | 7 | – | 7 |
| Loss allowance of trade receivables | 貿易應收賬款虧損撥備 | – | (1,199) | (1,199) |
| Segment assets | 分部資產 | 86,704 | 63,993 | 150,697 |
| Additions to non-current segment assets | 添置非流動分部資產 | 2,286 | 38 | 2,324 |
| Segment liabilities | 分部負債 | 41,422 | 17,340 | 58,762 |

附註：本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

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6. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities:

6. 分部資料 (續)

分部業績、資產及負債 (續)

(b) 可呈報分部損益、資產及負債之對賬：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Profit from operations | 經營業務之溢利 | | |
| Segment (loss)/profit | 分部(虧損)/溢利 | (1,344) | 12,681 |
| Gain on amount to a shareholder stated at fair value upon initial recognition | 初始確認時按公允價值呈列之應付一名股東款項之收益 | 241 | – |
| Gain on amount to a director stated at fair value upon initial recognition | 初始確認時按公允價值呈列之應付一名董事款項之收益 | – | 151 |
| Depreciation | 折舊 | | |
| – Property, plant and equipment | – 物業、機器及設備 | – | (61) |
| – Right-of-use assets | – 使用權資產 | (1,723) | – |
| Equity-settled share-based payment expenses | 以股權結算之股份付款開支 | (6,290) | (9,840) |
| Other finance costs | 其他融資成本 | (3,840) | (5,346) |
| Share of profit of an associate | 分佔一間聯營公司溢利 | 1,171 | – |
| Share of (losses)/profits of joint ventures | 分佔合營企業(虧損)/溢利 | (94) | 553 |
| Loss on disposal of subsidiaries | 出售附屬公司虧損 | (885) | – |
| Unallocated head office and corporate expenses | 未分配之總部及公司開支 | (18,052) | (18,722) |
| Consolidated loss before income tax | 綜合除所得稅前虧損 | (30,816) | (20,584) |

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

6. SEGMENT INFORMATION (Continued)

Segment results, assets and liabilities (Continued)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities (Continued):

6. 分部資料 (續)

分部業績、資產及負債 (續)

(b) 可呈報分部損益、資產及負債之對賬 (續):

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Assets | 資產 | | |
| Reportable segment assets | 可呈報分部資產 | 141,643 | 150,697 |
| Bank balances and cash | 銀行結餘及現金 | 6,898 | 7,757 |
| Amounts due from related companies | 應收關聯公司款項 | – | 648 |
| Interest in an associate | 於一間聯營公司之權益 | 21,070 | – |
| Interests in joint ventures | 於合營企業之權益 | 44,516 | 44,604 |
| Right-of-use assets | 使用權資產 | 2,853 | – |
| Unallocated head office and corporate assets | 未分配之總部及公司資產 | 1,426 | 1,971 |
| Consolidated total assets | 綜合資產總額 | 218,406 | 205,677 |
| Liabilities | 負債 | | |
| Reportable segment liabilities | 可呈報分部負債 | 58,746 | 58,762 |
| Amount due to a director | 應付一名董事款項 | – | 3,315 |
| Bonds | 債券 | 60,181 | 60,181 |
| Deferred tax liabilities | 遞延稅項負債 | 5,849 | 6,305 |
| Lease liabilities | 租賃負債 | 2,939 | – |
| Loan from shareholders | 股東貸款 | 11,187 | – |
| Unallocated head office and corporate liabilities | 未分配之總部及公司負債 | 18,384 | 12,995 |
| Consolidated total liabilities | 綜合負債總額 | 157,286 | 141,558 |

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

6. SEGMENT INFORMATION (Continued)

Geographical information

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the non-current assets is based on the physical location of the assets, in the case of property, plant and equipment, right-of-use assets; and the location of the operations to which they are allocated, in the case of intangible assets, interest in an associate and interests in joint ventures. Non-current assets do not include deferred tax asset for the purpose of geographical information disclosure.

The Group's operations are principally located in Hong Kong, Canada, Malaysia and the PRC (excluding Hong Kong).

The Group's revenue from external customers and information about its non-current assets by geographical locations are detailed below:

6. 分部資料 (續)

地區資料

客戶的地理位置按提供服務或交付貨品的地理位置釐定。非流動資產的地理位置按資產的實際位置（物業、機器及設備及使用權資產）及獲分配營運業務所在地（無形資產、於一間聯營公司之權益及於合營企業之權益）釐定。為地區資料披露起見，非流動資產並不包括遞延稅項資產。

本集團業務主要位於香港、加拿大、馬來西亞及中國（香港除外）。

本集團來自外部客戶收益及有關其非流動資產之資料按資產所在地詳列如下：

| | | Revenue from external customers 外部客戶之收益 | | Non-current assets 非流動資產 | |
|----------------------------------|--------------|--|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Canada | 加拿大 | 44,372 | 44,757 | 85,615 | 84,611 |
| Hong Kong | 香港 | - | - | 2,853 | - |
| Malaysia | 馬來西亞 | - | - | 21,070 | - |
| The PRC (excluding Hong Kong) | 中國 (香港除外) | 47,856 | 49,825 | 71,092 | 74,760 |
| | | 92,228 | 94,582 | 180,630 | 159,371 |

Information about major customers

There is no single external customer contributed over 10% of the total revenue of the Group for the years ended 31 December 2019 and 2018.

有關主要客戶之資料

截至二零一九年及二零一八年十二月三十一日止年度，概無單一外部客戶貢獻本集團總收益超過10%。

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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

7. OTHER INCOME AND GAIN, NET

7. 其他收入及收益淨額

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Interest income from bank deposits 銀行存款之利息收入 | 15 | 21 |
| (Loss)/gain on disposal of property, plant and equipment 出售物業、機器及設備(虧損)/收益 | (34) | 7 |
| Gain on amount due to a shareholder stated at fair value upon initial recognition 初始確認時按公允價值呈列應付一名股東款項之收益 | 241 | - |
| Gain on amount due to a director stated at fair value upon initial recognition 初始確認時按公允價值呈列應付一名董事款項之收益 | - | 151 |
| Government rewards (note) 政府獎勵(附註) | 454 | 629 |
| Interest income from amount due from a third party 應收一名第三方款項之利息收入 | - | 475 |
| Recognition of income attributable to unused gift certificates 確認未使用已到期禮券應佔收入 | 781 | - |
| Others 其他 | 403 | 126 |
| | 1,860 | 1,409 |

Note: The government rewards provided by the PRC government to the Group were paid mainly as an incentive for maintaining good quality of properties management service. There are no conditions and contingencies attached to the receipt of the government rewards and they are non-recurring in nature.

附註：中國政府向本集團提供之政府獎勵金乃主要為就維持高質素物業管理服務作出之獎勵。收取政府獎勵金並無附帶條件及或然因素，並屬非持續性質。

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綜合財務報表附註

For the year ended 31 December 2019
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8. FINANCE COSTS

8. 融資成本

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|-----------------|----------------------------------|--|
| Interests on: | 利息： | | |
| – Secured loans | – 抵押貸款 | 2,131 | 2,176 |
| – Bonds | – 債券 | 3,405 | 3,352 |
| – Imputed interest on amount due to a shareholder | – 應付一名股東款項之推算利息 | 199 | – |
| – Imputed interest on amount due to a director | – 應付一名董事款項之推算利息 | – | 1,994 |
| – Lease liabilities | – 租賃負債 | 236 | – |
| | | 5,971 | 7,522 |

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

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9. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging:

9. 除所得稅前虧損

除所得稅前虧損的計算已扣除：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|----------------------------------|--|
| Auditor's remuneration | 1,049 | 860 |
| Operating lease charges: minimum lease payments (note) | – | 1,964 |
| Staff costs (including directors' emolument disclosed in note 10) | 48,155 | 53,871 |
| – salaries, wages, allowances and other benefits in kind | 39,541 | 40,894 |
| – bonus | 152 | 600 |
| – retirement schemes contributions | 2,172 | 2,537 |
| – equity-settled share-based payment expenses | 6,290 | 9,840 |
| Cost of inventories | 7,915 | 8,385 |
| Depreciation | 4,862 | 3,462 |
| – Property, plant and equipment (note 15) | 3,150 | 3,462 |
| – Right-of-use assets (note 17) | 1,723 | – |
| Amortisation of intangible assets (note 16) | 4,562 | 4,562 |
| Loss on disposal of subsidiaries (note 35) | 885 | – |
| Loss allowance of trade receivables (note 22(a)) | 14,820 | 1,199 |
| Loss allowance of other receivables (note 22(b)) | 1,689 | – |

Note: The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

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截至二零一九年十二月三十一日止年度

10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments, disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

2019

10. 董事及行政總裁的酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露董事及行政總裁的酬金如下：

二零一九年

| | | Salaries, allowances and benefits in kind | Retirement benefits schemes contributions | Share-based payment expenses | Total | |
|---|----------------------|---|---|------------------------------|------------|--------------|
| | | Fees袍金 | 薪金、津貼及實物福利 | 退休福利計劃供款 | 以股份支付的開支 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| | | | | (note h) | (附註h) | |
| Executive directors | 執行董事 | | | | | |
| Mr. Choi Yun Chor (note a) (Co-Chairman) | 蔡潤初先生(附註a) (聯席主席) | - | 135 | 5 | - | 140 |
| Ms. Yeung So Mui (note a) (Co-Chairman) | 楊素梅女士(附註a) (聯席主席) | - | 54 | 3 | - | 57 |
| Mr. Chen Jian (note a) | 陳健先生(附註a) | - | 54 | 3 | - | 57 |
| Mr. Tai Kwok Keung Kenny (note a) | 戴國強先生(附註a) | - | 54 | 3 | - | 57 |
| Mr. Ng Kwai Wah Sunny (note a) | 吳季驊先生(附註a) | - | 135 | 5 | - | 140 |
| Mr. Lin Junwei (note a) | 林俊煒先生(附註a) | - | 135 | 5 | - | 140 |
| Mr. Shen Yong (note b) | 申勇先生(附註b) | 1,161 | - | - | 63 | 1,224 |
| Mr. Gan Lin (note c) | 甘霖先生(附註c) | - | 939 | 9 | 252 | 1,200 |
| Mr. Pang Huan Kun (note d) | 逢煥坤先生(附註d) | - | 1,438 | - | - | 1,438 |
| Ms. Wang Yi Ya (note e) | 王一雅女士(附註e) | 63 | - | - | - | 63 |
| Non-executive director | 非執行董事 | | | | | |
| Mr. Huang Xiang Yang (note f) | 黃向陽先生(附註f) | 533 | - | - | 178 | 711 |
| Independent non-executive directors | 獨立非執行董事 | | | | | |
| Ms. Lai Cheuk Yu Cherrie (note g) | 黎卓如女士(附註g) | 41 | - | - | - | 41 |
| Mr. Ting Wong Kacee (note g) | 丁煌先生(附註g) | 41 | - | - | - | 41 |
| Mr. Yu Lei (note f) | 余磊先生(附註f) | 107 | - | - | - | 107 |
| Mr. Ernst Rudolf Zimmermann (note f) | 司馬文先生(附註f) | 160 | - | - | - | 160 |
| Dr. Loke Yu | 陸海林博士 | 240 | - | - | - | 240 |
| | | 2,346 | 2,944 | 33 | 493 | 5,816 |

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

10. 董事及行政總裁的酬金 (續)

2018

二零一八年

| | | Salaries, allowances and benefits in kind | | Bonus | Retirement benefits schemes contributions | Share-based payment expenses | Total |
|--|----------------|---|----------|-------------------|---|------------------------------|----------|
| | Fees | 薪金、津貼及袍金 | 實物福利 | 花紅 | 退休福利計劃供款 | 以股份支付的開支 | 總計 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | (note j) (附註j) | | (note h) (附註h) | 千港元 |
| Executive directors | 執行董事 | | | | | | |
| Mr. Shen Yong (Chairman) (note b) | | | | | | | |
| | | | | | | | |
| | 1,200 | - | - | - | - | 107 | 1,307 |
| Mr. Gan Lin (Chief Executive Officer) (note c) | | | | | | | |
| | | | | | | | |
| | - | 2,000 | 250 | 18 | | 542 | 2,810 |
| Mr. Shen Ke (note i) | | | | | | | |
| | | | | | | | |
| | 210 | - | - | - | | 1,066 | 1,276 |
| Non-executive director | 非執行董事 | | | | | | |
| Mr. Huang Xiang Yang (note f) | | | | | | | |
| | | | | | | | |
| | 600 | - | - | - | | 197 | 797 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Dr. Loke Yu | | | | | | | |
| | | | | | | | |
| | 240 | - | - | - | | - | 240 |
| Mr. Ernst Rudolf Zimmermann (note f) | | | | | | | |
| | | | | | | | |
| | 180 | - | - | - | | - | 180 |
| Mr. Yu Lei (note f) | | | | | | | |
| | | | | | | | |
| | 120 | - | - | - | | - | 120 |
| | 2,550 | 2,000 | 250 | 18 | | 1,912 | 6,730 |

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Notes:

- (a) Mr. Choi Yun Chor, Ms. Yeung So Mui, Mr. Chen Jian, Mr. Tai Kwok Keung Kenny, Mr. Ng Kwai Wah Sunny and Mr. Lin Junwei were appointed as executive directors on 10 October 2019.
- (b) Mr. Shen Yong was removed on 19 December 2019.
- (c) Mr. Gan Lin resigned on 11 June 2019.
- (d) Mr. Pang Huan Kun was appointed as an executive director on 11 June 2019 and resigned on 20 November 2019.
- (e) Ms. Wang Yi Ya was appointed as an executive director on 11 June 2019 and was removed on 19 December 2019.
- (f) Mr. Huang Xiang Yang, Mr. Yu Lei and Mr. Ernst Rudolf Zimmermann resigned on 20 November 2019.
- (g) Ms. Lai Cheuk Yu Cherrie and Mr. Ting Wong Kacee were appointed as independent non-executive directors on 10 October 2019.
- (h) The value of share options granted to the directors is measured according to the Group's accounting policy for share-based payment transactions as set out in note 2.22. The details of these benefits in kind including the principal terms and number of options granted are disclosed in note 39.
- (i) Mr. Shen Ke resigned on 21 September 2018.
- (j) No bonuses were paid to the above directors during the year ended 31 December 2019.

10. 董事及行政總裁的酬金（續）

附註：

- (a) 蔡潤初先生、楊素梅女士、陳健先生、戴國強先生、吳季驊先生及林俊煒先生於二零一九年十月十日獲委任為執行董事。
- (b) 申勇先生於二零一九年十二月十九日被罷免。
- (c) 甘霖先生於二零一九年六月十一日辭任。
- (d) 逢煥坤先生於二零一九年六月十一日獲委任為執行董事，並於二零一九年十一月二十日辭任。
- (e) 王一雅女士於二零一九年六月十一日獲委任為執行董事，並於二零一九年十二月十九日被罷免。
- (f) 黃向陽先生、余磊先生及司馬文先生於二零一九年十一月二十日辭任。
- (g) 黎卓如女士及丁煌先生於二零一九年十月十日獲委任為獨立非執行董事。
- (h) 授予董事的購股權的價值乃根據本集團有關股份支付交易的會計政策進行計量，詳情載於附註2.22。該等實物福利詳情（包括已授出購股權的主要條款及數目）於附註39披露。
- (i) 申柯先生於二零一八年九月二十一日辭任。
- (j) 截至二零一九年十二月三十一日止年度，概無向上述董事支付任何花紅。

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11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2018: four) are directors whose emoluments are reflected in the analysis presented in note 10. The emoluments in respect of the remaining one (2018: one) individual during the year are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------|----------------------------------|----------------------------------|
| Salaries, allowances and benefits in kind | 薪金、津貼及實物福利 | 1,388 | 1,221 |
| Bonus | 花紅 | 107 | 290 |
| Retirement benefits schemes contributions | 退休福利計劃供款 | 18 | 18 |
| Equity-settled share-based payment expenses | 以權益結算以股份為基礎的支付開支 | 219 | 214 |
| | | 1,732 | 1,743 |

The above individual's emolument was within the following bands:

| | | Number of individuals 僱員人數 | |
|-------------------------------|----------------------------|-------------------------------|---------------|
| | | 2019 二零一九年 | 2018 二零一八年 |
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001 港元至 2,000,000 港元 | 1 | 1 |

There was no arrangement during the years ended 31 December 2019 and 2018, under which the directors or the five highest paid individuals waived or agreed to waive any remuneration, and no emoluments were paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

11. 最高薪酬人士

本集團五名最高薪酬人士中，四名（二零一八年：四名）為本公司董事，其酬金已於上文附註10內作出披露。年內餘下一名（二零一八年：一名）人士的酬金總額詳情如下：

上述人士的酬金範圍載列如下：

於截至二零一九年及二零一八年十二月三十一日止年度，董事或五名最高薪酬人士概無根據任何安排放棄或同意放棄任何酬金，且本集團並無向董事或五名最高薪酬人士支付任何酬金，以作為加盟本集團或於加盟本集團時的獎金或作為離職補償。

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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

12. INCOME TAX (CREDIT)/EXPENSES

Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------|----------------------------------|----------------------------------|
| PRC Corporate Income Tax ("CIT") | 中國企業所得稅 | | |
| Provision for the year | 本年度撥備 | 1,859 | 1,920 |
| Deferred tax (note 29) | 遞延稅項 (附註29) | | |
| Current year | 本年度 | (2,459) | (684) |
| Effect on opening deferred tax balance arising from a change in tax rate during the year | 對年內因稅率變動產生的期初遞延稅項結餘的影響 | 228 | - |
| | | (2,231) | (684) |
| | | (372) | 1,236 |

Notes:

- (a) No Hong Kong Profits Tax has been provided in the consolidated financial statements as the Group had no assessable profit in Hong Kong for the years ended 31 December 2019 and 2018.
- (b) Provision for the PRC CIT is calculated at 25% of the estimated assessable profits for the years ended 31 December 2019 and 2018.
- (c) Provision for the PRC CIT for Nuofute Property Management Co., Ltd.* 重慶諾富特物業管理有限公司 ("Nuofute Property Management") is calculated at 15% of the estimated assessable profits for the year ended 31 December 2018. Nuofute Property Management is qualified as a company under the development strategy of the PRC's western region and is able to enjoy a preferential income tax rate of 15%.

Pursuant to the relevant laws and regulation in the PRC, Nuofute Property Management is qualified as small low-profit enterprises enjoyed a preferential tax rate of 20% for the year ended 31 December 2019. In addition, in accordance with the "Notice on Preferential Income Tax Policies Applicable to Small Low-profit Enterprises", Nuofute Property Management is also entitled to a tax concession for 75% and 50% of its taxable income for the annual taxable income of less than RMB1,000,000 and the portion that exceeds RMB1,000,000 but does not exceed RMB3,000,000 (inclusive) for the year ended 31 December 2019, respectively.

- (d) Canadian Corporation Tax is calculated at Federal Tax rate of 15% (2018: 15%) and British Columbia Provincial Tax rate of 12% on the estimated assessable profits for the year ended 31 December 2019 (2018: 11%). No provision for taxation has been made as there is no assessable profit for the years ended 31 December 2019 and 2018.

12. 所得稅 (抵扣) / 開支

於綜合損益及其他全面收益表內之稅項指：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|
| PRC Corporate Income Tax ("CIT") | | |
| Provision for the year | 1,859 | 1,920 |
| Deferred tax (note 29) | | |
| Current year | (2,459) | (684) |
| Effect on opening deferred tax balance arising from a change in tax rate during the year | 228 | - |
| | (2,231) | (684) |
| | (372) | 1,236 |

附註：

- (a) 由於本集團截至二零一九年及二零一八年十二月三十一日止年度均無應課稅溢利，故並無於綜合財務報表計提香港利得稅撥備。
- (b) 中國企業所得稅撥備乃以截至二零一九年及二零一八年十二月三十一日止年度之估計應課稅溢利按25%計算。
- (c) 重慶諾富特物業管理有限公司 (「諾富特物業管理」) 之中國企業所得稅撥備乃以截至二零一八年十二月三十一日止各年度之估計應課稅溢利按15%計算。諾富特物業管理乃中國西部大開發下之合資格公司，可享優惠所得稅率15%。

根據中國相關法律及法規，諾富特物業管理符合小型微利企業資格，故於截至二零一九年十二月三十一日止年度享有20%優惠稅率。此外，根據《關於小型微利企業所得稅優惠政策的通知》，截至二零一九年十二月三十一日止年度的應課稅收入低於人民幣1,000,000元及超過人民幣1,000,000元但少於人民幣3,000,000元(含)的部分，諾富特物業管理亦可分別享有75%及50%的應課稅收入稅收減免。

- (d) 截至二零一九年十二月三十一日止年度，加拿大企業所得稅乃以估計應課稅溢利按聯邦稅率15%(二零一八年：15%)及英屬哥倫比亞省稅率12%(二零一八年：11%)計算。截至二零一九年及二零一八年十二月三十一日止年度，由於並無應課稅溢利，故並無計提稅項撥備。

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12. INCOME TAX (CREDIT)/EXPENSES (Continued)

Notes (Continued):

- (e) United States of America ("USA") Corporation Tax is calculated at Federal Tax rate of 21% and California State Income Tax rate of 8.84% on the estimated assessable profits for the years ended 31 December 2019 and 2018. No provision for taxation has been made as there is no assessable profit for the years ended 31 December 2019 and 2018.
- (f) Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI for the years ended 31 December 2019 and 2018.

* For identification purpose only.

Reconciliation between accounting loss and income tax (credit)/expenses at applicable tax rate is as follows:

12. 所得稅（抵扣）／開支（續）

附註（續）：

- (e) 美國公司稅乃就截至二零一九年及二零一八年十二月三十一日止年度之估計應課稅溢利按聯邦稅率21%及加利福尼亞州稅率8.84%計算。由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應課稅溢利，故並無計提稅項撥備。
- (f) 根據英屬處女群島規則及法規，截至二零一九年及二零一八年十二月三十一日止年度，本集團無須繳交英屬處女群島任何所得稅。

* 僅供識別

會計虧損與按適用稅率計算的所得稅（抵免）／開支之間的對賬如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------------------------|----------------------------------|----------------------------------|
| Loss before income tax | 除所得稅前虧損 | (30,816) | (20,584) |
| Notional tax on loss before income tax, calculated at the rates applicable to profit in the tax jurisdictions concerned | 按照適用於相關稅務司法權區的溢利之稅率，就除所得稅前虧損計算的名義稅項 | (5,391) | (3,532) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支的稅務影響 | 3,617 | 3,269 |
| Effect on opening deferred tax balance arising from a change in tax rate during the year | 對年內因稅率變動產生的期初遞延稅項結餘的影響 | 228 | - |
| Tax effect of income not taxable for tax purpose | 毋須納稅收入的稅務影響 | (362) | (253) |
| Tax effect of utilisation of previously unrecognised tax losses | 動用先前未確認稅務虧損的稅務影響 | (165) | - |
| Tax effect of unused tax losses and other temporary differences not recognised | 未動用稅項虧損及其他未確認臨時差異的稅務影響 | 1,701 | 1,752 |
| Income tax (credit)/expenses for the year | 本年度所得稅（抵免）／開支 | (372) | 1,236 |

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13. DIVIDEND

No dividend was paid or proposed during the years ended 31 December 2019 and 2018, nor has any dividend been proposed since the end of the reporting period.

14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to equity shareholders of the Company is based on the following:

13. 股息

截至二零一九年及二零一八年十二月三十一日止年度，並無派付或建議股息，且自報告期末以來亦未建議任何股息。

14. 每股虧損

本公司權益股東應佔的每股基本及攤薄虧損乃基於以下項目計算：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Loss | 虧損 | | |
| Loss for the purpose of basic loss per share | 用於計算每股基本虧損的虧損 | | |
| Loss for the year attributable to equity shareholders of the Company | 本公司權益股東應佔的本年度虧損 | (30,444) | (21,820) |
| | | '000 千股 | '000 千股 |
| Number of shares | 股份數目 | | |
| Weighted average number of ordinary shares as at 31 December | 於十二月三十一日的普通股加權平均數 | 711,588 | 531,213 |

The diluted loss per share is the same as basic loss per share as the Company did not have any outstanding dilutive potential ordinary shares during the years ended 31 December 2019 and 2018.

截至二零一九年及二零一八年十二月三十一日止年度，由於本公司並無任何尚未使用的潛在攤薄普通股，每股攤薄虧損即等於每股基本虧損。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、機器及設備

| | | Freehold land and buildings held for own use 永久業權 土地及持作 自用的樓宇 HK\$'000 千港元 | Leasehold improvements 租賃 物業裝修 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Other property, plant and equipment 其他物業、 機器及設備 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---------------------------------|--|--|--|---|--------------------------------|
| Cost | 成本 | | | | | |
| As at 1 January 2018 | 於二零一八年一月一日 | 97,383 | 1,594 | 701 | 7,765 | 107,443 |
| Exchange adjustments | 匯兌調整 | (7,606) | - | - | (439) | (8,045) |
| Additions | 添置 | 1,736 | - | - | 588 | 2,324 |
| Disposals | 出售 | - | - | - | (439) | (439) |
| As at 31 December 2018 and 1 January 2019 | 於二零一八年 十二月三十一日及 二零一九年一月一日 | 91,513 | 1,594 | 701 | 7,475 | 101,283 |
| Exchange adjustments | 匯兌調整 | 3,783 | - | (14) | 297 | 4,066 |
| Additions | 添置 | 108 | - | 983 | 651 | 1,742 |
| Disposals | 出售 | - | - | - | (273) | (273) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 95,404 | 1,594 | 1,670 | 8,150 | 106,818 |
| Depreciation and impairment | 折舊及減值 | | | | | |
| As at 1 January 2018 | 於二零一八年一月一日 | 7,360 | 1,594 | 643 | 5,000 | 14,597 |
| Exchange adjustments | 匯兌調整 | (660) | - | - | (415) | (1,075) |
| Charge for the year | 本年度支銷 | 1,857 | - | 58 | 1,547 | 3,462 |
| Written back on disposals | 出售時撇銷 | - | - | - | (439) | (439) |
| As at 31 December 2018 and 1 January 2019 | 於二零一八年 十二月三十一日及 二零一九年一月一日 | 8,557 | 1,594 | 701 | 5,693 | 16,545 |
| Exchange adjustments | 匯兌調整 | 385 | - | (1) | 248 | 632 |
| Charge for the year | 本年度支銷 | 1,703 | - | 79 | 1,368 | 3,150 |
| Written back on disposals | 出售時撇銷 | - | - | - | (233) | (233) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 10,645 | 1,594 | 779 | 7,076 | 20,094 |
| Carrying values | 賬面值 | | | | | |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 84,759 | - | 891 | 1,074 | 86,724 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 82,956 | - | - | 1,782 | 84,738 |

As at 31 December 2019, the Group's freehold land and buildings held for own use located outside Hong Kong with carrying amount of approximately HK\$84,759,000 (2018: HK\$82,956,000) were pledged to the secured loans (see note 30).

於二零一九年十二月三十一日，本集團於香港境外持有，賬面值約為84,759,000港元（二零一八年：82,956,000港元）的永久業權土地及持作自用的樓宇已抵押予抵押貸款（參閱附註30）。

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16. INTANGIBLE ASSETS

16. 無形資產

| | | Customers relationship 客戶關係 HK\$'000 千港元 |
|--|--|--|
| Cost | 成本 | |
| As at 1 January 2018, 31 December 2018, 1 January 2019 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、二零一九年一月一日 及二零一九年十二月三十一日 | 45,616 |
| Amortisation | 攤銷 | |
| As at 1 January 2018 | 於二零一八年一月一日 | 11,025 |
| Charges for the year | 本年度費用 | 4,562 |
| As at 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | 15,587 |
| Charges for the year | 本年度費用 | 4,562 |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 20,149 |
| Carrying values | 賬面值 | |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 25,467 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 30,029 |

The amortisation charge for the year is included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

The customers relationship was acquired from third parties through business combinations. It was amortised on a straight-line basis over 10 years. The remaining useful life of the intangible assets was 6 years.

The discount rates reflect specific risks relation to the relevant cash-generating units. The retention rates within the remaining six-year period have been based on the past experience and management's expectation of market development.

本年度攤銷費用計入綜合損益及其他全面收益表中的「行政開支」項下。

客戶關係乃透過業務合併自第三方收購，其乃使用直線基準在十年內攤銷。無形資產之剩餘可使用年期為六年。

貼現率反映與相關現金產生單位有關之具體風險。餘下六年期間內之保留比率乃以過往經驗及管理層對市場發展之預期為基準。

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16. INTANGIBLE ASSETS (Continued)

The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of intangible assets as at 31 December 2019:

| | | 2019 二零一九年 | 2018 二零一八年 |
|-----------------|------|---------------|---------------|
| Discount rates | 貼現率 | 18.2% | 17.7% |
| Retention rates | 保留比率 | 85.8% – 92.7% | 89.5% – 94.6% |

The management of the Group considered that no impairment of intangible assets is necessary as at 31 December 2019 and 2018.

16. 無形資產 (續)

下表載列於二零一九年十二月三十一日，管理層進行現金流量預測以開展無形資產減值測試所採用的各項主要假設。

本集團管理層認為，於二零一九年及二零一八年十二月三十一日，其無形資產無須減值。

17. RIGHT-OF-USE ASSETS

Upon initial application of HKFRS 16, the right-of-use assets represent lease of office in Hong Kong.

17. 使用權資產

首次應用香港財務報告準則第16號，使用權資產代表其香港的辦公室租賃。

| | | HK\$'000 千港元 |
|--|--------------------------|------------------|
| As at 31 December 2018 | 於二零一八年十二月三十一日 | – |
| Impact on initial application of HKFRS 16 (note 3) | 初始應用香港財務報告準則第16號的影響(附註3) | 4,576 |
| As at 1 January 2019, adjusted Depreciation for the year | 於二零一九年一月一日，經調整年內折舊 | 4,576 (1,723) |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 2,853 |

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18. INTERESTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2019 and 2018 are as follows:

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ establishment/ operation 註冊成立/成立/ 經營地點 | Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情 | Proportion ownership interest held by the Company 由本公司持有之所有權權益比例 | | | | Principal activities 主要業務 |
|---|--|--|---|---------------|------------------|---------------|---|
| | | | Directly 直接 | | Indirectly 間接 | | |
| | | | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | |
| Forebase Canada Limited 申基加拿大有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | - | - | 100% | 100% | Investment holding 投資控股 |
| Forebase Group Limited 申基集團有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | 100% | 100% | - | - | Investment holding 投資控股 |
| Forebase Victoria Holdings Limited | Canada 加拿大 | 1 share, Canadian dollar ("CAD")1 1股, 1加拿大元(「加元」) | - | - | 100% | 100% | Hotel operation 酒店經營 |
| Forebase Enterprise Limited 申基創業有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | 100% | 100% | - | - | Investment holding 投資控股 |
| Forebase China Limited 申基中國有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | - | - | 100% | 100% | Investment holding 投資控股 |
| Forebase Hong Kong Limited 申基香港有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | - | - | 100% | 100% | Provision of administrative support to group companies 對集團公司提供行政支援 |
| Ultimate Frontier Limited | BVI 英屬處女群島 | 1 share, United States Dollar ("US\$")1 1股, 1美元(「美元」) | - | - | 100% | 100% | Investment holding 投資控股 |

18. 於附屬公司之權益

於二零一九年及二零一八年十二月三十一日的主要附屬公司詳情如下：

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18. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries as at 31 December 2019 and 2018 are as follows (Continued):

18. 於附屬公司之權益 (續)

於二零一九年及二零一八年十二月三十一日的主要附屬公司詳情如下 (續) :

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ establishment/ operation 註冊成立/成立/ 經營地點 | Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情 | Proportion ownership interest held by the Company 由本公司持有之所有權權益比例 | | | | Principal activities 主要業務 |
|--|--|--|---|---------------|------------------|---------------|------------------------------|
| | | | Directly 直接 | | Indirectly 間接 | | |
| | | | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | |
| Forebase International Healthcare and Senior Living Hotel Management Service Limited 申基國際健康養老酒店管理服務有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | - | - | 100% | 100% | Inactive 暫無業務 |
| Equity Stream Limited **** | BVI 英屬處女群島 | 1 share, US\$1 1股, 1美元 | - | - | - | 100% | Investment holding 投資控股 |
| Keen Capture Limited **** 佳安有限公司 **** | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | - | - | - | 100% | Investment holding 投資控股 |
| Capital Knight Limited | BVI 英屬處女群島 | 1 share, US\$1 1股, 1美元 | - | - | 100% | 100% | Investment holding 投資控股 |
| Easy Chase Limited 萬璋有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股, 1港元 | - | - | 100% | 100% | Investment holding 投資控股 |
| Forebase US Holdings Limited | USA 美國 | 100 shares, US\$31 each 100股, 每股31美元 | 100% | 100% | - | - | Investment holding 投資控股 |

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18. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries as at 31 December 2019 and 2018 are as follows (Continued):

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ establishment/ operation 註冊成立/成立/ 經營地點 | Particulars of issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本詳情 | Proportion ownership interest held by the Company 由本公司持有之所有權權益比例 | | | | Principal activities 主要業務 |
|---|--|--|---|---------------|------------------|---------------|-------------------------------|
| | | | Directly 直接 | | Indirectly 間接 | | |
| | | | 2019 二零一九年 | 2018 二零一八年 | 2019 二零一九年 | 2018 二零一八年 | |
| Wanwei (Chongqing) Business Management Co., Ltd.* 萬瑋(重慶)企業管理有限公司 | PRC 中國 | US\$400,000 400,000美元 | - | - | 100% | 100% | Investment holding 投資控股 |
| Chongqing Wanwei Trading Development Co., Ltd.* 重慶萬瑋貿易發展有限公司 | PRC 中國 | Renminbi ("RMB") 1,000,000 人民幣1,000,000元 | - | - | 100% | 100% | Investment holding 投資控股 |
| Nuofute Property Management Co., Ltd.* 重慶諾富特物業管理有限公司 | PRC 中國 | RMB5,000,000 人民幣5,000,000元 | - | - | 100% | 100% | Properties management 物業管理 |
| Chengdu Aoshenda Business Management Limited Liability Co.,#**** 成都奧申達商業管理 有限責任公司 | PRC 中國 | HK\$10,000,000 10,000,000港元 | - | - | - | 100% | Business management 商業管理 |
| Freemaster Limited ** | BVI 英屬處女群島 | 1 share, US\$1 1股, 1美元 | 100% | - | - | - | Investment holding 投資控股 |
| Cherish Possession Limited *** | BVI 英屬處女群島 | 1 share, US\$1 1股, 1美元 | - | - | 100% | - | Investment holding 投資控股 |

Notes:

* The English translation of the name of the companies established in the PRC is for reference only. The official names of the companies are in Chinese.

** Acquired on 14 March 2019.

*** Acquired on 17 April 2019. Refer to note 34 for details.

**** Disposed on 27 August 2019. It is a subsidiary of Equity Stream Limited. Refer to note 35 for details.

These entities were established in the PRC and are wholly-owned foreign enterprises.

None of the subsidiaries had issued any debt securities at the end of both years or during both years.

18. 於附屬公司之權益(續)

於二零一九年及二零一八年十二月三十一日的主要附屬公司詳情如下(續):

附註:

* 於中國成立之公司之英文譯名僅供參考。該等公司之官方名稱以中文表示。

** 於二零一九年三月十四日收購。

*** 於二零一九年四月十七日收購。詳情請參閱附註34。

**** 於二零一九年八月二十七日出售。該公司為Equity Stream Limited之附屬公司,詳情請參閱附註35。

該等實體於中國成立,屬外商獨資企業。

概無任何附屬公司於兩個年度末或於年內發行任何債券。

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19. INTEREST IN AN ASSOCIATE

19. 於一間聯營公司之權益

| | | 2019 二零一九年 HK\$'000 千港元 |
|------------------------------------|------------|----------------------------------|
| Share of net assets | 應佔資產淨值 | 7,406 |
| Amount due from an associate | 應收一間聯營公司款項 | 13,664 |
| | | 21,070 |
| Represented by: | 即： | |
| Investment costs | 投資成本 | 6,235 |
| Share of post-acquisition reserves | 應佔收購後儲備 | 1,171 |
| | | 7,406 |
| Amount due from an associate | 應收一間聯營公司款項 | 13,664 |
| At 31 December | 於十二月三十一日 | 21,070 |

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19. INTEREST IN AN ASSOCIATE (Continued)

The following list contains only the particulars of the associate, which is an unlisted corporate entity whose quoted market price is not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 December 2019.

| Name 名稱 | Place of incorporation/ operation 註冊成立/ 經營地點 | Particulars of issued and fully paid share capital 已發行及繳 足股本詳情 | Proportion ownership interest held by the Company 由本公司持有之所有權權益比例 | | Principal activities 主要業務 |
|---------------|---|--|--|---------------|--|
| | | | Indirectly 間接 | | |
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Total Blossom | Malaysia 馬來西亞 | 1,000 shares, Malaysian Ringgit 1 each 1,000股，每股 1馬來西亞令吉 | 49% | – | Properties investment for rental 物業投資作出租用途 |

In April 2019, Freemaster Limited (“Freemaster”), a wholly owned subsidiary of the Company, entered into a sales and purchase agreement (“Agreement”) with two independent third parties, for the acquisition of 100% equity interest in Cherish Possession Limited (“Cherish Possession”) at a total consideration of approximately HK\$19,899,000, represented by the issuance of 58,527,776 ordinary shares at a market value of HK\$0.34 per share. The acquisition was completed on 17 April 2019 (note 27(a)). Cherish Possession did not operate any business prior to the acquisition. Instead, it mainly holds 49% equity interest in Total Blossom which is a private limited company incorporated in Malaysia.

The Group holds 49% of the ordinary shares in Total Blossom. As major operating decisions are made by another shareholder which holds 51% of the ordinary shares, the directors of the Company consider that the Group has significant influence in Total Blossom and Total Blossom was accounted for as an associate of the Group by using the equity method.

The amount due from an associate is unsecured, non-interest bearing and repayable on demand. The Controlling Shareholders have undertaken to indemnify the Group against any losses that may result from the non-recovery of the amount due from an associate of HK\$13,664,000.

19. 於一間聯營公司之權益 (續)

下表僅載列董事認為對本集團於二零一九年十二月三十一日的業績或資產淨值有重大影響的聯營公司之詳情，所有聯營公司均為非上市公司實體，並無市場報價。

於二零一九年四月，Freemaster Limited (「Freemaster」，本公司的全資附屬公司) 與兩名獨立第三方訂立買賣協議 (「該協議」)，以收購 Cherish Possession Limited (「Cherish Possession」) 的 100% 股權，總代價約為 19,899,000 港元，方式為以市場價值每股 0.34 港元發行 58,527,776 股普通股。收購已於二零一九年四月十七日完成 (附註 27(a))。於收購前，Cherish Possession 並無經營任何業務。反之，該公司主要持有 Total Blossom 的 49% 股權，Total Blossom 為於馬來西亞註冊成立的私人有限公司。

本公司持有 Total Blossom 的 49% 普通股。由於重大經營決策由持有 51% 普通股的其他股東作出，本公司董事認為本集團對 Total Blossom 具有重大影響力，故 Total Blossom 乃以權益法作為本集團聯營公司入賬。

應收一間聯營公司款項為無抵押、免息及須於要求時償還。控股股東承諾就未能追回應收一間聯營公司款項 13,664,000 港元所致之任何損失向本集團作出彌償。

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19. INTEREST IN AN ASSOCIATE (Continued)

Set out below are the summarised financial information of Total Blossom which is accounted for using the equity method:

19. 於一間聯營公司之權益 (續)

下表載列 Total Blossom 的概要財務資料，已使用權益法入賬：

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|--|--|
| Non-current assets | 非流動資產 | 43,000 |
| Current asset | 流動資產 | 2 |
| Current liabilities | 流動負債 | (27,885) |
| Net assets | 資產淨值 | 15,117 |
| Included in the above assets and liabilities: | 上述資產及負債包括： | |
| Current financial liabilities (excluding trade and other payables and provisions) | 流動金融負債 (不包括貿易及其他應付賬款及撥備) | (27,885) |
| | | For the period from 17 April 2019 (date of acquisition) to 31 December 2019 自二零一九年 四月十七日 (收購日期)至 二零一九年 十二月 三十一日期間 HK\$'000 千港元 |
| Revenue | 收益 | - |
| Profit before income tax | 除所得稅前溢利 | 2,390 |
| Profit and total comprehensive income for the period from 17 April 2019 (date of acquisition) to 31 December 2019 | 自二零一九年四月十七日 (收購日期)至二零一九年 十二月三十一日期間的溢利 及全面收益總額 | 2,390 |

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20. INTERESTS IN JOINT VENTURES

20. 於合營企業之權益

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------------|------------|----------------------------------|----------------------------------|
| Share of net assets | 應佔資產淨值 | 14,993 | 15,081 |
| Amounts due from a joint venture | 應收一間合營企業款項 | 29,523 | 29,523 |
| | | 44,516 | 44,604 |
| Represented by: | 即： | | |
| Investment costs | 投資成本 | 15,758 | 15,758 |
| Share of post-acquisition reserves | 應佔收購後儲備 | 459 | 553 |
| Amounts due from a joint venture | 應收一間合營企業款項 | 16,217 | 16,311 |
| Exchange adjustments | 匯兌調整 | 29,523 (1,224) | 29,523 (1,230) |
| At 31 December | 於十二月三十一日 | 44,516 | 44,604 |

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20. INTERESTS IN JOINT VENTURES (Continued)

The following list contains only the particulars of joint ventures, all of which are unlisted corporate entities whose quoted market prices are not available, which in the opinion of the directors principally affected the results or net assets of the Group as at 31 December 2019.

20. 於合營企業之權益 (續)

下表僅載列董事認為對本集團於二零一九年十二月三十一日的業績或資產淨值有重大影響的合營企業之詳情，所有合營企業均為非上市公司實體，並無市場報價。

| Name 名稱 | Place of incorporation/ establishment/ operations 註冊成立/成立/ 經營地點 | Particulars of issued and fully paid share capital/ registered capital 已發行及 繳足股本詳情 | Proportion ownership interest held by the Company 已發行及繳足股本/ 註冊資本詳情 | | Principal activities 主要業務 |
|---|--|--|---|---------------|---------------------------------------|
| | | | Indirectly 間接 | | |
| | | | 2019 二零一九年 | 2018 二零一八年 | |
| Triple Market Limited ("Triple Market") | BVI 英屬處女群島 | 1 share, US\$1 1股 · 1美元 | 49% | 49% | Investment holding 投資控股 |
| Daily Host Limited 進策有限公司 | Hong Kong 香港 | 1 share, HK\$1 1股 · 1港元 | 49% | 49% | Investment holding 投資控股 |
| Chongqing Shandu Corporate Management Limited* 重慶善度企業管理有限公司 | PRC 中國 | US\$300,000 300,000美元 | 49% | 49% | Investment holding 投資控股 |
| Chongqing Shance Limited* 重慶善策實業有限公司 | PRC 中國 | RMB10,000,000 人民幣10,000,000元 | 49% | 49% | Investment holding 投資控股 |
| Chongqing Xingling Limited* ("Chongqing Xingling") 重慶星嶺實業有限公司 (「星嶺實業」) | PRC 中國 | RMB49,658,200 人民幣49,658,200元 | 49% | 49% | Property holding for rental 持有物業出租 |

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20. INTERESTS IN JOINT VENTURES (Continued)

On 6 March 2018, Forebase China Limited, a wholly owned subsidiary, has completed the acquisition of 49% equity interests, together with the shareholder's loan, in Triple Market and its subsidiaries ("Triple Market Group"). Triple Market Group mainly holds investment properties. Pursuant to the Agreement, unanimous consent from both shareholders are required for certain key corporate matters of Triple Market Group. Therefore, Triple Market Group is under the joint control of the Group. The Group has the right to the net assets of Triple Market Group. Accordingly, the investment in Triple Market Group was accounted for as joint ventures of the Group by using the equity method.

In July 2019, all the investment properties were seized by the Intermediate People's Court of Chongqing (重慶第一中級人民法院) in relation to a loan dispute with a financial institution. The directors of the Company inquired of the management of the joint ventures in relation to the seizure of investment properties and the loan dispute, but they are still not able to obtain all relevant information, including the court orders, the reason and the latest development of the seizure of the investment properties and the loan dispute. Therefore, the directors are unable to assess the likely outcome and the financial impact associated with the seizure of the investment properties and the loan dispute, and to assess as to whether any adjustments related to the understatement of liabilities of the joint ventures and impairment loss on the interests in joint ventures was needed as at 31 December 2019.

The amounts due from a joint venture is unsecured, non-interest bearing and repayable on demand. The Controlling Shareholders have undertaken to indemnify the Group against any losses that may result from the non-recovery of the amount due from a joint venture of HK\$29,523,000.

* The English translation of the names of the companies established in the PRC is for reference only. The official names of the companies are in Chinese.

20. 於合營企業之權益 (續)

於二零一八年三月六日，一家全資子公司申基中國有限公司完成收購Triple Market及其附屬公司(「Triple Market集團」)的49%股權連同股東貸款。Triple Market集團主要持有投資物業。根據該協議，Triple Market集團的若干重要公司事宜須獲得兩名股東的一致同意。因此，Triple Market集團由本集團共同控制。本集團有權享有Triple Market集團的淨資產。因此，於Triple Market集團的投資以權益法入賬列為本集團的合營企業。

於二零一九年七月，所有投資物業因涉及與金融機構的貸款糾紛而被重慶第一中級人民法院查封。本公司董事向合營企業管理層查詢有關查封投資物業及貸款糾紛，但彼等仍未能獲取所有相關資料，包括法院頒令、查封投資物業及貸款糾紛的原因及最新發展。因此，董事未能評估查封投資物業及貸款糾紛引起的可能結果及財務影響，亦未能評估於二零一九年十二月三十一日是否需就低估合營企業負債作出任何調整及於合營企業之權益作出任何減值虧損。

應收一間合營企業款項為無抵押、免息及須於要求時償還。控股股東承諾就未能追回應收一間合營企業款項29,523,000港元所致之任何損失向本集團作出彌償。

* 於中國成立的公司之英文譯名僅供參考。該等公司之官方名稱以中文表示。

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20. INTERESTS IN JOINT VENTURES (Continued)

Set out below are the summarised financial information of Triple Market Group which is accounted for using the equity method:

20. 於合營企業之權益 (續)

以下載列以權益法入賬的Triple Market集團的財務資料概要：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------------|----------------------------------|----------------------------------|
| Current assets | 流動資產 | 1 | 65 |
| Non-current assets | 非流動資產 | 88,633 | 90,246 |
| Current liabilities | 流動負債 | (54,977) | (56,454) |
| Non-current liabilities | 非流動負債 | (559) | (569) |
| Net assets | 資產淨值 | 33,098 | 33,288 |
| Included in the above assets and liabilities: | 上述資產及負債包括： | | |
| Cash and cash equivalents | 現金及現金等價物 | 1 | 1 |
| Current financial liabilities (excluding trade and other payables and provisions) | 流動金融負債 (不包括貿易及其他應付賬款及撥備) | (54,525) | (55,491) |
| Non-current financial liabilities (excluding trade and other payables and provisions) | 非流動金融負債 (不包括貿易及其他應付賬款及撥備) | (559) | (569) |

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20. INTERESTS IN JOINT VENTURES (Continued)

20. 於合營企業之權益 (續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|-------------------------|----------------------------------|--|
| Revenue | 收益 | 251 | 57 |
| Other income and gain, net | 其他收入及收益淨額 | 13 | 3 |
| Gain arising from change in fair value of investment properties | 投資物業公允價值變動產生之收益 | - | 2,373 |
| Total operating expenses | 經營開支總額 | (455) | (711) |
| (Loss)/Profit before income tax | 除所得稅前 (虧損) / 溢利 | (191) | 1,722 |
| Income tax expenses | 所得稅開支 | - | (593) |
| (Loss)/Profit for the year | 本年度 (虧損) / 溢利 | (191) | 1,129 |
| Other comprehensive income/ (expenses) for the year | 本年度其他全面收入 / (開支) | | |
| Exchange differences on translation of financial statements of the overseas joint ventures | 換算海外合營企業財務報表之匯兌差額 | 11 | (2,510) |
| Total comprehensive expense attributable to the Group | 本集團應佔全面開支總額 | (180) | (1,381) |

Note:

The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

附註：

本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

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21. INVENTORIES

21. 存貨

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------|-------|----------------------------------|----------------------------------|
| Food and beverages | 食物及飲料 | 697 | 622 |
| Hotel merchandise | 酒店商品 | 131 | 215 |
| | | 828 | 837 |

22. TRADE AND OTHER RECEIVABLES

22. 貿易及其他應收賬款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------------|----------------------------------|----------------------------------|
| Trade receivables, net of loss allowance (note (a)) | 貿易應收賬款，扣除虧損撥備（附註(a)） | | |
| – with third parties | – 第三方 | 18,923 | 542 |
| – with related companies | – 關聯公司 | 421 | 26,580 |
| | | 19,344 | 27,122 |
| Deposits and other receivables, net of loss allowance (note (b)) | 按金及其他應收賬款，扣除虧損撥備（附註(b)） | 2,776 | 2,724 |
| Amounts due from third parties, net of loss allowance (note (c)) | 應收第三方款項，扣除虧損撥備（附註(c)） | 4,888 | 6,004 |
| Amounts due from related companies | 應收關聯公司款項 | – | 648 |
| Prepayments | 預付款項 | 1,293 | 1,214 |
| | | 28,301 | 37,712 |

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22. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables

The Group allows an average credit period of 0 to 30 days to its trade customers. Further details on the Group's credit policy are set out in note 42.3. The following is an ageing analysis of trade receivables, net of loss allowance, based on the date of delivery of goods or date of rendering of services which approximated the respective dates on which revenue was recognised:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|----------|----------------------------------|----------------------------------|
| Within 90 days | 90日內 | 3,685 | 1,176 |
| 91 to 180 days | 91至180日 | 1,638 | 1,086 |
| 181 to 365 days | 181至365日 | 3,582 | 2,633 |
| 1 to 2 years | 一至兩年 | 4,344 | 8,581 |
| 2 to 3 years | 二至三年 | 4,502 | 5,733 |
| Over 3 years | 超過三年 | 1,593 | 7,913 |
| | | 19,344 | 27,122 |

The movements in loss allowance of trade receivables during the year are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| As at 1 January | 於一月一日 | 6,611 | 5,755 |
| Loss allowance of trade receivables recognised during the year | 年內確認之貿易應收賬款之虧損撥備 | 14,820 | 1,199 |
| Exchange adjustments | 匯兌調整 | (339) | (343) |
| As at 31 December | 於十二月三十一日 | 21,092 | 6,611 |

Trade receivables due from related companies as at 31 December 2019 and 2018 are unsecured, interest-free and repayable on demand.

22. 貿易及其他應收賬款 (續)

(a) 貿易應收賬款

本集團向貿易客戶授予的平均信貸期為0至30日。關於本集團信貸政策的進一步詳情載於附註42.3。以下為根據交付貨品的日期或提供服務的日期（與確認收益的日期相若）呈列的扣除貿易應收賬款虧損撥備的貿易應收賬款賬齡分析：

貿易應收賬款之虧損撥備之變動如下：

於二零一九年及二零一八年十二月三十一日，應收關聯公司的貿易應收賬款為無抵押、免息及須於要求時償還。

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22. TRADE AND OTHER RECEIVABLES (Continued)

(b) Deposits and other receivables

As at 31 December 2019, a loss allowance of HK\$1,689,000 (2018: HK\$Nil) was made against the gross amount of other receivables.

(c) Amount due from third parties

As at 31 December 2019, the amounts due from third parties mainly included an amount of HK\$4,733,000 which is unsecured, interest bearing at 8% per annum and repayable on demand. Impairment loss of HK\$854,000 has been made for the year ended 31 December 2019 (2018: HK\$Nil).

As at 31 December 2018, the amount was unsecured, interest bearing at 8% per annum and repayable before 14 November 2019.

23. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION

(a) Bank balances and cash

Bank balances and cash of HK\$4,555,000 (2018: HK\$4,718,000) denominated in RMB are placed with banks in the PRC. RMB is not a freely convertible currency. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

22. 貿易及其他應收賬款 (續)

(b) 按金及其他應收賬款

於二零一九年十二月三十一日，已就其他應收賬款總額作出1,689,000港元(二零一八年：零港元)虧損撥備。

(c) 應收第三方款項

於二零一九年十二月三十一日，應收第三方款項為4,733,000港元為無抵押，按年利率8厘計息，及須按要求償還償還。截至二零一九年十二月三十一日止年度，已作出的減值虧損為854,000港元(二零一八年：零港元)。

於二零一八年十二月三十一日，該款項乃無抵押，按年利率8厘計息，及須於二零一九年十一月十四日之前償還。

23. 銀行結餘及現金及其他現金流量 資料

(a) 銀行結餘及現金

銀行結餘及現金4,555,000港元(二零一八年：4,718,000港元)均以人民幣計值，存放於中國的銀行。人民幣並非可自由兌換的貨幣。根據中國外匯管理條例及外匯結算、銷售及付款管理條例，本集團獲准透過獲授權開展外匯業務的銀行將人民幣兌換為外幣。

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23. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities

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

23. 銀行結餘及現金及其他現金流量資料 (續)

(b) 融資活動所產生的負債對賬

下表詳細列出融資活動所產生的本集團負債變動，包括現金及非現金的變動。融資活動所產生的負債乃為現金流量或未來現金流量於本集團綜合現金流量表中已分類或將分類為融資活動所產生的現金流量的負債：

| | | Other payables 其他應付賬款 HK\$'000 千港元 | Amounts due to related companies 應付關聯公司款項 HK\$'000 千港元 | Secured loans 抵押貸款 HK\$'000 千港元 (note 30) (附註30) | Loan from shareholders 股東貸款 HK\$'000 千港元 (note 31) (附註31) | Bonds 債券 HK\$'000 千港元 (note 32) (附註32) | Amount due to a director 應付一名董事款項 HK\$'000 千港元 (note 25) (附註25) | Lease liabilities 租賃負債 HK\$'000 千港元 (note 33) (附註33) | Total 總計 HK\$'000 千港元 |
|--|---------------------------|---|---|---|--|---|--|---|--------------------------------|
| At 31 December 2018 | 於二零一八年十二月三十一日 | - | 7,157 | 36,013 | - | 60,181 | 3,315 | - | 106,666 |
| Impact on initial application of HKFRS 16 (note 3) | 初始應用香港財務報告準則第16號的影響 (附註3) | - | - | - | - | - | - | 4,604 | 4,604 |
| At 1 January 2019, adjusted | 於二零一九年一月一日，經調整 | - | 7,157 | 36,013 | - | 60,181 | 3,315 | 4,604 | 111,270 |
| Changes from financing cash flows: | 融資現金流量變動： | | | | | | | | |
| Advance from shareholders | 股東墊款 | - | - | - | 11,187 | - | - | - | 11,187 |
| Repayment of secured loans | 償還抵押貸款 | - | - | (3,168) | - | - | - | - | (3,168) |
| Repayment to a director | 償還一名董事款項 | - | - | - | - | - | (546) | - | (546) |
| Repayment to related companies | 償還關聯公司款項 | - | (298) | - | - | - | - | - | (298) |
| Payment of lease liabilities | 償還租賃負債 | - | - | - | - | - | - | (1,665) | (1,665) |
| Interest paid | 已支付利息 | - | - | (2,131) | - | (2,800) | (199) | (236) | (5,366) |
| Total changes from financing cash flows | 融資現金流量變動總額 | - | (298) | (5,299) | 11,187 | (2,800) | (745) | (1,901) | 144 |
| Exchange adjustments | 匯兌調整 | - | (116) | 1,430 | - | - | - | - | 1,314 |
| Other changes: | 其他變動： | | | | | | | | |
| Finance costs (note 8) | 融資成本 (附註8) | - | - | 2,131 | - | 3,405 | 199 | 236 | 5,971 |
| Interest payable | 應付利息 | - | - | - | - | (605) | - | - | (605) |
| Transfer to other payables | 轉至其他應付賬款 | 9,512 | (6,743) | - | - | - | (2,769) | - | - |
| Total other changes | 其他變動總額 | 9,512 | (6,743) | 2,131 | - | 2,800 | (2,570) | 236 | 5,366 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 9,512 | - | 34,275 | 11,187 | 60,181 | - | 2,939 | 118,094 |

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23. BANK BALANCES AND CASH AND OTHER CASH FLOW INFORMATION (Continued)

(b) Reconciliation of liabilities arising from financing activities (Continued)

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

| | | Amounts due to related companies 應付關聯 公司款項 HK\$'000 千港元 | Secured loans 抵押貸款 HK\$'000 千港元 (note 30) (附註30) | Bonds 債券 HK\$'000 千港元 (note 32) (附註32) | Amount due to a director 應付一名 董事款項 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|---------------------------|---|--|---|---|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 3,590 | 41,028 | 50,000 | 45,961 | 140,579 |
| Changes from financing cash flows: | 融資現金流量變動： | | | | | |
| Advances from related companies | 關聯公司墊款 | 3,911 | - | - | - | 3,911 |
| Repayment of secured loans | 償還抵押貸款 | - | (1,943) | - | - | (1,943) |
| Repayment to a director | 償還一名董事款項 | - | - | - | (1,224) | (1,224) |
| Interest paid | 已支付利息 | - | (2,176) | (2,800) | (1,994) | (6,970) |
| Total changes from financing cash flows | 融資現金流量變動總額 | 3,911 | (4,119) | (2,800) | (3,218) | (6,226) |
| Exchange adjustments | 匯兌調整 | (344) | (3,072) | - | - | (3,416) |
| Other changes: | 其他變動： | | | | | |
| Finance costs (note 8) | 融資成本 (附註8) | - | 2,176 | 3,352 | 1,994 | 7,522 |
| Interest payable | 應付利息 | - | - | (552) | - | (552) |
| Issuance of shares for repayment of amount due to a director (note 27(b)) | 就償還應付一名董事款項發行股份 (附註27(b)) | - | - | - | (41,422) | (41,422) |
| Issuance of bonds for acquisition of joint ventures | 就收購合營企業發行之債券 | - | - | 10,181 | - | 10,181 |
| Total other changes | 其他變動總額 | - | 2,176 | 12,981 | (39,428) | (24,271) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 7,157 | 36,013 | 60,181 | 3,315 | 106,666 |

23. 銀行結餘及現金及其他現金流量資料 (續)

(b) 融資活動所產生的負債對賬 (續)

下表詳細列出融資活動所產生的本集團負債變動，包括現金及非現金的變動。融資活動所產生的負債乃為現金流量或未來現金流量於本集團綜合現金流量表中已分類或將分類為融資活動所產生的現金流量的負債 (續)：

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24. TRADE AND OTHER PAYABLES

24. 貿易及其他應付賬款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|-----------------|----------------------------------|----------------------------------|
| Trade payables | 貿易應付賬款 | 1,148 | 1,234 |
| Accruals | 應計費用 | 5,264 | 1,714 |
| Other payables | 其他應付賬款 | 9,278 | 9,024 |
| Amounts due to third parties (note a) | 應付第三方款項 (附註 a) | 6,743 | - |
| Amounts due to a shareholder (note b) | 應付一名股東款項 (附註 b) | 2,769 | - |
| | | 25,202 | 11,972 |

The ageing analysis of trade payables, based on the invoice date, at the end of the reporting period, is set out as follows:

根據發票日期於報告期末呈列的貿易應付賬款賬齡分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------|----------|----------------------------------|----------------------------------|
| Within 90 days | 90日內 | 640 | 1,227 |
| 91 to 180 days | 91至180日 | 21 | - |
| 181 to 365 days | 181至365日 | 1 | 4 |
| Over 365 days | 超過365日 | 486 | 3 |
| | | 1,148 | 1,234 |

The average credit period on purchases of goods is 0 to 90 days.

購貨之平均信貸期為0至90日。

Notes:

附註：

- a) As a result of the Disposal as mentioned in note 1, amounts due to related companies amounted to HK\$6,743,000 has been reclassified to other payables since the date of Disposal. The balances were unsecured, non-interest bearing and repayable on demand.
- b) As a result of the Disposal as mentioned in note 1, amount due to a director amounted to HK\$2,769,000 has been reclassified to other payables since the date of Disposal. The balance is due to Mr. Shen Yong and is unsecured, interest bearing at 2.7% per annum and repayable in December 2020.

- a) 基於附註1所述的出售事項，應付關聯公司款項6,743,000港元自出售事項當日已重新分類至其他應付賬款。結餘為無抵押、不計息及須於要求時償還。
- b) 基於附註1所述的出售事項，應付一名董事款項2,769,000港元自出售事項當日已重新分類至其他應付賬款。應付申勇先生的結餘為無抵押、按年利率2.7厘計息及須於二零二零年十二月償還。

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25. AMOUNT DUE TO A DIRECTOR

The balance was unsecured, interest bearing at 2.7% per annum and repayable in December 2020.

25. 應付一名董事款項

該結餘乃無抵押，按年利率2.7%計息，及須於二零二零年十二月償還。

26. CONTRACT LIABILITIES

26. 合約負債

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------------|-------------|----------------------------------|----------------------------------|
| Contract liabilities | 合約負債 | | |
| – related to hotel operation | – 有關酒店經營 | 3,639 | 3,745 |
| – related to properties management | – 有關物業管理 | 768 | 1,274 |
| | | 4,407 | 5,019 |

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26. CONTRACT LIABILITIES (Continued)

26. 合約負債 (續)

The movements in contract liabilities during the year are as follows:

合約負債於年內之變動如下：

| | | HK\$'000 千港元 |
|---|--|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | 4,508 |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at 1 January 2018 | 因年內確認於二零一八年一月一日計入合約負債之收益導致合約負債的減少 | (2,964) |
| Increase in contract liabilities as a result of receiving advance deposits and properties management fee in advance during the year ended 31 December 2018 | 因截至二零一八年十二月三十一日止年度收取預付定金及預付物業管理費導致合約負債的增加 | 3,475 |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 5,019 |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at 1 January 2019 | 因年內確認於二零一九年一月一日計入合約負債之收益導致合約負債的減少 | (3,485) |
| Decrease in contract liabilities as a result of recognising income attributable to unused gift certificates during the year that was included in the contract liabilities at 1 January 2019 | 因年內確認未使用已到期禮券的應佔收入(已計入二零一九年一月一日的合約負債)導致合約負債的減少 | (781) |
| Increase in contract liabilities as a result of receiving advance deposits and properties management fee in advance during the year ended 31 December 2019 | 因截至二零一九年十二月三十一日止年度收取預付定金及預付物業管理費導致合約負債的增加 | 3,654 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 4,407 |

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26. CONTRACT LIABILITIES (Continued)

As at 31 December 2019, the Group assess that the balance of contract liabilities will be fully recognised as revenue as below:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------|------|----------------------------------|----------------------------------|
| Within one year | 一年內 | 3,127 | 3,557 |
| More than one year | 超過一年 | 1,280 | 1,462 |
| | | 4,407 | 5,019 |

Note: The Group receives payments from customers based on the terms established in the contracts. Payments are usually received in advance of the performance under the contracts such as advance deposits for reservation of hotel rooms and properties management fee received in advance.

26. 合約負債 (續)

於二零一九年十二月三十一日，本集團評估合約負債結餘將按以下期間全部確認為收益：

附註：本集團根據合約中訂立的條款收取客戶付款。付款通常在合約履行之前收取，如預訂酒店房間的預付定金及預收物業管理費等。

27. SHARE CAPITAL

27. 股本

| | | Number of shares 股份數目 | | Share capital 股本 | |
|---|---------------------------|-----------------------------|-----------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 '000 千股 | 2018 二零一八年 '000 千股 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Ordinary shares issued and fully paid: | 已發行及繳足的普通股： | | | | |
| As at 1 January | 於一月一日 | 670,058 | 456,409 | 368,984 | 292,462 |
| Issuance of shares on 17 April 2019 (note (a)) | 於二零一九年四月十七日發行股份 (附註(a)) | 58,528 | - | 19,899 | - |
| Issuance of shares on 6 March 2018 (note (b)) | 於二零一八年三月六日發行股份 (附註(b)) | - | 90,000 | - | 35,100 |
| Issuance of shares on 31 December 2018 (note (c)) | 於二零一八年十二月三十一日發行股份 (附註(c)) | - | 123,649 | - | 41,422 |
| As at 31 December | 於十二月三十一日 | 728,586 | 670,058 | 388,883 | 368,984 |

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

根據香港公司條例第135條，本公司普通股並無面值。

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27. SHARE CAPITAL (Continued)

Notes:

- (a) On 17 April 2019, the Company has issued 58,527,776 ordinary shares at the issue price of HK\$0.34 per share to independent third parties, of approximately HK\$19,899,000 as the consideration in respect of the acquisition of 100% equity interests in Cherish Possession Limited (note 34).
- (b) On 6 March 2018, the Company had allotted and issued 90,000,000 ordinary shares at HK\$0.39 per share as part of the consideration in respect of the acquisition of 49% equity interest of Triple Market Group.
- (c) On 31 December 2018, the Company had issued 123,648,678 new shares at the issue price of HK\$0.335 per share to Middle Spring Limited, a company owned by Mr. Shen Yong for the settlement of amount due to Mr. Shen Yong of approximately HK\$41,422,000.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

28. RESERVES

(a) Merger reserve

Merger reserve was created as a result of the acquisition of common control entities. It represents the difference between the carrying amount and fair value of subsidiaries acquired. The acquisition was accounted for using merger accounting.

(b) Contribution reserve

Contribution reserve represents contributions from shareholders for indemnity liabilities payable for periods prior to 30 June 2003.

(c) Statutory reserve

In accordance with the PRC laws applicable to wholly-foreign owned investment enterprises, subsidiaries of the Company operating in the PRC are required to set up a general reserve fund and appropriate at least 10% of respective company's annual profit after tax, as determined under the PRC accounting rules and regulations, to the general reserve fund until the balance of the reserve equals to 50% of its registered capital. This fund can be used to make good losses and to convert into paid-up capital.

27. 股本 (續)

附註：

- (a) 於二零一九年四月十七日，本公司以發行價每股0.34港元向獨立第三方發行58,527,776股普通股，金額約為19,899,000港元，作為收購Cherish Possession Limited的100%股權的代價（附註34）。
- (b) 於二零一八年三月六日，本公司已按每股0.39港元配發及發行90,000,000股普通股，作為收購Triple Market集團49%股權的部份代價。
- (c) 於二零一八年十二月三十一日，本公司已按發行價每股0.335港元發行123,648,678股新股份予一間由申勇先生擁有之公司Middle Spring Limited，以償還應付申勇先生之款項約41,422,000港元。

普通股持有人有權收取不時宣派之股息，並於本公司大會上可就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

28. 儲備

(a) 合併儲備

合併儲備乃因收購共同控制實體而設立，乃所收購附屬公司的賬面值與公允價值之間的差額。收購事項採用合併會計法入賬。

(b) 出資儲備

出資儲備乃股東於二零零三年六月三十日之前期間應付的彌償責任的出資。

(c) 法定儲備

根據適用於外商獨資企業的中國法律，本公司於中國經營的附屬公司須設置一般儲備基金，並將相關公司的年度除稅後溢利的至少10%（根據中國會計規則及法規釐定）撥至一般儲備基金，直至儲備結餘相等於其註冊資本的50%為止。此基金可被用於彌補虧損及轉換為繳足股本。

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28. RESERVES (Continued)

(d) Share options reserve

The share options reserve represents the cumulative charge to the consolidated statement of profit or loss and other comprehensive income for employee share options awards.

(e) Exchange reserve

The exchange reserve comprises all foreign exchanges differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2.7.

28. 儲備 (續)

(d) 購股權儲備

購股權儲備指就僱員購股權獎勵而自綜合損益及其他全面收益表累計扣除的費用。

(e) 匯兌儲備

匯兌儲備包括因換算境外業務的財務報表而產生的所有匯兌差額。該儲備根據附註2.7所載的會計政策處理。

29. DEFERRED TAX ASSETS/(LIABILITIES)

The following is the deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the net movement thereon at the end of each reporting period:

29. 遞延稅項資產／(負債)

以下為於綜合財務狀況表內確認之主要遞延稅項資產／(負債) 以及其於各報告期末之變動淨額：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------------|----------------------------------|----------------------------------|
| Balances presented in the consolidated statement of financial position | 綜合財務狀況表中呈列的結餘 | | |
| Deferred tax assets | 遞延稅項資產 | 1,749 | - |
| Deferred tax liabilities | 遞延稅項負債 | (5,849) | (6,305) |
| Net balance | 結餘淨額 | (4,100) | (6,305) |
| The net movement on the deferred income tax is as follows: | 遞延所得稅的變動淨額如下： | | |
| At the beginning of the year | 於年初 | (6,305) | (6,989) |
| Credited to profit or loss (note 12) | 計入損益(附註12) | 2,459 | 684 |
| Effect on opening deferred tax balance arising from a change in tax rate during the year (note 12) | 對年內因稅率變動產生的期初遞延稅項結餘的影響(附註12) | (228) | - |
| Exchange adjustments | 匯兌調整 | (26) | - |
| At the end of the year | 於年末 | (4,100) | (6,305) |

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29. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

The movements in deferred tax assets and liabilities without taking the consideration the offsetting of balances within the same tax jurisdictions, were as follows:

Deferred tax assets arose from:

29. 遞延稅項資產／（負債）（續）

下文載列遞延所得稅資產與負債的變動（並無計及抵銷同一稅務司法權區內的結餘）：

遞延稅項資產來自：

| | | Loss allowance of trade and other receivables 貿易及其他應 收賬款的虧損撥備 HK\$'000 千港元 |
|---|---------------------------------------|--|
| As at 1 January 2018, 31 December 2018 and 1 January 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一月一日 | - |
| Credited to profit or loss | 計入損益 | 1,775 |
| Exchange adjustments | 匯兌調整 | (26) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,749 |

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29. DEFERRED TAX ASSETS/(LIABILITIES) (Continued)

Deferred tax liabilities arose from:

| | | Withholding tax on undistributed profits from the PRC subsidiaries 來自中國 附屬公司 的未分配 溢利的預扣稅 HK\$'000 千港元 | Intangible assets 無形資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------------------|--|---|--------------------------------|
| As at 1 January 2018 | 於二零一八年一月一日 | 1,800 | 5,189 | 6,989 |
| Credited to profit or loss | 計入損益 | – | (684) | (684) |
| As at 31 December 2018 and 1 January 2019 | 於二零一八年十二月 三十一日及二零一九年 一月一日 | 1,800 | 4,505 | 6,305 |
| Credited to profit or loss | 計入損益 | – | (684) | (684) |
| Effect on opening deferred tax balance arising from a change in tax rate during the year (note 12) | 對年內因稅率變動產生的 期初遞延稅項結餘的影響 (附註12) | – | 228 | 228 |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 1,800 | 4,049 | 5,849 |

The Group has unrecognised tax losses of HK\$91,640,000 (2018: HK\$92,639,000) to carry forward against future taxable income. These tax losses do not expire under current legislation. No deferred tax asset has been recognised in respect of the above tax losses due to the unpredictability of future profit streams.

The Group is also liable to withholding tax on dividends to be distributed from the Group's foreign-invested enterprises in the PRC in respect of its profits generated from 1 January 2008. No deferred tax liability was recognised for the distributable profits not yet paid out as dividends that are generated by the PRC subsidiaries of the Company during the years ended 31 December 2019 and 2018.

29. 遞延稅項資產／(負債)(續)

遞延稅項負債來自：

| | | Withholding tax on undistributed profits from the PRC subsidiaries 來自中國 附屬公司 的未分配 溢利的預扣稅 HK\$'000 千港元 | Intangible assets 無形資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--------------------------------------|--|---|--------------------------------|
| As at 1 January 2018 | 於二零一八年一月一日 | 1,800 | 5,189 | 6,989 |
| Credited to profit or loss | 計入損益 | – | (684) | (684) |
| As at 31 December 2018 and 1 January 2019 | 於二零一八年十二月 三十一日及二零一九年 一月一日 | 1,800 | 4,505 | 6,305 |
| Credited to profit or loss | 計入損益 | – | (684) | (684) |
| Effect on opening deferred tax balance arising from a change in tax rate during the year (note 12) | 對年內因稅率變動產生的 期初遞延稅項結餘的影響 (附註12) | – | 228 | 228 |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 1,800 | 4,049 | 5,849 |

本集團擁有未確認稅項虧損91,640,000港元(二零一八年：92,639,000港元)以抵扣未來應課稅收入。根據現行法例，該等稅項虧損並未到期。由於無法預計未來溢利來源，故並無就上述稅項虧損確認遞延稅項資產。

本集團亦須就本集團在中國的外資企業的應分派股息(因二零零八年一月一日以來的溢利而產生)繳納預扣稅。於截至二零一九年及二零一八年十二月三十一日止年度，本公司的中國附屬公司產生的未以股息支付的應分派溢利概無確認遞延稅項負債。

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30. SECURED LOANS

As at 31 December 2019, the secured loans were repayable as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|------------|----------------------------------|----------------------------------|
| Within one year – current portion | 一年內 – 即期部分 | 34,275 | 2,012 |
| Non-current portion | 非即期部分 | | |
| After one year but within two years | 於一年後但於兩年內 | – | 2,122 |
| After two years but within five years | 於兩年後但於五年內 | – | 7,110 |
| After five years | 於五年後 | – | 24,769 |
| | | – | 34,001 |
| | | 34,275 | 36,013 |

As at 31 December 2019, the mortgage loans of HK\$32,514,000 and HK\$1,761,000 are repayable on 15 September 2031 and 15 September 2029 respectively, bear an interest rate of 2% plus prime rate per annum and jointly and severally guaranteed by Mr. Choi Yun Chor and Ms. Yeung So Mui. The banking facilities are secured by freehold land and buildings held for own use with carrying amount of approximately HK\$84,759,000 (2018: HK\$82,956,000), and are reviewed periodically. As at 31 December 2018, the mortgage loans were repayable within fifteen years and bear an interest rate of 2% plus prime rate per annum and guaranteed by Mr. Shen Ke. In the opinions of the directors of the Company, the effective interest rate of the secured loans was 6.0% (2018: 5.6%) per annum for the year ended 31 December 2019.

After the banking facilities letter of the secured loans have been renewed in September 2019, the secured loans are subject to bank's overriding right to demand repayment even though the scheduled repayment dates are twelve months after the date of the reporting period. As a result, these loans with scheduled repayment dates beyond one year amounted to HK\$34,275,000 had to be classified as current liabilities as at 31 December 2019.

The Group has renewed the banking facilities letter subsequently in March 2020.

30. 抵押貸款

於二零一九年十二月三十一日，抵押貸款須於下列期限內償還：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------------|------------|----------------------------------|----------------------------------|
| Within one year – current portion | 一年內 – 即期部分 | 34,275 | 2,012 |
| Non-current portion | 非即期部分 | | |
| After one year but within two years | 於一年後但於兩年內 | – | 2,122 |
| After two years but within five years | 於兩年後但於五年內 | – | 7,110 |
| After five years | 於五年後 | – | 24,769 |
| | | – | 34,001 |
| | | 34,275 | 36,013 |

於二零一九年十二月三十一日，價值32,514,000港元及1,761,000港元的按揭貸款分別須於二零三一年九月十五日及二零二九年九月十五日償還，年息率為最優惠利率加2厘，由蔡潤初先生及楊素梅女士共同及個別擔保。該等銀行融資以賬面值約84,759,000港元（二零一八年：82,956,000港元）的永久業權土地及持有自用樓宇作抵押，並定期檢討。於二零一八年十二月三十一日，該等按揭貸款須於十五年內償還，年息率為最優惠利率加2厘，由申柯先生擔保。本公司董事認為，該等抵押貸款於截至二零一九年十二月三十一日止年度的實際利率為年息6.0厘（二零一八年：5.6厘）。

抵押貸款之銀行融資函於二零一九年九月重續後，即使既定還款日期為呈報日期之後的十二個月，抵押貸款仍受限於銀行擁有要求還款的優先權。因此，該等既定還款日期超過一年，金額為34,275,000港元之貸款，於二零一九年十二月三十一日應列為流動負債。

本集團隨後於二零二零年三月重續銀行融資函。

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31. LOAN FROM SHAREHOLDERS

The loan is unsecured, non-interest bearing and repayable on 30 November 2020.

31. 股東貸款

該貸款乃無抵押，免息及須於二零二零年十一月三十日償還。

32. BONDS

32. 債券

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Current portion: Bonds carried at fixed coupon rate of 8% per annum (note (b)) | 即期部分： 按每年8厘固定票面年利率 計息的債券（附註(b)） | 10,000 | - |
| Non-current portion: Bonds carried at fixed coupon rate of 6% per annum (note (a)) | 非即期部分： 按每年6厘固定票面年利率 計息的債券（附註(a)） | 20,000 | 20,000 |
| Bonds carried at fixed coupon rate of 8% per annum (note (b)) | 按每年8厘固定票面年利率 計息的債券（附註(b)） | 10,000 | 20,000 |
| Bonds carried at fixed coupon rate of 3% per annum (note (c)) | 按每年3厘固定票面年利率 計息的債券（附註(c)） | 10,000 | 10,000 |
| Bonds carried at fixed coupon rate of 3% per annum (note (d)) | 按每年3厘固定票面年利率 計息的債券（附註(d)） | 10,181 | 10,181 |
| | | 50,181 | 60,181 |
| | | 60,181 | 60,181 |

Notes:

- (a) The Company entered into two placing agreements with a placing agent issued two 6% coupon unlisted bonds on 6 August 2014 and 10 October 2014 with the aggregate principal amount of HK\$10,000,000 each within the placing period. The amounts are repayable within 96 months from the date of issue, which are 5 August 2022 and 9 October 2022 respectively.
- (b) The Company issued two 8% coupon unlisted bonds with the aggregate principal amount of HK\$10,000,000 each on 23 January 2015 and 1 June 2015 respectively. The amounts are repayable within 96 months and 60 months respectively from the date of issue, which are 22 January 2023 and 31 May 2020 respectively.
- (c) The Company issued a 3% coupon unlisted bond with the principal amount of HK\$10,000,000 on 1 December 2017 to Mr. Shen Ke. The amount is repayable within 84 months from the date of issue, which is 30 November 2024.
- (d) The Company issued a bond with the principal amount of HK\$10,181,000 as part of the consideration in respect of the acquisition of the joint ventures on 6 March 2018. The bond bears interest rate at 3% per annum and is unsecured. The amount is repayable within 36 months from the date of issue, which is 5 March 2021.

附註：

- (a) 本公司與一名配售代理訂立兩份配售協議，以於二零一四年八月六日及二零一四年十月十日配售期內發行兩份本金總額各為10,000,000港元、票面年利率為6厘的非上市債券。該等金額須於發行日期起計96個月內償還，到期日分別為二零二二年八月五日及二零二二年十月九日。
- (b) 本公司於二零一五年一月二十三日及二零一五年六月一日發行兩份本金總額各為10,000,000港元、票面年利率為8厘的非上市債券。該等金額須分別於發行日期起計96個月及60個月內償還，到期日分別為二零二三年一月二十二日及二零二零年五月三十一日。
- (c) 本公司於二零一七年十二月一日發行一份本金總額為10,000,000港元、票面利率為3厘的非上市債券予申柯先生。該金額須於發行日期起計84個月內償還，到期日為二零二四年十一月三十日。
- (d) 本公司於二零一八年三月六日發行一份本金總額為10,181,000港元之債券，作為收購合營企業之部分代價。債券按年息3厘計息，且並無抵押。該金額須於發行日期起計36個月內償還，到期日為二零二一年三月五日。

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33. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

| | | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------|----------------------------------|
| Total minimum lease payments: | 最低租賃付款總額： | |
| Within one year | 一年內 | 1,822 |
| In the second to fifth years | 於第二年至第五年 | 1,329 |
| | | 3,151 |
| Less: future finance charges on leases liabilities | 減：租賃負債的未來財務費用 | (212) |
| Present value of lease liabilities | 租賃負債現值 | 2,939 |
| Present value of minimum lease payments: | 最低租賃付款現值： | |
| Within one year | 於一年內 | 1,740 |
| In the second to fifth years | 於第二年至第五年 | 1,199 |
| | | 2,939 |

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Comparative information as at 31 December 2018 has not been restated. Details for transitions to HKFRS 16 are set out in note 3.

During the year ended 31 December 2019, the total cash outflows for the leases are HK\$1,901,000.

Details of the lease activity

As at 31 December 2019, the Group has entered into a lease for an office with a remaining lease term of 2.7 years.

The lease does not have any extension or termination options.

33. 租賃負債

本集團租賃負債之剩餘合約期限狀況如下表所示：

| | | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------|----------------------------------|
| Total minimum lease payments: | 最低租賃付款總額： | |
| Within one year | 一年內 | 1,822 |
| In the second to fifth years | 於第二年至第五年 | 1,329 |
| | | 3,151 |
| Less: future finance charges on leases liabilities | 減：租賃負債的未來財務費用 | (212) |
| Present value of lease liabilities | 租賃負債現值 | 2,939 |
| Present value of minimum lease payments: | 最低租賃付款現值： | |
| Within one year | 於一年內 | 1,740 |
| In the second to fifth years | 於第二年至第五年 | 1,199 |
| | | 2,939 |

附註：

本集團使用經修訂追溯法首次應用香港財務報告準則第16號，並將二零一九年一月一日的期初結餘調整，以確認與先前根據香港會計準則第17號分類為經營租賃有關的租賃負債。於二零一八年十二月三十一日的比較資料未予重列。過渡至香港財務報告準則第16號的詳情載於附註3。

於截至二零一九年十二月三十一日止年度，租賃的現金流出總額為1,901,000港元。

租賃活動的詳情

於二零一九年十二月三十一日，本集團訂立一份辦公室的租賃，餘下租期為2.7年。

租賃並無任何續租或終止選擇權。

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34. ACQUISITION OF A SUBSIDIARY

Acquisition of Cherish Possession Limited ("Cherish Possession")

In April 2019, Freemaster, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with independent third parties, to acquire 100% equity interest in Cherish Possession by allotting and issuing 58,527,776 ordinary shares of the Company at HK\$0.34 per share amounted to approximately HK\$19,899,000. The transaction was completed on 17 April 2019.

Cherish Possession did not operate any business prior to the acquisition. The asset acquired mainly consists of interest in an associate of HK\$19,899,000 which mainly holds investment properties. There was no cash inflow from the acquisition. Therefore, the Group considered this transaction as acquisition of asset in substance.

The consideration of this transaction was determined by reference to the fair value of the investment properties owned by the acquired associate at the acquisition date.

34. 收購一間附屬公司

收購 Cherish Possession Limited ("Cherish Possession")

於二零一九年四月，Freemaster（本公司的全資附屬公司）與獨立第三方訂立買賣協議，以透過以每股0.34港元配發及發行本公司58,527,776股普通股，收購Cherish Possession的100%股權，總額約為19,899,000港元。交易已於二零一九年四月十七日完成。

Cherish Possession在收購事項前並無經營任何業務。所收購資產主要包括於一間聯營公司的權益19,899,000港元，主要持有投資物業。收購事項並無現金流入。因此，本集團認為是項交易實質上為收購資產。

該項交易的代價乃參考所收購聯營公司擁有的投資物業於收購日期的公允價值後釐定。

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35. DISPOSAL OF SUBSIDIARIES

Disposal of Equity Stream Limited and its subsidiaries ("Equity Stream Group")

In August 2019, the Group disposed of its entire equity interest in Equity Stream Group to an independent third party, at a cash consideration of US\$1. The principal activity of Equity Stream Group is investment holding and business management. The disposal was completed on 27 August 2019.

35. 出售附屬公司

出售 Equity Stream Limited 及其附屬公司（「Equity Stream 集團」）

於二零一九年八月，本集團以1美元現金代價出售於Equity Stream集團的全部股權予一名獨立第三方。Equity Stream集團的主要業務為投資控股及商業管理。出售已於二零一九年八月二十七日完成。

| | | As at 27 August 2019 於二零一九年 八月二十七日 HK\$'000 千港元 |
|---|------------------------|---|
| Analysis of assets and liabilities over which control was lost | 對失去控制權的資產及負債的分析 | |
| Bank balances and cash | 銀行結餘及現金 | 9 |
| Other receivables | 其他應收賬款 | 483 |
| Amount due to the immediate holding company | 應付直接控股公司款項 | (2,532) |
| Amount due to the ultimate holding company | 應付最終控股公司款項 | (5,274) |
| Net liabilities disposed of | 已出售負債淨額 | (7,314) |

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35. DISPOSAL OF SUBSIDIARIES (Continued)

Disposal of Equity Stream Limited and its subsidiaries ("Equity Stream Group") (Continued)

The loss on disposal is calculated as below:

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|
| Total cash consideration | 現金總代價 | - |
| Less: | 減： | |
| - Net liabilities disposed of | - 已出售負債淨額 | (7,314) |
| - Gain on waiver of amount due to the immediate holding company | - 放棄應付直接控股公司款項之收益 | 2,532 |
| - Gain on waiver of amount due to the ultimate holding company | - 放棄應付最終控股公司款項之收益 | 5,274 |
| - Exchange reserve released upon disposal of subsidiaries | - 出售附屬公司時轉出的匯兌儲備 | 393 |
| Loss on disposal of subsidiaries | 出售附屬公司的虧損 | (885) |
| Net cash outflow on disposal of subsidiaries: | 因出售附屬公司產生的現金流出淨額： | |
| Cash consideration received | 已收現金代價 | -* |
| Cash and cash equivalents disposed of | 已出售現金及現金等價物 | (9) |
| | | (9) |

* Amount less than HK\$1,000.

* 該金額少於1,000港元。

35. 出售附屬公司 (續)

出售 Equity Stream Limited 及其附屬公司 (「Equity Stream 集團」) (續)

出售事項的虧損計算如下：

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36. RETIREMENT BENEFITS SCHEMES CONTRIBUTIONS

Hong Kong

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employers and its employees are each required to make contributions to the Scheme at 5% of the employees' relevant income. The mandatory contributions from each of the employer and employees are subject to a cap of HK\$1,500 per month. Contributions to the MPF Scheme vest immediately.

The PRC

The Group's subsidiaries in the PRC participate in a defined contribution scheme organised by the PRC municipal government. The subsidiaries are required to contribute a specified percentage of their payroll costs to the scheme. The contributions are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the scheme.

Canada

Employees in Canada participate in a Canada Pension Plan (the "Plan") which is a mandatory scheme under Canada Pension Plan Regulations. The employer and the employees are required to make a total contribution of 9.9% on the pensionable earnings, subject to a cap of pensionable earnings of CAD57,400 (equivalent to approximately HK\$343,000) (2018: CAD55,900 equivalent to approximately HK\$321,000).

36. 退休福利計劃之供款

香港

本集團根據《香港強制性公積金計劃條例》為根據香港《僱傭條例》所僱用之僱員提供強積金計劃。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%之比例就計劃作出供款。僱主及僱員各自之強制供款上限為每月1,500港元。強積金計劃之供款即時成為既定僱員福利。

中國

本集團於中國之附屬公司參與由中國政府籌辦之定額供款計劃。附屬公司須按其僱員薪金成本之特定比例就計劃作出供款。該供款於其根據計劃規則支付時於綜合損益及其他全面收益表內支銷。

加拿大

加拿大之僱員參與加拿大國家退休金計劃（「該計劃」），其為一項按國家退休金法設立之強制性保險計劃。根據該計劃，僱主及僱員須按每月收入之合共9.9%作出供款，上限應供款收入為57,400加元（相等於約343,000港元（二零一八年：55,900加元（相等於約321,000港元））。

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37. LEASE COMMITMENTS

The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. The Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position. There are no operating lease commitments as at 31 December 2019 as the Group has no short-term leases.

As at 31 December 2018, operating lease payments represent rentals payables by the Group for certain of its office premises. The total future minimum lease payments under non-cancellable operating leases were payable as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|
| Within one year | 於一年內 | 1,890 |
| In the second to fifth years inclusive | 於第二年至第五年（包括首尾兩年） | 3,151 |
| | | 5,041 |

38. MAJOR NON-CASH TRANSACTIONS

Except as disclosed elsewhere in these consolidated financial statements, the major non-cash transactions of the Group are as follows:

- (i) On 17 April 2019, the Company has issued 58,527,776 ordinary shares at the issue price of approximately HK\$0.34 per share, as the total consideration in respect of the acquisition of Cherish Possession (see note 34).

37. 租賃承擔

本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。本集團於綜合財務狀況表確認一項使用權資產及一項租賃負債。由於本集團並無短期租賃，故於二零一九年十二月三十一日並無經營租賃承擔。

於二零一八年十二月三十一日，經營租賃款項指本集團就若干辦公室物業之應付租金。根據不可撤銷經營租賃之未來最低租賃款項總額須於下列期間內支付：

38. 主要非現金交易

除綜合財務報表其他部分所披露者外，本集團的主要非現金交易如下：

- (i) 於二零一九年四月十七日，本公司以發行價每股約0.34港元發行58,527,776股普通股，作為收購Cherish Possession（見附註34）的總代價。

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38. MAJOR NON-CASH TRANSACTIONS (Continued)

- (ii) During the year ended 31 December 2018, the Company had issued a bond with the principal amount of HK\$10,181,000 and allotted 90,000,000 ordinary shares of HK\$0.39 per share as a part of the total consideration in respect of the acquisition of Triple Market Group.

39. EQUITY-SETTLED SHARE-BASED PAYMENTS TRANSACTIONS

The Company has adopted a share option scheme (the "Scheme") on 3 June 2013 whereby the directors of the Company are authorised, at their discretion, to invite, among other eligible participants, employees of the Group (including directors of any member of the Group), advisers and consultants, to take up options to subscribe for shares of the Company. Each option gives the holders the right to subscribe for one ordinary share of the Company. The Scheme shall be valid and effective for a period of ten years ending on 2 June 2023, after which no further options can be granted.

The purpose of the Scheme is to enable the Company to provide an incentive or a reward to eligible persons for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

The total number of shares which may be issued upon exercise of these options granted under the Scheme is not permitted to exceed 30% of the shares of the Company without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

38. 主要非現金交易（續）

- (ii) 截至二零一八年十二月三十一日止年度，本公司已發行本金額為10,181,000港元之債券，及已配發90,000,000股每股0.39港元之普通股，作為收購Triple Market集團的部分總代價。

39. 以權益結算以股份為基礎的支付交易

根據本公司於二零一三年六月三日採納之購股權計劃（「計劃」），本公司董事獲授權酌情向（包括其他合資格參與者）本集團僱員（包括本集團內任何成員公司之董事）、顧問及諮詢人提出接納購股權之要約，以認購本公司股份。每份購股權均授權持有人認購一股本公司普通股。計劃有效期為十年，直至二零二三年六月二日止，其後不可授出額外購股權。

計劃旨在讓本公司鼓勵或獎賞合資格人士對本集團所作出的貢獻及／或使本集團能夠聘請及挽留優秀僱員及吸引對本集團具價值的人力資源。

根據計劃授出之該等購股權獲行使時可予發行之股份總數不得超過本公司股份之30%，而毋須事先取得本公司股東之批准。在未事先取得本公司股東之批准下，於任何一年授予及可授予任何個人之購股權所涉及之已發行及將予發行股份數目不得於任何時候超過本公司已發行股份之1%。

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39. EQUITY-SETTLED SHARE-BASED PAYMENTS TRANSACTIONS (Continued)

The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares.

During the year ended 31 December 2019, Ultra Harvest and other shareholders of Forebase International Holdings Limited have completed the disposal of approximately 60.2% of the total issued share capital of the Company. Based on the relevant terms stated in the Circular dated 5 November 2019, all of the share options granted were cancelled on 19 November 2019.

As at 31 December 2019, no options had been granted and remained outstanding under the Scheme (2018: 78,030,527 shares were granted with a total fair values amounted to HK\$10,651,000).

The Group recognised expense of approximately HK\$6,290,000 for the year ended 31 December 2019 in relation to share options granted by the Company (2018: HK\$9,840,000).

39. 以權益結算以股份為基礎的支付交易（續）

行使價由本公司董事釐定，不會低於以下較高者：(i)本公司股份於授出日期之收市價；(ii)股份於緊接授出日期前五個營業日的平均收市價；及(iii)本公司股份之面值。

於截至二零一九年十二月三十一日止年度，Ultra Harvest與申基國際控股有限公司其他股東完成本公司已發行股本總額約60.2%的出售事項。基於日期為二零一九年十一月五日的通函所述的相關條款，全部已授出購股權已於二零一九年十一月十九日被註銷。

於二零一九年十二月三十一日，並無購股權根據計劃獲授出而尚未獲行使（二零一八年：78,030,527股股份獲授出，公允價值總額為10,651,000港元）。

本集團於截至二零一九年十二月三十一日止年度就本公司授出的購股權確認開支約6,290,000港元（二零一八年：9,840,000港元）。

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40. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions.

(a) Transactions with related parties

The Group had the following material transactions with related parties during the year:

| Name of company 公司名稱 | Nature of transactions 交易性質 | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---|----------------|----------------------------------|----------------------------------|
| Chongqing Forebase Industry (Holdings) Co. Limited* 重慶申基實業(集團)有限公司* | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a), (b) & (c) | 2,354 | 3,860 |
| Chongqing Forebase Property Development Co. Limited* 重慶申基房地產開發有限公司* | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a), (b) & (c) | 555 | 854 |
| Chongqing Liangping Daisi Zhiye Co. Limited* 重慶梁平戴斯置業有限公司* | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a), (b) & (c) | 1,085 | 1,808 |
| Chongqing Tianma Property Development Co. Limited* 重慶天馬物業發展有限公司* | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a), (b) & (c) | 189 | 301 |

40. 重大關聯交易

除本綜合財務報表其他地方所披露之交易及結餘外，本集團訂立以下重大關聯交易：

(a) 關聯交易

於本年度，本集團已發生下列重大關聯交易：

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40. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions (Continued):

(a) Transactions with related parties (Continued)

| Name of company 公司名稱 | Nature of transactions 交易性質 | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---|----------------|----------------------------------|----------------------------------|
| Chongqing Bozhuang Shiye Co. Limited* 重慶柏樁實業有限公司* | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a), (b) & (c) | 2,394 | 3,757 |
| Chongqing Tiane International Travel Co. Chengshi Hotel Branch* 重慶天鵝國際旅遊有限公司城市酒店分公司* | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a), (b) & (c) | 90 | 238 |
| Chongqing Xingling Limited* (“Chongqing Xingling”) 重慶星嶺實業有限公司* (「重慶星嶺」) | Properties management service fee received or receivables 已收或應收物業管理服務費 | (a) | 143 | 224 |
| Mr. Shen Ke 申柯先生 | Bond interest paid or payables 已付或應付債券利息 | (d) & (e) | 205 | 300 |

* The English translation of the names of the companies established in the PRC is for reference only. The official names of the companies are in Chinese.

* 於中國成立的公司之英文譯名僅供參考。該等公司之官方名稱以中文表示。

40. 重大關聯交易 (續)

除本綜合財務報表其他地方所披露之交易及結餘外，本集團訂立以下重大關聯交易 (續)：

(a) 關聯交易 (續)

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40. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material related party transactions (Continued):

(a) Transactions with related parties (Continued)

Notes:

- (a) These transactions were carried out at terms determined and agreed by the Group and the relevant parties. The contracts do not have any expiry date until the owners' committee is formed and the owners' committee can re-appoint the service provider. As at 31 December 2019 and 2018, no owners' committee was set up.
- (b) As a result of the Disposal explained in note 1, these companies are no longer related to the Group after 6 September 2019.
- As at 31 December 2018, Mr. Shen Yong was the controlling shareholder of the Company who had a beneficial interest in these companies.
- (c) The related party transactions in respect of the above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" of the Report of the Directors of this annual report.
- (d) Mr. Shen Ke resigned as a director on 21 September 2018 but is identified as related to the Group as at 31 December 2018 as he is a close family member of Mr. Shen Yong.
- Upon completion of the Disposal, Mr. Shen Ke is no longer related to the Group.
- (e) The related party transactions above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, those transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are conducted on normal commercial terms or better and not secured by the assets of the Group under Rule 14A.90.

40. 重大關聯交易 (續)

除本綜合財務報表其他地方所披露之交易及結餘外，本集團訂立以下重大關聯交易 (續)：

(a) 關聯交易 (續)

附註：

- (a) 該等交易乃按本集團與相關人士釐定及協商的條款進行。該等合約並無任何到期日，直至業主委員會成立為止，屆時業主委員會可重新委任服務提供商。於二零一九年及二零一八年十二月三十一日，並無成立業主委員會。
- (b) 由於附註1所闡述的出售事項，該等公司於二零一九年九月六日之後與本集團再無關聯。
- 於二零一八年十二月三十一日，本公司控股股東申勇先生於該等公司擁有實益權益。
- (c) 上述關聯交易構成上市規則第14A章定義之關連交易或持續關連交易。上市規則第14A章規定之披露於本年報董事會報告書「關連交易」一節提供。
- (d) 申柯先生於二零一八年九月二十一日辭任董事，惟因彼為申勇先生的近親成員，故於二零一八年十二月三十一日被識別為與本集團有關聯。
- 出售事項完成後，申柯先生與本集團再無關聯。
- (e) 上述關聯交易構成上市規則第14A章定義之關連交易或持續關連交易。然而，根據上市規則第14A.90條由於該等交易乃按一般或更有利的商業條款進行，並非由本集團之資產作抵押，故豁免遵守上市規則第14A章之披露規定。

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40. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel compensation

The remuneration of directors and other members of key management personnel during the year were as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Short-term benefits | 短期福利 | 5,558 | 5,231 |
| Bonus | 花紅 | 107 | 540 |
| Post-employment benefits | 離職後福利 | 49 | 36 |
| Equity-settled share-based payments expenses | 以權益結算以股份為基礎的支付開支 | 534 | 2,126 |
| | | 6,248 | 7,933 |

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Other than the related party transactions disclosed above, no other transaction, arrangement or contract of significance to which the Company was a party and in which a director of the Company or a connected entity of the director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

40. 重大關聯交易 (續)

(b) 主要管理層人員之酬金

董事及其他主要管理層人員於年內之酬金載列如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Short-term benefits | 短期福利 | 5,558 | 5,231 |
| Bonus | 花紅 | 107 | 540 |
| Post-employment benefits | 離職後福利 | 49 | 36 |
| Equity-settled share-based payments expenses | 以權益結算以股份為基礎的支付開支 | 534 | 2,126 |
| | | 6,248 | 7,933 |

董事及主要行政人員之薪酬乃由薪酬委員會考慮個人表現及市場趨勢而釐定。

除上文披露之關聯交易外，於年終或本年度內任何時間，本公司概無訂有本公司董事或本公司董事之關連實體直接或間接擁有重大權益之重大交易、安排或合約。

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41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

41. 本公司之財務狀況表

| | | Note 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|------------------|------------|----------------------------------|--|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、機器及設備 | | - | - |
| Right-of-use assets | 使用權資產 | | 2,853 | - |
| Interests in subsidiaries | 於附屬公司之權益 | | 24 | 24 |
| | | | 2,877 | 24 |
| Current assets | 流動資產 | | | |
| Other receivables | 其他應收賬款 | | 1,411 | 1,213 |
| Amounts due from subsidiaries | 應收附屬公司款項 | | 99,381 | 80,999 |
| Bank balances and cash | 銀行結餘及現金 | | 11 | 96 |
| | | | 100,803 | 82,308 |
| Current liabilities | 流動負債 | | | |
| Other payables | 其他應付賬款 | | 9,151 | 3,997 |
| Amounts due to subsidiaries | 應付附屬公司款項 | | - | 2,392 |
| Current taxation | 即期稅項 | | 4,000 | 4,000 |
| Loan from shareholders | 股東貸款 | | 11,187 | - |
| Bonds | 債券 | | 10,000 | - |
| Lease liabilities | 租賃負債 | | 1,740 | - |
| | | | 36,078 | 10,389 |
| Net current assets | 流動資產淨值 | | 64,725 | 71,919 |
| Total assets less current liabilities | 資產總值減流動負債 | | 67,602 | 71,943 |
| Non-current liabilities | 非流動負債 | | | |
| Amount due to a director | 應付一名董事款項 | | - | 3,315 |
| Bonds | 債券 | | 50,181 | 60,181 |
| Lease liabilities | 租賃負債 | | 1,199 | - |
| | | | 51,380 | 63,496 |
| Net assets | 資產淨值 | | 16,222 | 8,447 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | | 388,883 | 368,984 |
| Reserves | 儲備 | (a) | (372,661) | (360,537) |
| Total equity | 總權益 | | 16,222 | 8,447 |

Approved and authorised for issue by the board of directors on 14 May 2020.

於二零二零年五月十四日獲董事會批准及授權發行。

Choi Yun Chor
蔡潤初
Director
董事

Yeung So Mui
楊素梅
Director
董事

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41. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

The Group has initially applied HKFRS 16 at 1 January 2019, using the modified retrospective approach. Under this approach, comparative information is not restated. See note 3.

Note (a):

41. 本公司之財務狀況表 (續)

附註：

本集團於二零一九年一月一日首次應用香港財務報告準則第16號，採用經修訂追溯法。根據此方法，比較資料並無重列。見附註3。

附註(a)：

| | | Contribution reserve 出資儲備 HK\$'000 千港元 | Share options reserve 購股權儲備 HK\$'000 千港元 | Exchange reserve 匯兌儲備 HK\$'000 千港元 | Accumulated Losses* 累計虧損* HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|--|--|---|--|--|--------------------------------|
| As at 1 January 2018 | 於二零一八年一月一日 | 8,478 | 2,739 | (12,623) | (286,420) | (287,826) |
| Loss and total comprehensive expense for the year | 本年度虧損及本年度 全面開支總額 | - | - | - | (82,551) | (82,551) |
| Recognition of equity-settled share-based payments transactions (note 39) | 確認以權益結算以股份 為基礎的支付交易 (附註39) | - | 9,840 | - | - | 9,840 |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 8,478 | 12,579 | (12,623) | (368,971) | (360,537) |
| Impact on initial application of HKFRS 16 | 首次應用香港財務報告 準則第16號的影響 | - | - | - | (28) | (28) |
| As at 1 January 2019, as adjusted | 於二零一九年 一月一日，經調整 | 8,478 | 12,579 | (12,623) | (368,999) | (360,565) |
| Loss and total comprehensive expense for the year | 本年度虧損及本年度 全面開支總額 | - | - | - | (18,386) | (18,386) |
| Transaction with owners: Recognition of equity-settled share-based payments transaction (note 39) | 與擁有人的交易： 確認以權益結算以 股份為基礎的支付 交易(附註39) | - | 6,290 | - | - | 6,290 |
| Transfer upon cancellation of share options | 注銷購股權時轉撥 | - | (18,869) | - | 18,869 | - |
| | | - | (12,579) | - | 18,869 | 6,290 |
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 8,478 | - | (12,623) | (368,516) | (372,661) |

* Accumulated losses represented the distributable reserve of the Company.

* 累計虧損指本公司之可分派儲備。

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綜合財務報表附註

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include foreign currency risk, credit risk, interest rate risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The most significant financial risk to which the Group is exposed as discussed below.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

42.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position related to the following categories of financial assets and financial liabilities:

42. 金融風險管理及公允價值計量

本集團透過於日常經營過程中使用之金融工具承受金融風險。金融風險包括外幣風險、信貸風險、利率風險及流動資金風險。管理層管理及監察風險敞口，確保及時而有效地採取適當措施。本集團所承受之最重大金融風險於下文討論。

本集團關於金融工具之風險敞口類型或其管理及計量風險之方式並無變動。

42.1 金融資產及負債分類

於綜合財務狀況表呈列之賬面值乃關於以下金融資產及金融負債分類：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------|----------------------------------|----------------------------------|
| Financial assets: | 金融資產： | | |
| Financial assets measured at amortised cost | 按攤銷成本計量之金融資產 | | |
| – Trade and other receivables | – 貿易及其他應收賬款 | 27,008 | 36,498 |
| – Amount due from an associate | – 應收一間聯營公司款項 | 13,664 | – |
| – Amount due from a joint venture | – 應收一間合營企業款項 | 29,523 | 29,523 |
| – Bank balances and cash | – 銀行結餘及現金 | 6,898 | 7,757 |
| | | 77,093 | 73,778 |
| Financial liabilities: | 金融負債： | | |
| Financial liabilities measured at amortised cost | 按攤銷成本計量之金融負債 | | |
| – Trade and other payables | – 貿易及其他應付賬款 | 25,202 | 11,972 |
| – Amount due to a director | – 應付一名董事款項 | – | 3,315 |
| – Amounts due to related companies | – 應付關聯公司款項 | – | 7,157 |
| – Secured loans | – 抵押貸款 | 34,275 | 36,013 |
| – Loan from shareholders | – 股東貸款 | 11,187 | – |
| – Bonds | – 債券 | 60,181 | 60,181 |
| – Lease liabilities | – 租賃負債 | 2,939 | – |
| | | 133,784 | 118,638 |

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For the year ended 31 December 2019
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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.2 Foreign currency risk

The Group is exposed to foreign currency risk primarily through sales and purchases which give rise to receivables, payables and bank balances that are denominated in foreign currency i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group does not expose to significant foreign currency risk as at 31 December 2019.

42.3 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and from its investing activities.

As at 31 December 2019, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of respective recognised financial assets as stated in note 42.1.

The Group has a concentration of credit risk as 34% (2018: 37%) and 84% (2018: 98%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

42. 金融風險管理及公允價值計量 (續)

42.2 外幣風險

本集團主要因買賣產生以並非交易所屬業務的功能貨幣之貨幣(外幣)計值的應收賬款、應付賬款及銀行結餘而面臨貨幣風險。本集團務求將淨敞口維持在可接受的水平，必要時按現貨匯率買賣外幣，以解決短期的失衡。

於二零一九年十二月三十一日，本集團並無面臨重大外幣風險。

42.3 信貸風險

信貸風險指金融工具的交易對手未能根據金融工具的條款履行其責任並導致本集團造成財務虧損的風險。本集團面臨的信貸風險主要產生自其正常經營過程中授予客戶的信貸及其投資活動。

於二零一九年十二月三十一日，本集團因交易對手未能履行本集團規定的責任而須蒙受財務虧損的最大信貸風險敞口，產生自附註42.1所列各項已確認金融資產的賬面值。

本集團面臨信貸集中風險，因為來自本集團最大客戶及前五大客戶的貿易應收賬款分別佔本集團貿易應收賬款總額的34%(二零一八年：37%)及84%(二零一八年：98%)。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.3 Credit risk (Continued)

(i) Trade receivables

The Group's policy is to deal only with creditworthy counterparties. Credit terms are granted to new customers after a creditworthiness assessment by the credit control department. Where available at a reasonable cost, external credit ratings and/or reports on customers are obtained and used. Customers who are not considered creditworthy are required to pay in advance or on delivery of goods. The payment record of customers is closely monitored. It is not the Group's policy to request collateral from its customers.

In addition, as set out in note 2.11, the Group assesses ECL under HKFRS 9 on trade receivables based on the provision matrix, the expected loss rates are based on the payment profile for sales in the past 36 months as well as the corresponding historical credit losses during that period. The historical rates are adjusted to reflect current and forward-looking macroeconomic factors affecting the customer's ability to settle the amount outstanding. At the end of each reporting period, the historical default rates are updated and changes in the forward-looking estimates are analysed. The ECL also incorporates forward-looking information.

42. 金融風險管理及公允價值計量 (續)

42.3 信貸風險 (續)

(i) 貿易應收賬款

本集團的政策為僅與信用良好的交易對手進行交易。授予新客戶的信貸期由信貸監控部門進行信用評估後授出。於可行情況下，我們會以合理成本取得並使用客戶的外部信用評級及／或報告。未被視為信用良好的客戶須預先付款或貨到付款。客戶的付款記錄會受到密切監察。本集團的政策不要求客戶提供抵押品。

此外，誠如附註2.11所載，本集團根據香港財務報告準則第9號按撥備矩陣評估貿易應收賬款的預期信貸虧損，預期虧損率乃根據過去36個月的銷售付款情況及該期間內相應的歷史信貸虧損計算。歷史虧損率乃經調整，以反映影響客戶結算未支付款項能力的現時及前瞻性宏觀經濟因素。於各報告期末，歷史違約率會予以更新，並對前瞻性估計的變動加以分析。預期信貸虧損亦會牽連到前瞻性資料。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.3 Credit risk (Continued)

(i) Trade receivables (Continued)

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within 365 days by the third party from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

As at 31 December 2019, the ECL rate applied for trade receivables is 30% for those aged within 1 year, 45% for those aged 1 to 2 years, 60% for those aged 2 to 3 years and 80% for those aged over 3 years. A loss allowance of HK\$21,092,000 (2018: HK\$6,611,000) was made against the gross amount of trade receivables. Loss allowance of trade receivable recognised amounted to HK\$14,820,000 (2018: HK\$1,199,000) during the year ended 31 December 2019.

42. 金融風險管理及公允價值計量 (續)

42.3 信貸風險 (續)

(i) 貿易應收賬款 (續)

當並無合理收回預期時，貿易應收賬款會予以撇銷（即終止確認）。第三方由發票日期起365天內未能付款且未能與本集團作出其他付款安排等被視為無合理收回預期的跡象。

於二零一九年十二月三十一日，就賬齡一年內的貿易應收賬款使用的預期信貸虧損比率為30%，賬齡一至兩年者為45%，賬齡兩至三年者為60%，賬齡超過三年者為80%。已就貿易應收賬款總額作出21,092,000港元（二零一八年：6,611,000港元）虧損撥備。截至二零一九年十二月三十一日止年度，已確認貿易應收賬款虧損撥備為14,820,000港元（二零一八年：1,199,000港元）。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.3 Credit risk (Continued)

(ii) *Other financial assets at amortised cost*

Other financial assets at amortised cost include other receivables, bank balances and cash, amount due from an associate and amount due from a joint venture. In order to minimise the credit risk of other receivables, the management of the Group has designated a team responsible for the determination of credit limits and credit approvals. The management would make a periodic collective and individual assessments on the recoverability of other receivables based on historical settlement records and past experience as well as current external information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

Besides, the management of the Company is of opinion that credit risk has increased significantly since initial recognition for other receivables with a carrying amount of approximately HK\$6,404,000. ECL recognised for these receivables is based on lifetime ECL. As at 31 December 2019, the ECL rate applied for these other receivables ranged from 4% to 68% (2018: 1% to 5%). A loss allowance of HK\$1,689,000 (2018: HK\$Nil) was made against the gross amount of these other receivables.

For the remaining other receivables, there is no significant increase in credit risk since initial recognition as the risk of default is low after considering the factors as set out in note 2.11 and, thus, ECL recognised for the remaining other receivables is based on 12-month ECL. No loss allowance was made against the gross amount of the remaining other receivables.

42. 金融風險管理及公允價值計量 (續)

42.3 信貸風險 (續)

(ii) *按攤銷成本計量的其他金融資產*

按攤銷成本計量的其他金融資產包括其他應收賬款、銀行結餘及現金、應收一間聯營公司款項及應收一間合營企業款項。為減低其他應收賬款的信貸風險，本集團管理層已委派一個團隊負責釐定信貸限額及信貸批核。管理層將根據歷史結算記錄及過往經驗以及現時外部資料，對其他應收賬款的可收回性定期進行共同及個別評估。本集團設有其他監察程序，以確保採取後續措施收回逾期債務。

此外，本公司管理層認為，賬面值約6,404,000港元的其他應收賬款的信貸風險自初始確認以來明顯提高。就該等應收款確認的預期信貸虧損乃以終身預期信貸虧損為基準。於二零一九年十二月三十一日，用於該等其他應收賬款之預期信貸虧損比率介乎4%至68% (二零一八年：1%至5%)。已就該等其他應收賬款總額作出1,689,000港元 (二零一八年：零港元) 的虧損撥備。

對於餘下其他應收賬款而言，初始確認的信貸風險並無大幅增加，經考慮附註2.11所載的因素後，違約風險較低，因此，就餘下其他應收賬款確認的預期信貸虧損乃以12個月預期信貸虧損為基準。並無就餘下其他應收賬款的總額作出虧損撥備。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.3 Credit risk (Continued)

(iii) Bank balances and cash

The credit risks on bank balances and cash are considered to be insignificant because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

42.4 Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the amount due to a shareholder (note 24), amount due to a director (note 25), bonds (note 32) and lease liabilities (note 33) bearing fixed rates. The Group currently does not have an interest rate hedging policy. However, the management of the Group monitors interest rate exposure and will consider other necessary action when significant interest rate exposure is anticipated.

The Group is also exposed to cash flow interest rate risk in relation to bank deposits and secured loans (see note 30) bearing variable rates.

The Group's cash flow interest rate is mainly concentrated on the fluctuation of (i) prevailing market rates arising from the Group's secured loans and bank balances denominated in HK\$, US\$ and CAD and (ii) RMB base deposit rate stipulated by the People's Bank of China arising from the Group's bank balances denominated in RMB.

42. 金融風險管理及公允價值計量 (續)

42.3 信貸風險 (續)

(iii) 銀行結餘及現金

銀行結餘及現金的信貸風險被認為並不重大，因為其交易對手為獲國際信用評級機構授予高信用評級的銀行。

42.4 利率風險

本集團因定息應付一名股東款項(附註24)、應付一名董事款項(附註25)、債券(附註32)及租賃負債(附註33)面臨公允價值利率風險。本集團目前並未制定利率對沖政策，但本集團管理層密切監察利率風險，並將於預計出現重大利率風險敞口時採取其他必要措施。

本集團亦因浮息銀行存款及抵押貸款(見附註30)面臨現金流量利率風險。

本集團的現金流量利率主要集中於(i)本集團以港元、美元及加元計值的抵押貸款及銀行結餘承受現行市場利率波動及(ii)本集團以人民幣計值的銀行結餘承受由中國人民銀行公佈的人民幣基礎存款利率波動。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42. 金融風險管理及公允價值計量 (續)

42.4 Interest rate risk (Continued)

The following table details the interest rate profile of the Group's interest bearing financial liabilities at the end of the reporting period.

42.4 利率風險 (續)

下表詳列本集團的計息金融負債於報告期末的利率情況。

| | | 2019 二零一九年 | | 2018 二零一八年 | |
|----------------------------------|--------------|---|-----------------|---|-----------------|
| | | Effective interest rate 實際利率 % | HK\$'000 千港元 | Effective interest rate 實際利率 % | HK\$'000 千港元 |
| Fixed rate borrowings: | 定息借貸： | | | | |
| Amount due to a shareholder | 應付一名股東款項 | 2.7 | 2,769 | N/A 不適用 | - |
| Amount due to a director | 應付一名董事款項 | N/A 不適用 | - | 1.5 | 3,315 |
| Bonds | 債券 | 5.7 | 60,181 | 5.6 | 60,181 |
| Lease liabilities | 租賃負債 | 5.1 | 2,939 | N/A 不適用 | - |
| | | | 65,889 | | 63,496 |
| Variable rate borrowings: | 浮息借貸： | | | | |
| Secured loans | 抵押貸款 | 6.0 | 34,275 | 5.6 | 36,013 |
| Total borrowings | 借貸總額 | | 100,164 | | 99,509 |

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.4 Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments as at the end of the reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2018: 50 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. The amount due to a shareholder (note 24), amount due to a director (note 25), bonds (note 32) and lease liabilities (note 33) bearing fixed rates is not exposed to material interest rate risk, therefore, no sensitivity analysis is presented. If interest rates had been 50 basis points (2018: 50 basis points) higher/lower and all other variables were held constant, the Group's loss for the year ended 31 December 2019 would increase/decrease HK\$171,000 (2018: HK\$180,000).

42. 金融風險管理及公允價值計量 (續)

42.4 利率風險 (續)

敏感度分析

以下敏感度分析根據於報告期末非衍生工具的利率風險敞口釐定。分析假設於報告期末尚未到期的金融工具於整個年度未到期。在內部向主要管理層人員報告利率風險時採用增減50個基點(二零一八年: 50個基點)分析, 反映管理層對利率合理可能變動的評估。定息應付一名股東款項(附註24)、應付一名董事款項(附註25)、債券(附註32)及租賃負債(附註33)並無面臨重大利率風險, 因此並無呈列敏感度分析。倘利率升/跌50個基點(二零一八年: 50個基點)而所有其他變量維持不變, 則本集團截至二零一九年十二月三十一日止年度的虧損將增加/減少171,000港元(二零一八年: 180,000港元)。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42.5 Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

After the banking facilities letter of the secured loans have been renewed in September 2019, the secured loans are subject to the relevant bank's overriding right to demand for repayment even though the scheduled repayment dates are twelve months after the end of the reporting period. As a result, these loans with scheduled repayment dates beyond one year amounted to HK\$34,275,000 had to be classified as current liabilities as at 31 December 2019.

The following table show the details of the remaining contractual maturities as at 31 December 2019 and the Group's non-derivative liabilities and derivative liabilities which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current as at the end of each reporting period) and the earliest date the Group can be required to pay.

For the purpose of the below analysis, the secured loans are included within current liabilities and analysed as on demand or within one year.

42. 金融風險管理及公允價值計量 (續)

42.5 流動資金風險

本集團之政策為定期監察流動資金需要，以確保其維持充裕現金儲備及向大型金融機構取得足夠的承諾資金額度，從而滿足其短期及長遠流動資金需要。

抵押貸款之銀行融資函於二零一九年九月重續後，即使既定還款日期為呈報日期之後的十二個月，抵押貸款仍受限於相關銀行擁有要求還款的優先權。因此，該等既定還款日期超過一年，金額為34,275,000港元之貸款，於二零一九年十二月三十一日應列為流動負債。

下表詳列於二零一九年十二月三十一日本集團非衍生負債及衍生負債的餘下合約到期情況，乃根據合約未貼現現金流量（包括使用合約利率或（倘為浮息）於各報告期末之即期利率計算之利息付款）及本集團可能須還款的最早日期編製。

就以下分析而言，抵押貸款已計入流動負債，並分析為於一年內或按要求償還。

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42. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

42. 金融風險管理及公允價值計量 (續)

42.5 Liquidity risk (Continued)

42.5 流動資金風險 (續)

2019

二零一九年

| | | On demand or within one year 按要求或 一年內 HK\$'000 千港元 | More than one year but less than two years 超過一年 但不到兩年 HK\$'000 千港元 | More than two years but less than five years 超過兩年 但不到五年 HK\$'000 千港元 | More than five years 超過五年 HK\$'000 千港元 | Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|---|----------------|--|---|---|--|---|--|
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | |
| Trade and other payables | 貿易及其他應付賬款 | 25,353 | - | - | - | 25,353 | 25,202 |
| Secured loans* | 抵押貸款* | 4,093 | 4,093 | 12,279 | 26,952 | 47,417 | 34,275 |
| Loan from shareholders | 股東貸款 | 11,187 | - | - | - | 11,187 | 11,187 |
| Bonds | 債券 | 12,936 | 12,535 | 42,534 | - | 68,005 | 60,181 |
| Lease liabilities | 租賃負債 | 1,822 | 1,329 | - | - | 3,151 | 2,939 |
| | | 55,391 | 17,951 | 54,813 | 26,952 | 155,113 | 133,784 |

2018

二零一八年

| | | On demand or within one year 按要求或 一年內 HK\$'000 千港元 | More than one year but less than two years 超過一年 但不到兩年 HK\$'000 千港元 | More than two years but less than five years 超過兩年 但不到五年 HK\$'000 千港元 | More than five years 超過五年 HK\$'000 千港元 | Total undiscounted cash flows 未貼現現金 流量總額 HK\$'000 千港元 | Carrying amount 賬面值 HK\$'000 千港元 |
|---|----------------|--|---|---|--|---|--|
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | | |
| Trade and other payables | 貿易及其他應付賬款 | 11,972 | - | - | - | 11,972 | 11,972 |
| Amounts due to related companies | 應付關聯公司款項 | 7,157 | - | - | - | 7,157 | 7,157 |
| Amount due to a director | 應付一名董事款項 | - | 3,402 | - | - | 3,402 | 3,315 |
| Secured loans | 抵押貸款 | 3,917 | 3,931 | 11,792 | 30,489 | 50,129 | 36,013 |
| Bonds | 債券 | 3,405 | 12,936 | 44,805 | 10,264 | 71,410 | 60,181 |
| | | 26,451 | 20,269 | 56,597 | 40,753 | 144,070 | 118,638 |

* Maturity analysis based on scheduled repayments of the secured loans.

* 基於抵押貸款之計劃還款之到期日分析。

42.6 Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 31 December 2019 and 2018.

42.6 公允價值估計

所有金融工具的賬面值與二零一九年及二零一八年十二月三十一日的公允價值並無重大差異。

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43. CAPITAL RISK MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

During the years ended 31 December 2019 and 2018, The Group's strategy in monitoring its capital structure, which was unchanged from the prior year, was to maintain a sufficient cash level to meet its liquidity requirements. In order to maintain or adjust the cash level, the Group may issue new shares, raise new debts financing or sell assets to increase the cash level.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

43. 資本風險管理

本集團管理資本之首要目標乃保障本集團能夠繼續根據持續經營基準經營，從而透過與風險水準相對應之產品及服務定價及以合理成本獲得融資，繼續為股東創造回報及為其他持份者帶來利益。

本集團積極並定期審閱和管理其資本架構，以保持較高的股東回報（可能因較高的借款水平而帶來的回報）與穩健資本狀況帶來的優勢和安全性之間的平衡，並因應經濟環境的變化對資本架構作出調整。

截至二零一九年及二零一八年十二月三十一日止年度，本集團秉承往年之策略，監察其股本架構以維持充裕現金水平應付流動資金所需。為維持或調整現金水平，本集團可發行新股份、籌集新債務融資或出售資產以增加現金水平。

本公司或其任何附屬公司毋須受外部實施之資本規定限制。

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44. COURT CASE

As explained in note 20, in July 2019, the investment properties which amounted to HK\$84,920,000 of a joint venture were seized by the Intermediate People's Court of Chongqing (重慶第一中級人民法院) in relation to a loan dispute with a financial institution. The directors of the Company inquired of the management of the joint venture in relation to the seizure of investment properties and the loan dispute, but they are still not able to obtain all relevant information, including the court orders, the reason and the latest development of the seizure of the investment properties and the loan dispute. Therefore, the directors are unable to assess the likely outcome and the financial impact associated with the seizure of the investment properties and the loan dispute, and to assess as to whether any adjustments related to the understatement of liabilities of the joint ventures and impairment loss on the interests in joint ventures was needed as at 31 December 2019.

45. EVENTS AFTER THE REPORTING PERIOD

Following the outbreak of Coronavirus Disease 2019 (the "COVID-19 Outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the PRC, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, quarantine of certain residents, heightening of hygiene and epidemic prevention requirements in offices and encouraged social distancing, etc.

In light of the negative impact brought upon by the COVID-19 Outbreak in the short term, it may lead to increase of costs incurred by additional hygiene and epidemic prevention requirements when rendering basic property management services.

44. 訴訟案件

如附註20所述，於二零一九年七月，合營企業為84,920,000港元的投資物業因涉及與金融機構的貸款糾紛而被重慶第一中級人民法院查封。本公司董事向合營企業管理層查詢有關查封投資物業及貸款糾紛，但彼等仍未能獲取所有相關資料，包括法院頒令、查封投資物業及貸款糾紛的原因及最新發展。因此，董事未能評估查封投資物業及貸款糾紛引起的可能結果及財務影響，亦未能評估於二零一九年十二月三十一日是否需就低估合營企業負債作出任何調整及於合營企業之權益作出任何減值虧損。

45. 呈報期後事項

二零二零年初2019冠狀病毒疾病爆發(「COVID-19爆發」)後，中國各地已經並仍繼續實施一連串防疫防控措施，包括全國性延長春節假期、有些地區在春節假期後延遲復工、在人員出行及交通安排上作出不同層級之限制及控制、對居民進行隔離檢疫、提高辦事處在衛生防疫方面之要求，以及鼓勵社區隔離等。

鑑於COVID-19爆發所帶來之短期負面影響，可能會導致在提供基本物業管理服務時因加強對衛生防疫之要求而提高成本。

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45. EVENTS AFTER THE REPORTING PERIOD (Continued)

The COVID-19 Outbreak also started to significantly negatively impact the Group's hotel operation in Canada since March 2020. The hotel has been closed as a result of government travel restrictions, quarantines and lockdowns. The hotel operation has seen a decline in revenue. The Group is now focusing on all possible operational cost containment options, as well as deferring its spendings where possible.

The Group has not yet been able to quantify the aforesaid influence due to the COVID-19 Outbreak. However, the Group will pay close attention to the development of the COVID-19 Outbreak and its impact and will continue to perform relevant assessments and take proactive measures as appropriate.

46. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's presentation. Also, the Group has initially applied HKFRS 16 as at 1 January 2019. Under the transition methods chosen, comparative information is not restated. Further details of the changes in significant accounting policies are disclosed in note 3.

45. 呈報期後事項 (續)

COVID-19爆發令本集團於加拿大的酒店經營由二零二零年三月開始受到顯著而負面的打擊，酒店因政府旅遊限制、隔離及封鎖措施被迫關閉，而酒店經營收入亦因此減少。本集團現正採取於所有可行的成本控制方法，並於可行情況下延遲其支出。

本集團尚未能量化COVID-19爆發所致之上述影響。然而，本集團將密切留意COVID-19爆發之事態發展及其影響，並會繼續進行相關評估及在適當時候採取積極措施應對。

46. 比較數據

為符合本年度的呈列，若干比較數據已重新分類。本集團亦已於二零一九年一月一日首次應用香港財務報告準則第16號。按所選用之過渡方法，比較資料並無重列。主要會計政策的變動的進一步詳情於附註3披露。

Five-year Financial Summary

五年財務概要

| | | 2015 二零一五年 (Restated) (重列) | 2016 二零一六年 (Restated) (重列) | 2017 二零一七年 | 2018 二零一八年 | 2019 二零一九年 |
|---|-----------------------------------|-------------------------------------|-------------------------------------|---------------|---------------|------------------|
| Consolidated Statement of profit or loss and other comprehensive income (HK\$'000) | | | | | | |
| Revenue from Continuing operations | 綜合損益及其他全面收益表 (千港元) 持續經營業務收益 | 413,259 | 84,943 | 87,588 | 94,582 | 92,228 |
| Loss before tax from continuing operations | 持續經營業務除所得稅前虧損 | (23,302) | (18,334) | (17,834) | (20,584) | (30,816) |
| Loss after income tax and attributable to owner of the Company | 除所得稅後本公司擁有人應佔虧損 | (33,055) | (26,074) | (8,529) | (21,820) | (30,444) |
| Basic (loss)/earnings per share/(HK cents) | 每股基本(虧損)/盈利/(港仙) | | | | | |
| - From continuing operations | - 持續經營業務 | (8.93) | (6.44) | (4.98) | (4.11) | (4.28) |
| - From discontinued operations | - 已終止經營業務 | (1.15) | 0.03 | 3.11 | - | - |
| Diluted (loss)/earnings per share/(HK cents) | 每股攤薄(虧損)/盈利/(港仙) | | | | | |
| - From continuing operations | - 持續經營業務 | (8.93) | (6.44) | (4.98) | (4.11) | (4.28) |
| - From discontinued operations | - 已終止經營業務 | (1.15) | 0.03 | 3.11 | - | - |
| Consolidated Statement of financial position (HK\$'000) | | | | | | |
| Non-current assets | 綜合財務狀況表 (千港元) 非流動資產 | 158,891 | 143,402 | 131,521 | 159,371 | 182,379 |
| Current assets | 流動資產 | 374,851 | 177,312 | 47,343 | 46,306 | 36,027 |
| Current liabilities | 流動負債 | (379,100) | (161,238) | (30,700) | (37,756) | (100,057) |
| Net current assets (liabilities) | 流動資產(負債)淨值 | (4,249) | 16,074 | 16,643 | 8,550 | (64,030) |
| Non-current Liabilities | 非流動負債 | (189,192) | (153,963) | (141,919) | (103,802) | (57,229) |
| Net assets (liabilities) | 資產(負債)淨值 | (34,550) | 5,513 | 6,245 | 64,119 | 61,120 |
| Share Information (HK\$) | | | | | | |
| Highest share price | 股份資料(港元) 最高股價 | \$2.30 | \$2.00 | \$0.49 | \$0.58 | \$0.55 |
| Lowest share price | 最低股價 | \$1.10 | \$0.48 | \$0.39 | \$0.26 | \$0.22 |
| Year end closing share price | 年終收市股價 | \$1.84 | \$0.48 | \$0.40 | \$0.34 | \$0.26 |

Corporate Information and Shareholders' Calendar

公司資料及股東日程表

CORPORATE INFORMATION

Board of Directors

Executive directors

Mr. Choi Yun Chor (Co-Chariman) ⁽¹⁾
Ms. Yeung So Mui (Co-Chariman) ⁽¹⁾
Mr. Ng Kwai Wah Sunny ⁽²⁾
Mr. Chen Jian ⁽²⁾
Mr. Tai Kwok Keung Kenny ⁽²⁾
Mr. Lin Junwei ⁽²⁾
Mr. Shen Yong ⁽³⁾
Mr. Gan Lin ⁽⁴⁾
Mr. Pang Huan Kun ⁽⁵⁾⁽⁷⁾
Ms. Wang Yi Ya ⁽³⁾⁽⁶⁾

Non-executive director

Mr. Huang Xiang Yang ⁽⁷⁾

Independent non-executive directors

Dr. Loke Yu (alias Loke Hoi Lam)
Ms. Lai Cheuk Yu Cherrie ⁽²⁾
Mr. Ting Wong Kacee ⁽²⁾
Mr. Ernst Rudolf Zimmermann ⁽⁷⁾
Mr. Yu Lei ⁽⁷⁾

Audit Committee

Dr. Loke Yu (alias Loke Hoi Lam)
Ms. Lai Cheuk Yu Cherrie ⁽²⁾
Mr. Ting Wong Kacee ⁽²⁾
Mr. Ernst Rudolf Zimmermann ⁽⁷⁾
Mr. Yu Lei ⁽⁷⁾

Remuneration Committee

Mr. Ting Wong Kacee ⁽²⁾
Dr. Loke Yu (alias Loke Hoi Lam)
Ms. Lai Cheuk Yu Cherrie ⁽²⁾
Mr. Ernst Rudolf Zimmermann ⁽⁷⁾
Mr. Yu Lei ⁽⁷⁾

公司資料

董事會

執行董事

蔡潤初先生 (聯席主席) ⁽¹⁾
楊素梅女士 (聯席主席) ⁽¹⁾
吳季驊先生 ⁽²⁾
陳建先生 ⁽²⁾
戴國強先生 ⁽²⁾
林俊煒先生 ⁽²⁾
申勇先生 ⁽³⁾
甘霖先生 ⁽⁴⁾
逢煥坤先生 ⁽⁵⁾⁽⁷⁾
王一雅女士 ⁽³⁾⁽⁶⁾

非執行董事

黃向陽先生 ⁽⁷⁾

獨立非執行董事

陸海林博士
黎卓如女士 ⁽²⁾
丁煌先生 ⁽²⁾
司馬文先生 ⁽⁷⁾
余磊先生 ⁽⁷⁾

審核委員會

陸海林博士
黎卓如女士 ⁽²⁾
丁煌先生 ⁽²⁾
司馬文先生 ⁽⁷⁾
余磊先生 ⁽⁷⁾

薪酬委員會

丁煌先生 ⁽²⁾
陸海林博士
黎卓如女士 ⁽²⁾
司馬文先生 ⁽⁷⁾
余磊先生 ⁽⁷⁾

Corporate Information and Shareholders' Calendar

公司資料及股東日程表

Nomination Committee

Ms. Lai Cheuk Yu Cherrie ⁽²⁾
Dr. Loke Yu (alias Loke Hoi Lam)
Mr. Ting Wong Kacee ⁽²⁾
Mr. Ernst Rudolf Zimmermann ⁽⁷⁾
Mr. Yu Lei ⁽⁷⁾

⁽¹⁾ appointed on 10 October 2019 as a Co-Chairman and Executive Director

⁽²⁾ appointed on 10 October 2019

⁽³⁾ removed on 19 December 2019

⁽⁴⁾ resigned on 11 June 2019

⁽⁵⁾ appointed on 11 June 2019 as a Chief Executive Officer and Executive Director

⁽⁶⁾ appointed on 11 June 2019

⁽⁷⁾ resigned on 20 November 2019

Company Secretary

Mr. Leung Tak Chee Frankie

Authorised Representatives

Mr. Lin Junwei
Mr. Leung Tak Chee Frankie

Registered Office and Principal Place of Business

Room 3805, 38/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

Auditor

Grant Thornton Hong Kong Limited
Certified Public Accountants

提名委員會

黎卓如女士 ⁽²⁾
陸海林博士
丁煌先生 ⁽²⁾
司馬文先生 ⁽⁷⁾
余磊先生 ⁽⁷⁾

⁽¹⁾ 於二零一九年十月十日委任為聯席主席及執行董事

⁽²⁾ 於二零一九年十月十日委任

⁽³⁾ 於二零一九年十二月十九日被罷免

⁽⁴⁾ 於二零一九年六月十一日辭任

⁽⁵⁾ 於二零一九年六月十一日委任為行政總裁及執行董事

⁽⁶⁾ 於二零一九年六月十一日委任

⁽⁷⁾ 於二零一九年十一月二十日辭任

公司秘書

梁德志先生

授權代表

林俊煒先生
梁德志先生

註冊辦事處及主要營業地點

香港
銅鑼灣
希慎道33號
利園一期38樓3805室

核數師

致同(香港)會計師事務所有限公司
執業會計師

Corporate Information and Shareholders' Calendar

公司資料及股東日程表

Share Registrar and Transfer Office

Tricor Standard Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

Stock Code

The Stock Exchange of Hong Kong Limited: 2310

Company Website

www.forebase.com.hk

Shareholders' Calendar

Announcement of 2019 Final Results
14 May 2020

Closure of Registrar of Members
19-29 June 2020
(both days inclusive)

Annual General Meeting
29 June 2020

股份過戶登記處

卓佳標準有限公司
香港
皇后大道東 183 號
合和中心
54 樓

股份代號

香港聯合交易所有限公司：2310

公司網址

www.forebase.com.hk

股東日程表

公佈二零一九年末期業績
二零二零年五月十四日

暫停辦理股份過戶登記
二零二零年六月十九日至二十九日
(包括首尾兩天)

股東週年大會
二零二零年六月二十九日

A blurred background image of a microscope, showing the eyepiece, objective lenses, and the stage with a slide. The image is out of focus, creating a soft, bokeh effect.

Forebase International Holdings Limited
申基國際控股有限公司