



中國長遠控股有限公司 China Fortune Holdings Limited

(Incorporated in Bermuda with limited liability, carrying on business in Hong Kong as CFH Limited)

(於百慕達註冊成立之有限公司，以CFH Limited之名稱於香港進行業務)

Stock Code 股份代號: 0110

ANNUAL REPORT 年報
2019



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Corporate Profile 公司簡介

China Fortune Holdings Limited (“China Fortune” or the “Group”), formerly named Fortune Telecom Holdings Limited, mainly sells and distributes mobile phones and digital products in the People’s Republic of China (the “PRC”). The Group was established in Hong Kong in 1992. It was first listed on the GEM Board of the Stock Exchange of Hong Kong Limited (Stock code: 8040) on 16 February 2000, and successfully transferred to the Main Board (Stock code: 110) on 26 January 2004. The Group has a strong shareholder background and well operational and professional management team.

In 2007, the Group acquired Zhuhai Reminda Telecom Equipment Company Limited which was a company selling mobile phones and telecommunication equipments in the PRC.

In 2009, the Group acquired a Strontium mining site in the PRC, as its first step in entering the natural resource industry.

In 2019, Beijing Feiying accounted for as a subsidiary of the Company and can consolidate Beijing Feiying’s results into the Group’s accounts. The Group tap into the used mobile phones and mobile app market in the PRC.

The corporate culture of the Group rests on the integration of the West and the East, modern and traditional management philosophy, with an aim to build up a “Continuous Learning Enterprise”. The corporate spirit of China Fortune focuses on “Human Enterprise”. Under the leadership of its aspiring and energetic management, China Fortune’s staff will team up and move towards the Group’s goal of ranking as one of the largest and best wireless communication and data products and services providers in the region.

中國長遠控股有限公司（「中國長遠」或「本集團」）（前稱長遠電信網絡集團有限公司）主要在中華人民共和國（「中國」）出售及分銷移動電話和數碼產品。本集團於一九九二年在香港成立，首先於二零零零年二月十六日在香港聯合交易所有限公司GEM上市（股份代號：8040），並於二零零四年一月二十六日成功轉至主板上市（股份代號：110）。本集團擁有強大之股東背景及盡職之專業管理團隊。

於二零零七年，本集團收購珠海市雷鳴達通訊設備有限公司，其為一間於中國銷售移動電話及電訊設備之公司。

於二零零九年，本集團收購了中國一家鋇礦場，作為其涉足天然資源行業之第一步。

於二零一九年，北京飛鷹作為本公司附屬公司入賬且可將北京飛鷹的業績綜合至本集團賬目。本集團進軍中國二手手機及移動電話應用程式市場。

揉合中西文化、兼收傳統及現代之管理哲學，乃本集團之企業文化，以達致「注重長遠，天天進步」之宗旨。「人為本，企業為家」乃中國長遠之企業精神。在有幹勁及魄力之管理層領導下，中國長遠全體員工定將團結一致，實踐本集團之目標，成為區內最大及最佳之無線通訊及數據產品服務供應商之一。

Corporate Information 公司資料

BOARD OF DIRECTORS

Chairman and Executive Director

Mr. Lau Siu Ying

Executive Directors

Mr. Wang Yu

Mr. Gao Fei

(Appointed on 27 December 2019)

Non-executive Director

Mr. Bao Kang Rong

Independent Non-executive Directors

Dr. Law Chun Kwan

Mr. Lam Man Kit

Dr. Lo Wai Shun

COMPANY SECRETARY

Mr. So Chi Kai

AUDIT COMMITTEE

Mr. Lam Man Kit (*Committee Chairman*)

Dr. Law Chun Kwan

Dr. Lo Wai Shun

REMUNERATION COMMITTEE

Mr. Lam Man Kit (*Committee Chairman*)

Mr. Lau Siu Ying

Dr. Law Chun Kwan

Dr. Lo Wai Shun

NOMINATION COMMITTEE

Mr. Lau Siu Ying (*Committee Chairman*)

Mr. Wang Yu

Dr. Law Chun Kwan

Mr. Lam Man Kit

Dr. Lo Wai Shun

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

HONG KONG HEAD OFFICE

Room 1505-06, Tower A, Regent Centre
63 Wo Yi Hop Road, Kwai Chung
Hong Kong

董事會

主席兼執行董事

劉小鷹先生

執行董事

王 愚先生

高 飛先生

(於二零一九年十二月二十七日獲委任)

非執行董事

鮑康榮先生

獨立非執行董事

羅振坤博士

林文傑先生

勞維信博士

公司秘書

蘇子佳先生

審核委員會

林文傑先生 (*委員會主席*)

羅振坤博士

勞維信博士

薪酬委員會

林文傑先生 (*委員會主席*)

劉小鷹先生

羅振坤博士

勞維信博士

提名委員會

劉小鷹先生 (*委員會主席*)

王 愚先生

羅振坤博士

林文傑先生

勞維信博士

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

香港總辦事處

香港
葵涌和宜合道63號
麗晶中心A座1505-06室

Corporate Information

公司資料

CHINA HEAD OFFICE

Room 9008, Yong Xin Building
887 Huai Hai Zhong Road
Huangpu District
Shanghai, PRC

SHANGHAI OFFICE

Room 328, Xin Mao Lou
2 Tai Zhong Nan Lu
Waigaoqiao Free Trade Zone
Shanghai, PRC

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITOR

BDO Limited

LEGAL ADVISORS

As to Hong Kong law:
Franki Ho & Associates

As to Bermuda law:
Conyers Dill & Pearman

PRINCIPAL BANKERS

China Construction Bank
China Merchants Bank
ICBC (Asia)

CORPORATE WEBSITES

www.fortunetele.com
www.chinafortune.com

STOCK CODE

110

中國總辦事處

中國上海
黃浦區
淮海中路887號
永新大廈9008室

上海辦事處

中國上海
外高橋保稅區
台中南路2號
新質樓328室

主要股份登記及過戶處

Codan Services Limited
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

股份登記及過戶處香港分處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心54樓

核數師

香港立信德豪會計師事務所有限公司

法律顧問

就香港法律而言：
何樂昌律師行

就百慕達法律而言：
Conyers Dill & Pearman

主要往來銀行

中國建設銀行
招商銀行
工銀亞洲

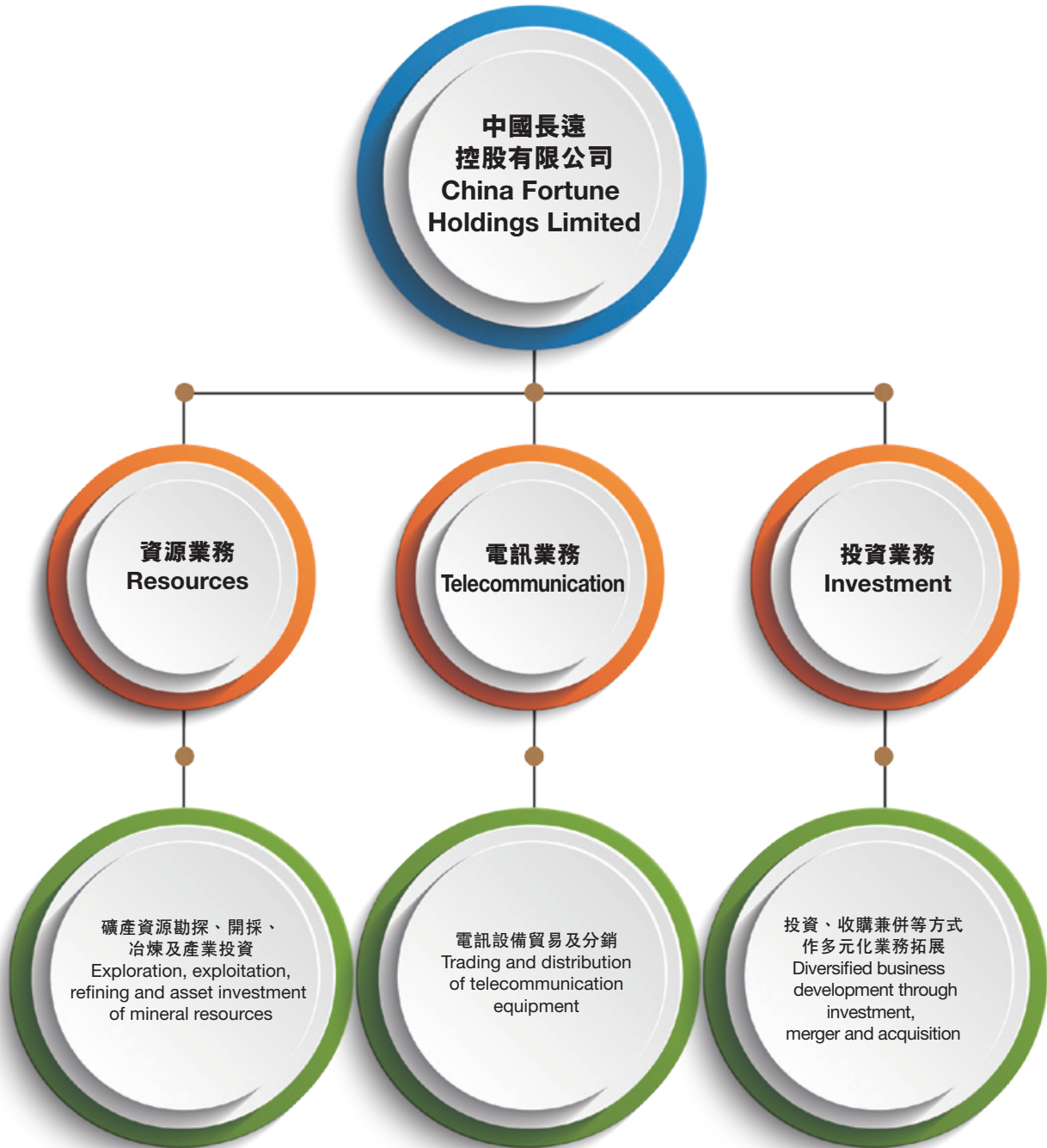
公司網站

www.fortunetele.com
www.chinafortune.com

股份代號

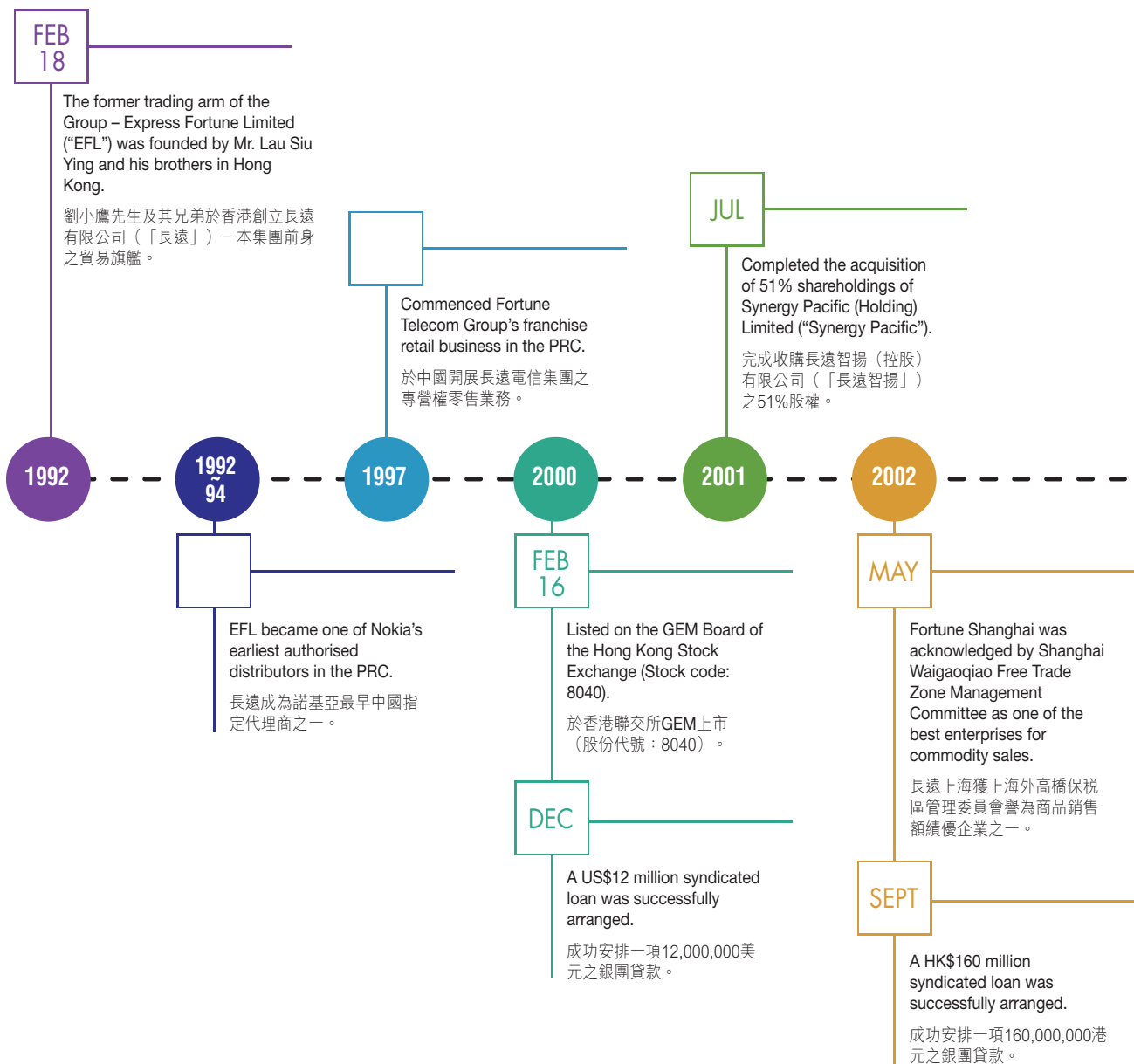
110

Business Structure 業務架構

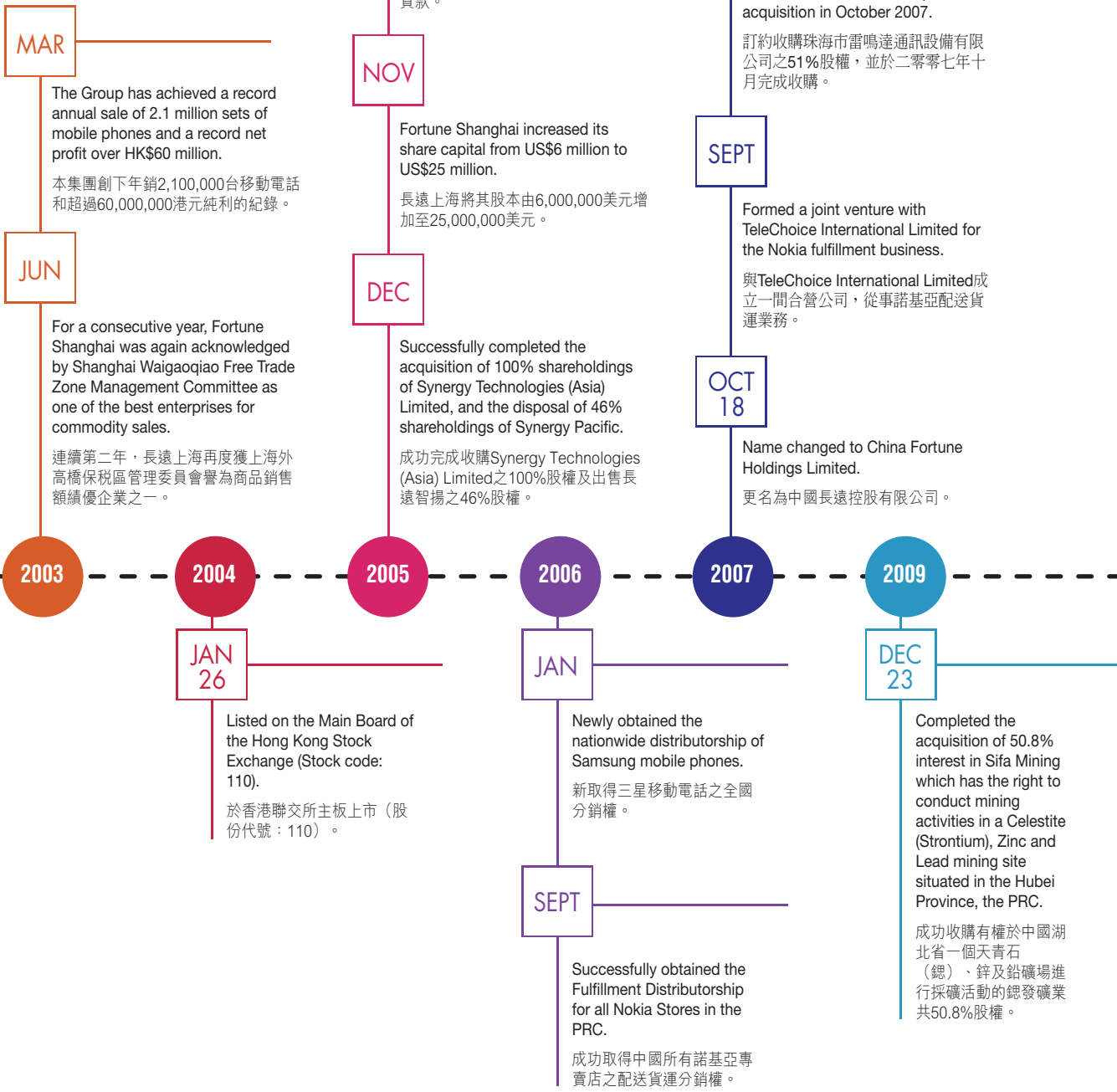


Corporate Milestones

企業里程碑



Corporate Milestones 企業里程碑



Chairman's Statement

主席報告書



Dear Shareholders,

On behalf of the board of directors (the “Board”) of China Fortune Holdings Limited (the “Company”), I am pleased to present to our shareholders the consolidated results and prospects of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2019.

各位股東：

本人謹代表中國長遠控股有限公司（「本公司」）董事會（「董事會」）欣然向各股東提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度之綜合業績及前景。

Chairman's Statement 主席報告書

REVIEW

Looking back to 2019, the China economy is showing a sign of slowdown resulting from the US-China trade war. Although the mobile phone market in China was still strong but its growth was obviously slowing down resulted from the trade pressure exerted by the US in the trade war, denting the economic growth in China. Customer's focus is expected to shift gradually from the functionality of mobile phone to the shopping experience and, in this regard, the large mobile telecommunication chain stores have advantages under the high internal consumption. In order to diversify the business of the Group, we have been actively looking for opportunities which will further enhance the shareholders' value. Since we have been in the mobile phone industry for decades, and the potential for mobile phone related business development is surely enormous and sustainable. The Group have tapped into the used mobile phones and mobile apps market in end of December 2019, and would continue to strengthen its major business area including big data, mobile phone operating system and mobile internet.

OPERATIONAL PERFORMANCE

In 2019, due to the slowing down of global economy, the Group's revenue for the year ended 31 December 2019 decreased by approximately 50% to HK\$108.5 million when compared with the year ended 31 December 2018. Loss for the year amounted to HK\$32.8 million when compared with profit of HK\$10.3 million for the year ended 31 December 2018.

OUTLOOK AND PROSPECT

The world becomes even more and more challenging nowadays, so as the mobile phone industry in China. As China is one of the strongest countries in terms of economic performance, and with its huge internal consumption and room for expansion. Although there is keen competition in the industry, development potential is still enormous. The Group will continue to strengthen our existing relationship with the leading manufacturer to look for further cooperation opportunities.

回顧

回顧二零一九年，由於中美貿易戰，中國經濟正出現放緩跡象。雖然中國移動電話市場依然強勁，但由於貿易戰中美國施壓，增長明顯放緩，削弱中國經濟增長。預期客戶的焦點將由移動電話的功能逐步轉移至購物體驗，就此，在內部消費高企下，大型手機電訊連鎖店具備優勢。本集團為使業務得以多元化發展，一直積極物色將進一步提升股東價值之商機。由於本集團已從事移動電話行業數十載，加上移動電話相關業務擁有龐大可持續發展潛力，本集團已於二零一九年十二月底進入二手手機及移動電話應用程式市場，並將繼續鞏固主要業務範疇，包括大數據、移動電話操作系統及移動互聯網。

營運表現

於二零一九年，由於環球經濟放緩，本集團截至二零一九年十二月三十一日止年度之收益較截至二零一八年十二月三十一日止年度減少約50%至108,500,000港元。年內虧損為32,800,000港元，而截至二零一八年十二月三十一日止年度則錄得收益10,300,000港元。

展望及前景

現時，全球環境及中國移動電話行業所面對的挑戰日益加劇。中國擁有龐大內部消費和增長空間，故躋身世界經濟強國之一。儘管業內競爭激烈，但仍有巨大發展潛力。本集團將會不斷加強與領先製造商的現有關係，爭取更多合作機會。

Chairman's Statement

主席報告書

Apart from strengthening our current principal business in the mobile phone business, the Group has tapped into the used mobile phones and mobile app market during 2019. Pursuant to the change in control of the board of Beijing Feiying on December 2019, it shall be accounted for as a subsidiary of the Company, its results can be consolidated into the Group's accounts and would be reflected in the accounts of the Group in coming years. We expect there will be a potential growth from our businesses, particularly from Beijing Feiying, which features services like trading of mobile phone industry including trading in second-hand mobile phones and provision of marketing services through an online platform which connects the mobile phone manufactures, telecom operators with physical retail stores.

But the outbreak of the COVID-19 in early 2020 would foreseeably have an adverse impact in the worldwide wholesale, retail environment as well as our business. There is an ongoing concern on customer's spending power and weakening global economy. In 2020, the Group will continue to actively seek and grasp market opportunities and increase the depth and breadth of our sources of revenue in order to generate satisfactory returns for shareholders on a continuous basis.

APPRECIATION

On behalf of the Board, I would like to express my sincere gratitude to all staff members and management team for their dedication and contribution, and to our shareholders and business partners for their support. Looking forward, the Group will keep a closer watch on changes in the market and seize development opportunities that can generate maximum value for the Company and its shareholders.

Lau Siu Ying

Chairman and Chief Executive Officer

Hong Kong, 17 July 2020

除加強本集團目前主營之移動電話業務外，本集團已於二零一九年進入二手手機及移動電話應用程式市場。根據於二零一九年十二月的北京飛鷹董事會控制權變動，其須作為本公司附屬公司入賬，其業績可合併至本集團賬目，並將於未來幾年在本集團賬目中反映。我們預期業務將有潛在增長，尤其是北京飛鷹，該公司透過連接擁有實體零售店之移動電話製造商及電訊營運商之線上平台，提供移動電話買賣行業服務，包括二手移動電話買賣及提供市場推廣服務。

然而，二零二零年初COVID-19疫情爆發，於可預見未來將對全球批發、零售環境乃至本集團的業務造成不利影響。公眾目前對消費者消費能力及環球經濟疲弱存在持續擔憂。於二零二零年，本集團將繼續積極尋求及把握市場機會，並增加本集團收益來源之深度及闊度，從而持續為股東創造理想回報。

致謝

本人謹代表董事會衷心感謝全體員工及管理層團隊的不懈努力與寶貴貢獻，同時對股東及業務夥伴之支持致以謝忱。展望未來，本集團將更密切關注市場變化，把握發展機遇，為本公司及其股東創造最大價值。

劉小鷹

主席兼首席執行官

香港，二零二零年七月十七日

Management Discussion and Analysis

管理層討論與分析

REVIEW AND OUTLOOK

Revenue

For the year ended 31 December 2019, the Group recorded total revenue of HK\$108.5 million, which was approximately HK\$107.6 million or 49.8% lower than the revenue of HK\$216.1 million reported in 2018. The decrease in Group's revenue was primarily attributable to the decrease in revenue from mobile phone trading business in PRC.

The Group's revenue was entirely derived from mobile phone trading business in both reporting years. During the year ended 31 December 2019, revenue contribution from Zhejiang was HK\$103.4 million representing 95.3% of the total revenue of the Group, whereas Shanghai contributed HK\$5.0 million or 4.6% of the total revenue of the Group.

The decrease in revenue was due to the economic slowdown and sluggish consumer spending resulted in slower sales in 2019. China's consumers pulling back on spending have taken a toll on its mobile phone retail market which is stalled and declining, the sales of the Group were scaled back in 2019 while an expansion of wholesale business network benefit the Group's performances in 2018.

Gross profit and gross profit margin

The Group's gross profit decreased by 52.7%, from HK\$2.1 million for the year ended 31 December 2018 to HK\$1.0 million for the year ended 31 December 2019. The decrease of gross profit was due to the scaled back in Group's performance on mobile phone trading business in 2019.

回顧及前景

收益

截至二零一九年十二月三十一日止年度，本集團錄得總收益108,500,000港元，較於二零一八年呈報之收益216,100,000港元減少約107,600,000港元或49.8%。本集團收益減少乃主要由於中國移動電話貿易業務之收益減少所致。

本集團於兩個報告年度之收益全部均來自移動電話貿易業務。截至二零一九年十二月三十一日止年度，來自浙江之收益貢獻為103,400,000港元，相當於本集團總收益之95.3%，而來自上海之收益貢獻為5,000,000港元或本集團總收益之4.6%。

收益減少乃由於經濟放緩及消費支出疲軟造成於二零一九年銷售減緩所致。中國消費者縮減支出已造成移動電話零售市場損失，其正處於停滯不前並下滑，於二零一九年本集團銷售規模縮減，而於二零一八年批發業務網絡擴大使得本集團業績受惠。

毛利及毛利率

本集團之毛利由截至二零一八年十二月三十一日止年度之2,100,000港元減少52.7%至截至二零一九年十二月三十一日止年度之1,000,000港元。毛利減少乃由於二零一九年本集團之移動電話貿易業務表現規模縮減所致。

Management Discussion and Analysis

管理層討論與分析

Due to China's consumers pulling back on spending and the keen competition in the mobile phone retail market, the Group's gross profit margin was decreased slightly from 1.0% for the year ended 31 December 2018 to 0.9% for the year ended 31 December 2019. Such decrease was also due to the increased bargaining power from telecommunications chain stores and mobile carriers which purchasing mobile phone.

Other income

Other income was approximately HK\$0.5 million for the year ended 31 December 2019, representing a decrease of HK\$0.4 million or 44.8% when compared to HK\$0.9 million for the year ended 31 December 2018. The decrease was mainly due to decrease of commission income incurred from trading business and other miscellaneous income.

Other gains and losses

We had a net gain of HK\$23.0 million for the year ended 31 December 2018 and a net loss of HK\$16.4 million for the year ended 31 December 2019. For the year ended 31 December 2019, the net loss mainly consisted of impairment loss recognised in respect of plant and equipment of HK\$5.2 million, an impairment loss on goodwill of HK\$6.0 million, an impairment loss recognised in respect of trade and other receivables of HK\$4.3 million and net fair value loss on financial assets at fair value through profit or loss of HK\$0.1 million. The turnaround from net gain to net loss in current year was due to a write back of interest payables of HK\$11.9 million and recovery of bad debts of HK\$14.1 million were recognised in 2018, while no such gain was recognised in 2019.

Selling and distribution costs

Selling and distribution costs were approximately HK\$20 thousand for the year ended 31 December 2019, representing an increase of approximately HK\$9 thousand or 81.8% when compared to HK\$11 thousand for the year ended 31 December 2018. The increase was mainly due to the increase of advertising and promotions and entertainment expenses during the current year.

由於中國消費者縮減開支且移動電話零售市場之競爭非常激烈，因此，本集團之毛利率由截至二零一八年十二月三十一日止年度之1.0%輕微減少至截至二零一九年十二月三十一日止年度之0.9%。該減少亦由於購買移動電話之電訊連鎖店及移動運營商之議價能力上升所致。

其他收入

截至二零一九年十二月三十一日止年度之其他收入約為500,000港元，較截至二零一八年十二月三十一日止年度之900,000港元減少400,000港元或44.8%。該減少乃主要由於貿易業務之佣金收入及其他雜項收入減少所致。

其他收益及虧損

本集團截至二零一八年十二月三十一日止年度之收益淨額為23,000,000港元，而截至二零一九年十二月三十一日止年度之虧損淨額為16,400,000港元。截至二零一九年十二月三十一日止年度，虧損淨額主要包括就廠房及設備確認之減值虧損5,200,000港元、商譽減值之虧損6,000,000港元、就應收貿易賬款及其他應收賬款確認之減值虧損4,300,000港元及按公平值計入損益之財務資產之公平值虧損淨額100,000港元。本年度由盈轉虧乃由於撇回應付利息11,900,000港元及收回壞賬14,100,000港元於二零一八年確認，而於二零一九年並無確認該收益。

銷售及分銷成本

截至二零一九年十二月三十一日止年度之銷售及分銷成本約為20,000港元，較截至二零一八年十二月三十一日止年度之11,000港元增加約9,000港元或81.8%。該增加乃主要由於本年度之廣告、推廣及娛樂開支增加所致。

Management Discussion and Analysis

管理層討論與分析

Administrative expenses

The Group's administrative expenses increased by 15.7% to HK\$17.3 million for the year ended 31 December 2019 when compared to last year of HK\$14.9 million, which was mainly attributable to the increase of depreciation and salaries and allowances.

Finance costs

During the year ended 31 December 2019, finance costs amounted to \$0.6 million, while no finance costs was recorded during the year ended 31 December 2018. The increase of finance costs was due to the imputed interest on loan from a related party and interest on lease liabilities in current year.

Share of results of associates

For the year ended 31 December 2019, no share of results of associates was recognised (2018: loss of HK\$0.7 million). For the year ended 31 December 2018, loss on disposal of an investment of an associate was recognised, while no such loss was recognised in current year.

Income tax expense

As set out in Note 12 to the consolidated financial statements, income tax expense amounted to HK\$35 thousand for the year ended 31 December 2019, as compared to income tax expense amounted to HK\$0.1 million in last year.

(Loss)/profit for the year attributable to owners of the Company

As a result of the factors set out above, the Group's share of loss amounted to HK\$26.1 million for the year ended 31 December 2019, as compared to HK\$7.8 million of profit for the year attributable to owners of the Company in last year.

行政費用

本集團截至二零一九年十二月三十一日止年度之行政開支為17,300,000港元，較去年之14,900,000港元增加15.7%，主要由於折舊以及薪金及津貼增加所致。

融資成本

截至二零一九年十二月三十一日止年度，融資成本為600,000港元，截至二零一八年十二月三十一日止年度，並無錄得融資成本。本年度融資成本增加乃由於應付一名關連人士之貸款之估算利息及租賃負債之利息所致。

分佔聯營公司之業績

截至二零一九年十二月三十一日止年度，本集團並無確認分佔聯營公司之業績（二零一八年：虧損700,000港元）。截至二零一八年十二月三十一日止年度，確認出售於一間聯營公司之投資之虧損，而本年度並無確認該虧損。

所得稅開支

誠如綜合財務報表附註12所載，截至二零一九年十二月三十一日止年度之所得稅開支為35,000港元，而去年為所得稅開支100,000港元。

本公司擁有人應佔年度（虧損）／溢利

由於上文所載之因素，截至二零一九年十二月三十一日止年度，本集團分佔之虧損為26,100,000港元，而去年為本公司擁有人應佔年度溢利7,800,000港元。

Management Discussion and Analysis

管理層討論與分析

(Loss)/earnings per share

The basic loss per share was HK2.84 cents in current year as compared to the basic earnings per share of HK0.85 cents in last year. The diluted earnings per share was HK0.85 cents for the year ended 31 December 2018, while no diluted loss per share is presented as the effect of any potential ordinary shares is anti-dilutive for the year ended 31 December 2019.

Financial assets at fair value through profit or loss

As at 31 December 2019 and 2018, the Group held various unlisted equity investments and unlisted fund investment engaged in developing mobile devices and operating system, manufacturing and distribution of mobile devices and digital asset investment service platform in different jurisdictions and engaged in different business.

The unlisted equity investments and unlisted fund investment were reclassified at financial assets as fair value through profit or loss as at 1 January 2018 as the Group considers these investments to be strategic in nature.

Inventories

Inventories decreased by 72.6% from HK\$95 thousand as at 31 December 2018 to HK\$26 thousand as at 31 December 2019 was due to an impairment loss on inventories of HK\$95 thousand was recognised in current year. The Group will continue to apply strict policy in inventory control in the future.

Trade and other receivables

Trade and other receivables of the Group decreased by 60.9% from approximately HK\$42.2 million as at 31 December 2018 to approximately HK\$16.5 million as at 31 December 2019, primarily due to settlement of other receivables. No impairment loss on prepayments paid to suppliers was recognised during the years ended 31 December 2019 and 2018.

每股（虧損）／盈利

本年度每股基本虧損為2.84港仙，而去年為每股基本盈利0.85港仙。截至二零一八年十二月三十一日止年度之每股攤薄盈利為0.85港仙，惟於截至二零一九年十二月三十一日止年度，由於任何潛在普通股具反攤薄效應，故未有呈列每股攤薄虧損。

按公平值計入損益之財務資產

於二零一九年及二零一八年十二月三十一日，本集團持有多項非上市股本投資及非上市基金投資，該等投資於不同司法權區從事開發移動設備及操作系統、製造及分銷移動設備及數碼資產投資服務平台以及從事不同業務。

於二零一八年一月一日，非上市股本投資及非上市基金投資分類為按公平值計入損益之財務資產，原因為本集團認為該等投資之性質為策略性。

存貨

存貨由二零一八年十二月三十一日之95,000港元減少72.6%至二零一九年十二月三十一日之26,000港元，由於本年度確認存貨減值虧損95,000港元所致。本集團將於未來繼續應用嚴格存貨監控政策。

應收貿易賬款及其他應收賬款

本集團之應收貿易賬款及其他應收賬款由二零一八年十二月三十一日之約42,200,000港元減少60.9%至二零一九年十二月三十一日之約16,500,000港元，主要由於其他應收賬款結算所致。截至二零一九年及二零一八年十二月三十一日止年度，並無就向供應商支付之預付款項確認減值虧損。

Management Discussion and Analysis

管理層討論與分析

Cash and cash equivalents

The total cash and cash equivalents amounted to HK\$18.2 million as at 31 December 2019 as compared to HK\$26.6 million as at 31 December 2018, without any deposit pledged to banks. The Group is financed by a combination of its equity capital, cash flow generated from its operation. During the year, there was no material change in the funding and treasury policy of the Group. The Group considers there is no material potential currency exposure as the majority of its revenue and expenses are derived and incurred in Renminbi in the PRC. It is the treasury policy of the Group to manage its foreign currency exposure whenever its financial impact is material to the Group.

Trade and other payables

The trade and other payables of the Group decreased by 21.4% from approximately HK\$39.0 million as at 31 December 2018 to approximately HK\$30.7 million as at 31 December 2019, due to a decrease in other payables to third parties along with its business.

Bank borrowing

As at 31 December 2019, the Group's bank borrowing amounted to HK\$4.5 million, while no bank borrowings as at 31 December 2018.

Liquidity and gearing ratio

The net asset value of the Group attributable to owners of the Company as at 31 December 2019 amounted to HK\$14.0 million or HK\$0.02 per share when compared to HK\$40.6 million or HK\$0.04 per share as at 31 December 2018. As at 31 December 2019, the Group had net current liabilities of approximately HK\$6.9 million when compared to net current assets of HK\$12.6 million as at 31 December 2018. As at 31 December 2019, the Group had a current ratio of 0.90 times (31 December 2018: 1.21 times). The gearing ratio of the Group, defined as the ratio of the total long term liabilities to the shareholder's equity, was 1.32 and 0.43 as at 31 December 2019 and 2018.

現金及現金等價物

於二零一九年十二月三十一日之現金及現金等價物總額為18,200,000港元，而二零一八年十二月三十一日為26,600,000港元，並無任何存款質押予銀行。本集團同時透過股本、經營所得現金流量等方式籌集資金。年內，本集團融資及庫務政策並無重大變動。本集團認為，由於本集團收益及開支大部分來自中國並均以人民幣產生，故此並無重大潛在貨幣風險。本集團之庫務政策為管理對本集團有重大財務影響之外幣風險。

應付貿易賬款及其他應付賬款

本集團之應付貿易賬款及其他應付賬款由二零一八年十二月三十一日之約39,000,000港元減少21.4%至二零一九年十二月三十一日之約30,700,000港元，乃由於應付第三方之其他應付賬款以及有關業務減少所致。

銀行借貸

於二零一九年十二月三十一日，本集團之銀行借貸為4,500,000港元，而於二零一八年十二月三十一日則無銀行借貸。

流動資金及資產負債比率

於二零一九年十二月三十一日，本公司擁有人應佔之本集團資產淨值為14,000,000港元或每股0.02港元，而於二零一八年十二月三十一日為40,600,000港元或每股0.04港元。於二零一九年十二月三十一日，本集團之流動負債淨值為約6,900,000港元，而於二零一八年十二月三十一日為流動資產淨額12,600,000港元。於二零一九年十二月三十一日，本集團之流動比率為0.90倍（二零一八年十二月三十一日：1.21倍）。於二零一九年及二零一八年十二月三十一日，本集團之資產負債比率（界定為長期負債總額與股東權益之比率）分別為1.32及0.43。

Management Discussion and Analysis

管理層討論與分析

Capital commitments

As at 31 December 2019, the Group had capital expenditure contracted for but not provided in the consolidated financial statements in respect of leasehold improvements amounted to HK\$0.2 million (31 December 2018: HK\$0.2 million).

Contingent liabilities

As at 31 December 2019, the Group did not have any contingent liabilities or guarantees (31 December 2018: nil).

Material acquisitions and disposals of subsidiaries or associates

The Corporate Action and the Acting-In-Concert

Shanghai Yuanjia, and indirect wholly-owned subsidiary of the Company, and Other Beijing Feiyong Shareholders started contemplating on implementing change in control of the board of Beijing Feiyong in March 2019. Pursuant to the change in control of the board of Beijing Feiyong which became effective on 27 December 2019, the board of directors of Beijing Feiyong shall comprise five members, of which two had been appointed by Shanghai Yuanjia, Mr. Gao Fei has undertaken to vote in concert with Shanghai Yuanjia by virtue of a signed Acting-in-Concert Agreement entered into between Shanghai Yuanjia and Mr. Gao Fei, and two which had been appointed by the Other Beijing Feiyong Shareholders. As a result of the change in control of the board of Beijing Feiyong, Shanghai Yuanjia shall be able to control the respective board of directors of Beijing Feiyong. As such, Beijing Feiyong shall be accounted for as a subsidiary of the Company. No consideration has been paid or is payable by the Company for the change in control of the board of Beijing Feiyong and there has not been any changes to the respective equity interest held by Shanghai Yuanjia and the Other Beijing Feiyong Shareholders. The change in control of the board of Beijing Feiyong were agreed between Shanghai Yuanjia and Mr. Gao Fei after arm's length negotiations and allow the Group to step up its participation in the operations and strengthen the corporate governance of Beijing Feiyong.

資本承擔

於二零一九年十二月三十一日，本集團擁有有關租賃裝修之已訂約但未於綜合財務報表計提撥備之資本開支200,000港元（二零一八年十二月三十一日：200,000港元）。

或然負債

於二零一九年十二月三十一日，本集團並無任何或然負債或擔保（二零一八年十二月三十一日：無）。

重大收購及出售附屬公司或聯營公司

企業行動及一致行動

本公司間接全資附屬公司上海遠嘉及其他北京飛鷹股東於二零一九年三月開始計劃對北京飛鷹董事會的控制權作出變動。根據於二零一九年十二月二十七日生效的北京飛鷹董事會控制權變動，北京飛鷹董事會將由五名成員組成，其中兩名由上海遠嘉委任，根據上海遠嘉及高飛先生所訂立的已簽署一致行動協議，高飛先生已承諾與上海遠嘉一致投票，而另外兩名董事則由北京飛鷹其他股東委任。由於北京飛鷹董事會控制權出現變動，上海遠嘉將能控制北京飛鷹的董事會。因此，北京飛鷹將作為本公司的附屬公司入賬。本公司就北京飛鷹董事會控制權的變動並無已付或應付的代價，而上海遠嘉及北京飛鷹其他股東各自所持的股權並無任何變動。上海遠嘉及高飛先生於進行公平磋商後同意北京飛鷹董事會控制權變動，並准許本集團加入參與北京飛鷹的營運，以及強化其企業管治。

Management Discussion and Analysis

管理層討論與分析

Beijing Feiying is previously engaged in the recycling of used mobile phones. In addition, Beijing Feiying has also entered into a cooperation agreement with the mobile and internet conglomerate, Tencent, for Tencent's new mobile application, which helps users transfer data from old phones to newer ones. Under the cooperation agreement, Beijing Feiying receives 70% of revenue generated from the mobile application by users. As stipulated in the cooperation agreement, Beijing Feiying is currently mainly to assist in the promotion of the mobile application to consumers.

Significant investments held by the Group

During the years ended 31 December 2019 and 2018, the Group did not make any significant investments.

USE OF PROCEEDS

The 2017 Subscription

On 23 December 2016, the Company entered into a conditional Subscription Agreement with the Subscribers respectively, pursuant to which the Company has agreed to issue and the Subscribers have agreed to subscribe totaling 85,716,000 Subscription Shares. On 1 February 2017, the Company completed subscription of 85,716,000 new Shares. After taking into account the share issue expenses of approximately HK\$0.2 million, the net price per Subscription Share issued is about HK\$0.35. The net proceeds, after deducting the share issue expenses, received by the Company is approximately HK\$29.8 million.

北京飛鷹此前從事二手移動電話回收。此外，北京飛鷹亦已與移動及互聯網巨頭騰訊訂立一項合作協議，內容有關騰訊一款新移動應用程式，該移動應用程式協助用戶將數據從舊電話轉移至新電話。根據合作協議，北京飛鷹將獲得來自用戶移動應用程式所產生收入的70%。按照合作協議的規定，北京飛鷹目前主要協助向消費者推廣移動應用程式。

本集團持有之重大投資

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無作出任何重大投資。

所得款項用途

二零一七年認購事項

於二零一六年十二月二十三日，本公司與認購人分別訂立有條件認購協議，據此，本公司已同意發行，而認購人已同意認購合共85,716,000股認購股份。於二零一七年二月一日，本公司完成認購85,716,000股新股份。經計及股份發行開支約200,000港元後，每股已發行認購股份之淨價約為0.35港元。扣除股份發行開支後，本公司收取之所得款項淨額約為29,800,000港元。

Management Discussion and Analysis

管理層討論與分析

Up to 31 December 2019, 100% of the net proceeds had been fully utilised as general working capital by the Group, with breakdown as follows:

直至二零一九年十二月三十一日，全部所得款項淨額已由本集團悉數用作一般營運資金，其明細如下：

		For the year ended 31 December 2017	For the year ended 31 December 2018	For the year ended 31 December 2019	Total utilised up to 31 December 2019	% of net proceeds utilised up to 31 December 2019 直至 二零一九年 十二月 三十一日 之已動用所得 款項淨額 百分比 %
Selling and distribution costs	銷售及分銷成本	397	11	11	419	1.4
Administrative expenses	行政費用					
- Salaries and allowances	- 薪金及津貼	3,980	3,731	473	8,184	27.5
- Directors' fee	- 董事袍金	4,253	3,631	298	8,182	27.5
- Professional fees	- 專業費用	2,105	2,923	167	5,195	17.4
- Rental expenses	- 租金開支	1,561	1,544	156	3,261	10.9
- Office expenses	- 辦公室開支	236	294	41	571	1.9
- Travelling expenses	- 差旅開支	155	328	49	532	1.8
- Rates and management fee	- 差餉及管理費	121	192	35	348	1.2
- Utilities	- 公用事業	132	115	15	262	0.9
- Insurance	- 保險	113	112	21	246	0.8
- Others	- 其他	1,371	1,140	89	2,600	8.7
Total	總計	14,424	14,021	1,355	29,800	100.0

Management Discussion and Analysis

管理層討論與分析

Employees and remuneration policies

As at 31 December 2019, the Group has in total 71 employees as compared to 25 employees as at 31 December 2018. Employees were remunerated according to the nature of their job duties and market trend. The Group provided staff welfare and fund contribution to its employee in accordance with the prevailing regulations in the PRC and Hong Kong. There was no material change in the remuneration policy, bonus scheme and share option scheme during the year. The Group has a share option scheme under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company.

Subsequent events

Outbreak of novel coronavirus (the “COVID-19”)

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the COVID-19 outbreak has been intensifying and spreading across the PRC, weighing on the PRC wholesale and retail markets. There is an ongoing concern regarding the development and government advices related to, or restrictions on, travel to and from regions, which hinders customers making sales order, disrupted the logistics of the supply chain for our distribution and the movement of goods and people within the PRC. The Group will keep continuous attention on the change of situation and make timely response and adjustments in the future.

The Group does not have other significant subsequent events.

FINAL DIVIDEND

The Board do not recommend the payment of any dividend in respect of the year. (2018: Nil).

僱員及薪酬政策

於二零一九年十二月三十一日，本集團聘用合共71名僱員，而於二零一八年十二月三十一日為25名僱員。僱員薪酬按彼等之職責性質及市場趨勢而定。本集團根據中國及香港之現行規例向僱員提供員工福利及退休金供款。年內，薪酬政策、花紅計劃及購股權計劃並無重大變更。本集團已訂有購股權計劃，據此，本公司可向參與者（包括董事及僱員）授出可認購本公司股份之購股權。

隨後事件

新型冠狀病毒（「COVID-19」）疫情爆發

COVID-19疫情於二零二零年初爆發之後，一系列預防及控制措施已經並繼續在全國實施。本集團將密切關注COVID-19疫情發展並評估其對本集團財務狀況及經營業績之影響。於該等財務報表授權刊發日期，COVID-19疫情已加劇並在中國蔓延，對中國批發及零售市場造成壓力。公眾對來往有關地區之限制之相關進展及政府建議存在持續憂慮，該等情況阻礙了客戶訂購銷售單，擾亂了本集團在中國境內的分銷供應鏈物流及貨物和人員流動。未來本集團將持續關注形勢變化並及時進行應對及調整。

本集團並無其他重大後續事件。

末期股息

董事會不建議派付有關本年度之任何股息（二零一八年：無）。

Management Discussion and Analysis

管理層討論與分析

OPERATIONAL REVIEW

Market Overview

According to the statistics released by the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT"), there were approximately 1.6 billion subscribers to mobile phone services in the PRC as at the end of 2019. While there are continuing intense competitions among the major mobile phone manufacturers in the PRC, they are trying to cut the distribution layers by directly supplying to the provincial distributors and leading retailers with a view to increase their profitability. Because of this, leading vendors have developed multi-channel distribution models which include "national distribution", "provincial distribution", "direct to retail" and "direct to operator".

On the other hand, mobile carriers are key participants in the mobile phone industry chain. The restructuring of mobile carriers in past years and the issuance of 4G licenses have led to more intense competition among the mobile carriers. By cooperating with retailers, especially large mobile telecommunication chain stores, the mobile carriers can benefit from the retailers' in-depth understanding of customer behaviors and spending preferences. Through such cooperation, the customers will experience more professional, convenient and integrated customer services. Thus, large mobile telecommunications chain stores are expected to become the main sales channel for the mobile carriers for their bundled mobile phones.

Although China, the world's largest mobile phone market reached a saturation point, the 5G economy has seen a huge growth. The boom of 5G mobile phones comes as China launched 5G commercialisation at the end of 2019 with the nation's telecom operators rolling out their 5G data plans.

營運回顧

市場概覽

根據中華人民共和國工業和信息化部（「工業和信息化部」）發佈之統計數據，於二零一九年底，中國之移動電話服務用戶人數約16億人。隨着競爭不斷加劇，中國各大移動電話製造商正試圖通過直接向省級分銷商及主要零售商供貨而減少分銷層數，以增強盈利能力。因此，大廠商已創出多渠道分銷模式，包括「全國分銷」、「省級分銷」、「直達零售」及「直達營運商」。

另一方面，移動運營商為移動電話行業鏈的主要參與者。移動運營商於過去數年進行重組，並發行4G牌照，導致移動運營商之間的競爭加劇為激烈。移動運營商透過與零售商，特別是大型移動電訊連鎖店合作，可受惠於零售商對客戶習慣及消費喜好的深入了解。透過有關合作，客戶可體驗更專業、便捷及一體化的客戶服務。因此，預期大型移動電訊連鎖店會成為移動運營商銷售其捆綁式移動電話的主要渠道。

儘管中國這一世界最大的移動電話市場已經飽和，但5G經濟正在飛速發展。隨著中國電訊營運商推出5G數據計劃，中國於二零一九年底啟動5G商業化，5G移動電話出現蓬勃發展。

Management Discussion and Analysis

管理層討論與分析

Looking back at 2019, China's mobile phone market declined and scaled back due to the international trade conflicts escalated, the uncertainties of economic development and China's consumers pulling back on spending. The decline is expected to continue in the coming year due to the impact of COVID-19 outbreak in China.

Business Review

Mobile Phone Business

The Group was involved in the business of trading, wholesale and retail of mobile phones and telecom equipments in China. As for the PRC market, its economy growth was slowdown in 2019. Yet, the continuous development of mobile phone market business model intensifying competition in the retail industry and the uncertainties arising from the emerging US-China trade war presented challenges the development of the Group's operations and performance.

Customers focus is expected to gradually shift from the functionality of mobile phone to the shopping experience. Customers will normally require services such as function presentations, digital phone books synchronization and pre-installing software, etc, in purchasing a mobile phone. In the 5G era, the convergence of mobile telecommunications and the Internet also led to rapid development of value-added business which requires the retail channels to advance from a pure sales platform to an integrated service platform. In this regard, the large mobile telecommunication chain stores have advantages.

Mining Business

The Group has once commenced mining site exploitation system in our Strontium mining site since 2010. After the expiration of a 5-year mining operating permit on 25 September 2012, Sifa Mining obtained a renewed mining operating permit for 2 years (the "2-year Permit 2012-2014") from the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) ("MLR"), under which Sifa Mining was allowed to carry out exploration activities only, but not exploitation activities. The 2-year Permit 2012-2014 was expired on 25 September 2014.

回顧二零一九年，由於國際貿易衝突升級、經濟發展存在不確定性以及中國消費者縮減開支，中國移動電話市場下滑，且規模縮減。鑒於中國爆發COVID-19所產生之影響，預期明年將繼續下降。

業務回顧

移動電話業務

本集團於中國參與移動電話及電訊設備之貿易、批發及零售業務。就中國市場而言，其經濟增長於二零一九年放緩。然而，移動電話市場業務模式之持續發展令零售業之競爭日趨激烈，且中美貿易戰日益緊張所導致之不明朗因素對本集團之業務發展及表現帶來挑戰。

預計客戶之焦點將由移動電話的功能逐漸移向購物體驗。客戶購買移動電話時一般需要功能展示、數碼電話賬簿同步及預設軟件等服務。在5G時代，移動電訊及互聯網覆蓋亦帶動增值業務發展加快，有關業務要求零售渠道由純粹銷售平台進化至綜合服務平台，就此而言，大型移動電訊連鎖店享有優勢。

採礦業務

本集團自二零一零年以來曾經於旗下鋇礦場佈局礦場開採系統。在五年期採礦許可證於二零一二年九月二十五日屆滿後，鋇發礦業獲中華人民共和國國土資源部（「國土資源部」）授予為期兩年的經重續採礦許可證（「二零一二年至二零一四年兩年期許可」），據此，鋇發礦業僅獲准進行勘探活動而不得進行開採活動。二零一二年至二零一四年兩年期許可已於二零一四年九月二十五日到期。

Management Discussion and Analysis

管理層討論與分析

On 27 April 2015, a mining operating permit was granted by MLR for a term of 2 years from 25 September 2014 to 25 September 2016 under which a restriction was added that no exploitation activities were allowed but only exploration activities. Such restriction imposed on the renewed mining permit was basically the same as the previous mining permit which was approved by MLR in 2012 whilst the application for mining exploitation permit is a continuing process.

In the course of applying for further extension after expiry on 25 September 2016, the Department of Land and Resources of Hubei Province of the PRC (the "DLR") issued an announcement (the "DLR Announcement") published on 29 December 2017 in respect of the deadline of application for renewal of the expired mining operating permit.

In the DLR Announcement, the DLR informed the owners of the expired mining operating permits to furnish the application procedures for the renewal before 28 February 2018. If the owners fail to do so, they are responsible to deregister the mining operating permits before 31 March 2018 by themselves or the DLR will de-register the permits instead. The Group was unable to furnish the application before the deadline and therefore, instructed the Group's PRC lawyers to clarify with the DLR the Group's situation as to whether the Group would be allowed to submit a new application for the mining operating permit in future.

Despite great efforts to ascertain with the DLR by the Group's PRC lawyers, the Group had been unable to receive a clear and favourable reply in this regard. As a result and prudent measure, a full impairment of the mining right of HK\$174.6 million and related plant and equipment of HK\$9.0 million had been made whilst all the related deferred tax liabilities of HK\$41.1 million had been derecognised in the profit or loss for the year ended 31 December 2017.

Despite the fact that the above mining right will no longer have any bearing on the financials of the Group for the year ended 31 December 2019, the Directors strived to pursue the ultimate stance of the DLR in respect of the above mining right in the interests of the Shareholders.

於二零一五年四月二十七日，國土資源部授出採礦許可證，由二零一四年九月二十五日至二零一六年九月二十五日為期兩年，該採礦許可證項下新增一項限制，即概不准進行開採活動，惟僅可進行勘探活動。對經重續採礦許可證施加的該項限制與國土資源部於二零一二年批准之先前採礦許可證基本相同，而採礦許可證之申請是一個連續過程。

於二零一六年九月二十五日屆滿後申請進一步延長之過程中，中國湖北省國土資源廳（「國土資源廳」）於二零一七年十二月二十九日就申請重續已屆滿採礦許可證之最後期限發出公佈（「國土資源廳公佈」）。

於國土資源廳公佈中，國土資源廳已通知已屆滿採礦許可證之擁有人須於二零一八年二月二十八日前提出重續之申請程序。倘擁有人未能如期完成申請程序，彼等須於二零一八年三月三十一日前自行註銷採礦許可證，否則國土資源廳將代其註銷許可證。本集團未能於最後期限前提出申請，因此指示本集團的中國律師向國土資源廳就本集團是否獲准於未來提交採礦許可證之新申請澄清本集團之情況。

儘管本集團的中國律師盡努力向國土資源廳確定，惟本集團一直未能就此收到清晰及有利之回覆。因此，為審慎起見，已就採礦權174,600,000港元及相關廠房及設備9,000,000港元悉數作出減值，而全部相關遞延稅項負債41,100,000港元已於截至二零一七年十二月三十一日止年度之損益中取消確認。

儘管上述採礦權將不會再對本集團截至二零一九年十二月三十一日止年度之財務造成任何影響，惟鑑於股東之利益，董事仍致力尋求國土資源廳對上述採礦權之最終立場。

Management Discussion and Analysis

管理層討論與分析

During the year ended 31 December 2018, the Group, through its PRC lawyer, has tried to approach DLR by telephone calls and resubmission of the letter sent in February 2018 for the clarification of the Group's situation. However, DLR did not make reply to the Group's enquiries.

According to an online search made by the Group's PRC lawyer to the Ministry of Natural Resources of the PRC (中華人民共和國自然資源部) on 20 February 2020, the status of the mining operating permit has been displayed as "expired".

Therefore, the Group's PRC lawyers have come to the opinion that the mining operating permit has already expired and will be unable to be renewed and hence be deregistered eventually. For the avoidance of doubt, such opinion will not affect the financial statements of the Group for the year ended 31 December 2019.

Prepayments to suppliers and related legal proceedings

For the year ended 31 December 2017, an impairment loss of HK\$24.9 million was recognised for the prepayments in the total sum of HK\$33.7 million made to two mobile phone suppliers, one in Guangzhou and another one in Chongqing by a subsidiary of the Group in Shanghai.

The said subsidiary commenced arbitral proceedings and, on 14 January 2019, has obtained the final arbitral award of, amongst others, HK\$19.8 million, being the prepayment against the Chongqing supplier. In the course of such arbitral proceedings, a sum of HK\$10.2 million has been repaid by such supplier. After obtaining the arbitral award, the Group instructed PRC lawyers to enforce the arbitral award, but was informed by the PRC lawyers that, according to a notice by the Chongqing No.5 Intermediate People's Court dated 25 October 2019, after checking through the national wide network of the PRC Court for enforcement against the Chongqing supplier, the Chongqing Supplier had no assets left to be enforced against.

於截至二零一八年十二月三十一日止年度，本集團已嘗試透過其中國律師致電國土資源廳及再次提交已於二零一八年二月寄發之函件，以澄清本集團之情況。然而，國土資源廳並未回應本集團之查詢。

根據本集團的中國律師於二零二零年二月二十日於中華人民共和國自然資源部所作網絡搜索，採礦許可證已顯示為「屆滿」。

因此，本集團的中國律師認為，採礦許可證已屆滿及將無法重續，因此將最終被註銷。為免生疑問，有關意見將不會影響本集團截至二零一九年十二月三十一日止年度之財務報表。

預付供應商款項及相關法律訴訟

截至二零一七年十二月三十一日止年度，已就本集團於上海之一間附屬公司向兩名移動電話供應商（一名位於廣州及另一名位於重慶）作出之預付款項總額33,700,000港元確認減值虧損24,900,000港元。

上述附屬公司已展開仲裁程序，並已於二零一九年一月十四日獲得最終仲裁裁決（其中包括）19,800,000港元（即針對重慶供應商之預付款項）。於有關仲裁程序之過程中，該供應商已償還10,200,000港元。獲得仲裁裁決後，本集團指示中國律師執行仲裁裁決，但中國律師告知，根據重慶市第五中級人民法院日期為二零一九年十月二十五日的公告，透過全國範圍網絡檢查人民法院對重慶供應商的判決執行情況後，重慶供應商已無任何可強制處理資產。

Management Discussion and Analysis

管理層討論與分析

The said subsidiary also commenced legal proceedings for recovery of the prepayment of HK\$14.8 million against the Guangzhou supplier in the People's Court in Guangzhou, China. After the final hearing of the trial of the legal proceedings instituted by the said subsidiary against the Guangzhou supplier in the People's Court in Guangzhou, the PRC, on 28 April 2019, judgment has been entered into against such supplier in the sum of about HK\$12.7 million together with default charge and legal costs. The Guangzhou supplier had filed an appeal against such judgment, but the appeal was subsequently withdrawn by the Guangzhou supplier. Therefore, the judgment is valid, effective and executable for which enforcement proceedings was commenced against the Guangzhou supplier. However, as informed by the PRC lawyers of the Group, according to a notice issued by the People's Court of Huangpu District of Guangzhou dated 4 June 2020, after checking through the national wide network of the PRC Court for enforcement against the Guangzhou supplier, the Guangzhou supplier had no remaining assets that could be subject to enforcement proceedings to be carried out by the said subsidiary.

Notwithstanding the above situations, the Group will explore all possible means to recover the prepayments.

No impairment was made in respect of these two prepayments for the year ended 31 December 2019.

Prospects and Outlook

The China economy is showing a sign of slowdown resulting from the US-China trade war that has simmered in 2019. Though the phase one interim agreement has been made in December 2019 to prevent a further escalation of the trade war, it is expected that the next round of the negotiation between the US and China would get tougher once they begin tackling the thorny issues on which they had clashed. Furthermore, in early of year 2020, the outbreak of the COVID-19 in China followed hard on the heels of the phase one's US-China trade truce. The Group expect the consumption and retail segment will continued to be affected from the double blow of the US-China trade war and the COVID-19 facing an uncertain future in the coming years.

上述附屬公司亦已就收回預付款項14,800,000港元於中國廣州人民法院針對廣州供應商展開法律訴訟。於二零一九年四月二十八日上述附屬公司在中國廣州人民法院對廣州供應商提出之法律程序之審訊進行最終聆訊後，已作出針對該等供應商之為數約12,700,000港元連同違約費及法律訴訟費用之判決。廣州供應商對該判決提出上訴，但隨後廣州供應商撤回上訴。因此，該判決為合法、有效及可執行且對廣州供應商的執执行程序已展開。然而，據本集團的中國律師所告知，根據廣州黃埔區人民法院發出的日期為二零二零年六月四日的公告，於透過全國範圍網絡檢查人民法院對廣州供應商的判決執行情況後，廣州供應商並無任何剩餘資產可接受所述附屬公司將進行的強制執行訴訟。

儘管出現上述情況，本集團仍將尋求可能收回預付款項的方法。

截至二零一九年十二月三十一日止年度，並無就該兩筆預付款項作出減值。

前景及展望

由於二零一九年醞釀的中美貿易戰，中國經濟正出現放緩跡象。儘管於二零一九年十二月已達成第一階段臨時協議以阻止貿易戰進一步升級，但一旦彼等開始處理曾發生衝突的棘手問題，預期中美之間下一輪協商將更激烈。此外，於二零二零年初，緊隨中美第一階段貿易協議之後，中國爆發COVID-19疫情。本集團預期消費及零售分部將繼續受到中美貿易戰及COVID-19疫情的雙重打擊，未來幾年充滿不明朗因素。

Management Discussion and Analysis 管理層討論與分析

In 2019, the mobile phone market in China was still strong but its growth was obviously slowing down which resulted from the trade pressure exerted by the US in the trade war, denting the economic growth in China.

However, the continued economic growth in the PRC is fuelled by a high internal consumption. As the world's largest mobile handset market, there were approximately 1.6 billion handset subscribers in the PRC which benefit from preferential mobile internet traffic policies. The significant increase in 4G users, 5G users and Internet users implies that there are huge business opportunities in both mobile application and mobile commerce.

China was currently the world's largest 4G network and continues to strive for further expansion. With a goal to add new 4G base stations in previous years to improve signal coverage in buildings, elevators, and other indoor space, as well as on railways and expressway. Since the Group has been in the related mobile phone industry for decades, big data, mobile phone operating system and mobile internet would be surely the key business areas that the Group is interested in. As the technology for 5G telecommunications networks matured and was ready for takeoff demand for related equipment has remained robust. Recent developments in the China market along with anticipation of aggressive activity from the mobile phone supply chain have caused us raised our Group short-term 5G forecast and expect that China will become the lead market in terms of 5G volume. In light of the increasing uncertainties in the global economy, the Group will closely monitor changes in the economic environment and will be proactive and seize opportunities in Hong Kong and ASEAN trading markets.

Pursuant to the change in control of the board of Beijing Feiying which became effective on 27 December 2019, Beijing Feiying shall be accounted for as a subsidiary of the Company, the Company can consolidate Beijing Feiying's results into the Group's accounts. The Group can tap into the used mobile phones and mobile apps market and could also share a greater profit of Beijing Feiying and this would be reflected in the accounts of the Group in coming years.

於二零一九年，中國移動電話市場依然強勁，但由於貿易戰中美國施壓，增長明顯放緩，削弱中國經濟增長。

然而，龐大內銷為中國經濟帶來持續增長動力。作為全球最大移動電話市場，受惠於移動網絡流量優惠政策，中國移動電話用戶人數約16億人。4G用戶、5G用戶及網絡用戶顯著增加反映移動電話應用及移動商務市場商機龐大。

中國當前擁有世界上最大之4G網絡並繼續致力進一步擴展。過往年度目標為增設4G基站以改善於樓宇、升降機及其他室內空間以及鐵路及高速公路之訊號覆蓋。由於本集團已從事相關移動電話行業數十載，大數據、移動電話操作系統及移動互聯網勢將為本集團矢志發展之業務重點。由於5G通訊網絡技術日趨成熟及準備推出，故對相關設備之需求維持強勁。近期中國市場發展及預期移動電話供應鏈的活躍使得我們調高本集團短期5G預測並預期中國將引領5G市場。鑑於全球經濟不明朗因素增加，本集團將密切監察經濟環境變化並積極應對抓住香港及東盟貿易市場機會。

根據於二零一九年十二月二十七日生效的北京飛鷹董事會控制權變動，北京飛鷹須作為本公司附屬公司入賬，本公司可合併北京飛鷹業績至本集團賬目。本集團可進軍二手手機及移動電話應用程式市場並分享北京飛鷹之更大利潤，其將於未來幾年在本集團賬目中反映。

Management Discussion and Analysis 管理層討論與分析

Beijing Feiying has also entered into a cooperation agreement with the mobile and internet conglomerate, Tencent, for Tencent's new mobile application, which helps users transfer data from old phones to newer ones. Under the cooperation agreement, Beijing Feiying receives 70% of revenue generated from the mobile application by users. As stipulated in the cooperation agreement, Beijing Feiying is currently mainly to assist in the promotion of the mobile application to consumers.

As at the date of this report, Beijing Feiying and Tencent has yet to conclude on the renewal of a new agreement due to the delay in the commencement of negotiations caused by the COVID-19 Outbreak, upon expiry of the Agreement on 15 April 2020. Notwithstanding the expiration of the Agreement, Beijing Feiying and Tencent are in discussion for a renewal and Beijing Feiying is still providing the relevant services as stipulated in the Agreement to Tencent up to the date of this report, and may lead to the decrease in revenue of the Group if the Group's services to Tencent is no longer required.

But the outbreak of the COVID-19 in early 2020, the pessimistic sentiment is developing regarding the macroeconomic and the worldwide wholesale and retail environment, which would foreseeably have an adverse impact on our business. It has been intensifying and spreading across the PRC. Weighing on the PRC wholesale and retail markets. There is an ongoing concerns regarding the development of mobile phone markets, which hinders customers making sales order. Moreover, in view of the weakening wholesale and retail markets, customers would tend to make orders with lower average selling price, which would possibly lower our Group's gross profit.

The Group is actively looking for further opportunities which will further enhance the shareholders' value.

北京飛鷹亦已與移動及互聯網巨頭騰訊訂立一項合作協議，內容有關騰訊一款新移動應用程式，該移動應用程式協助用戶將數據從舊電話轉移至新電話。根據合作協議，北京飛鷹將獲得來自用戶移動應用程式所產生收入的70%。按照合作協議的規定，北京飛鷹目前主要協助向消費者推廣移動應用程式。

於本報告日期，於該協議於二零二零年四月十五日屆滿後，由於COVID-19疫情導致磋商開始時間延遲，北京飛鷹與騰訊尚未決定是否重續新協議。儘管該協議已屆滿，北京飛鷹與騰訊正在磋商予以重續，且直至本報告日期，北京飛鷹仍根據該協議規定向騰訊提供相關服務，且尚不再需要本集團向騰訊提供的服務，可能導致本集團收益減少。

然而，二零二零年初COVID-19疫情爆發，宏觀經濟及全球批發及零售環境的悲觀情緒正在生成，於可預見未來將對本集團的業務造成不利影響。此等局面正在中國範圍內加劇蔓延，對中國批發及零售市場造成壓力。對移動電話市場發展存在持續擔憂，從而阻礙客戶下達銷售訂單。此外，鑑於批發及零售市場疲軟，客戶將傾向於下達平均售價更低的訂單，這或會減少本集團毛利。

本集團正積極尋找更多機會進一步提高股東價值。

Directors and Senior Management Profile

董事及高級管理人員簡介

DIRECTORS

Executive Directors

Mr. LAU Siu Ying, aged 56, is the founder, Chairman and Chief Executive Officer of the Company since 1992. Mr. Lau has extensive working experiences in the telecommunications industry for over 25 years and has established solid business contacts in both Hong Kong and the PRC. Mr. Lau is responsible for directing the Group's overall business policy and strategies as well as overseeing the Group's business development in Hong Kong and the PRC. Prior to setting up his business, Mr. Lau worked for Hutchison Whampoa Group for approximately 5 years, in charge of the business development of the telecommunications in the PRC. Mr. Lau holds a bachelor degree in Business Administration from the Chinese University of Hong Kong and a master degree of science in Information Technology from the National University of Ireland, Dublin.

Mr. Lau is currently the trustee in New Asia College of the Chinese University of Hong Kong and the Board Councilor of China Mobile Communications Association. In the aspects of social and economic activities, Mr. Lau is devoted to promoting economic and educational development. He served as the vice president of the Hong Kong Association of Jieyang, the honorary president of Shanghai Chaoshan Chamber of Commerce, Hong Kong and Macau Director of the Dongguan City Youth Federation and the vice president of Hong Kong Island Chaoren Association Limited.

Mr. WANG Yu, aged 54, joined the Group in April 2006 and was appointed as an Executive Director of the Company in November 2009. Mr. Wang is the General Manager of a subsidiary of the Company and in-charge of the mining business segment of the Company. Mr. Wang graduated from Xi'an Jiaotong University with a master degree and a bachelor degree in Computer Science. Mr. Wang has more than 10 years working experiences in channel and distribution management on computer products and mobile phones with local and multinational companies in the PRC. Prior to joining the Group, Mr. Wang was a General Manager of a listed company in the PRC focusing on IT business.

董事

執行董事

劉小鷹先生，56歲，自一九九二年起為本公司創辦人、主席兼首席執行官。劉先生已從事電訊行業逾25年，於行內取得豐富經驗，且於香港及中國建立穩固業務聯繫。劉先生負責指示本集團之整體業務政策及策略，並監督本集團於香港及中國之業務發展。劉先生在建立其個人事業之前，曾於和記黃埔集團工作約5年，負責於中國電訊市場之業務發展。劉先生持有香港中文大學工商管理學士學位及位於都柏林的愛爾蘭國立大學資訊科技碩士學位。

劉先生現任香港中文大學新亞書院之校董，並為中國移動通訊聯合會常務理事。在社會和經濟活動方面，劉先生熱心推動經濟及教育發展：彼歷任香港揭陽同鄉會副會長、上海潮汕商會名譽會長、東莞市青年聯合會港澳常委及香港區潮人聯會副會長。

王愚先生，54歲，於二零零六年四月加入本集團，並於二零零九年十一月獲委任為本公司執行董事。王先生為本公司一附屬公司之總經理，負責本公司之採礦業務。王先生畢業於西安交通大學，持有電腦科學碩士及學士學位。王先生在中國之本地及跨國公司之電腦產品及移動電話渠道分銷管理方面積逾10年工作經驗。於加盟本集團前，王先生曾在中國一間上市公司出任總經理，主要負責資訊科技業務。

Directors and Senior Management Profile

董事及高級管理人員簡介

Mr. GAO Fei, aged 39, was appointed as an Executive Director of the Company in December 2019. Mr. Gao holds a Bachelor's degree in Business Administration from Hebei Polytechnic University. He is currently the founder and Chief Executive Officer of Beijing Feiyong. Mr. Gao served as the cofounder and Chief Operating Officer in Langfang Hongkun Network Technology Co., Ltd. which developed and operated the earlier domestic web games and chess games. He also served as the co-founder and Chief Operating Officer Beijing Sihai Interconnection Network Technology Co., Ltd., respectively, from March 2006 to May 2008. From June 2008 to August 2010, he was the Vice President of Information Technology and Internet Division of Tsinghua Tongfang Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 600100), he was responsible for product operation and sales of computer Internet business. From August 2010 to May 2013, he was the co-founder and Chief Operating Officer of Beijing Shengsheng Tianxia Technology Co., Ltd., he was responsible for product's manufacturing operation, research and development, and sales. He worked as Chief Operating Officer of Chetuobang (Beijing) Mobile Technology Co., Ltd. from May 2013 to June 2014, responsible for the company's products; research and development, operations, personnel, sales, etc. Mr. Gao has vast experience in business management, mobile phone and internet industry and telecommunication business development.

高飛先生，39歲，於二零一九年十二月獲委任為本公司執行董事。高先生持有河北理工大學工商管理學士學位。彼現時為北京飛鷹的創辦人兼首席執行官。高先生曾擔任廊坊市鴻坤網絡科技有限公司的共同創辦人兼首席運營官，該公司開發及營運早期的國產網絡遊戲及棋類遊戲。彼亦於二零零六年三月至二零零八年五月分別擔任北京四海互通網絡科技有限公司的共同創辦人兼首席運營官。於二零零八年六月至二零一零年八月，彼擔任上海證券交易所上市公司同方股份有限公司（證券代碼：600100）信息科技和互聯網事業部副總裁，負責電腦互聯網業務的產品經營與銷售。於二零一零年八月至二零一三年五月，彼擔任北京耘升天下科技有限公司的共同創辦人兼首席運營官，負責產品製造經營、研發及銷售。於二零一三年五月至二零一四年六月，彼擔任車托幫（北京）移動科技有限公司的首席運營官，負責公司產品、研發、運營、人員及銷售等。高先生於業務管理、移動電話及互聯網行業以及電信業務發展方面擁有豐富經驗。

Directors and Senior Management Profile

董事及高級管理人員簡介

Non-executive Director

Mr. BAO Kang Rong, aged 57, was appointed as a Non-executive Director of the Company in June 2018. Mr. Bao holds a bachelor degree in mathematical economic management from Shanghai Normal University and an executive master of business administration from China Europe International Business School. Mr. Bao has vast experience in business management and telecommunications business development and is currently one of the partners of Eagle Funds (老鷹基金), which was incorporated in the People's Republic of China in 2012 focusing on investments in Mobile Internet, Internet of Things and Internet+industry. Furthermore, Mr. Bao is the director of Shanghai Communications Industry Association (上海通信行業協會), the Vice Chairman of Shanghai Communications Manufacturing Industry Association (上海通信製造業協會), a member of Shanghai Youth Federation (上海青年聯合會) and a member of Shanghai Young Entrepreneurs Association (上海青年企業家協會).

Independent Non-executive Directors

Dr. LAW Chun Kwan, aged 54, was appointed as an Independent Non-executive Director of the Company in June 2012. Dr. Law has extensive working experience in various business fields including advertising, telecommunications, information technology and real estate development in both Hong Kong and the PRC. Dr. Law is presently engaged in real estate development business in the PRC. Dr. Law holds a bachelor degree of social science from the Chinese University of Hong Kong, a master degree of e-business and a doctorate degree of business administration in information systems from the Edith Cowan University, Western Australia.

非執行董事

鮑康榮先生，57歲，於二零一八年六月獲委任為本公司非執行董事。鮑先生取得上海師範大學數學經濟管理學士學位，及取得中歐國際工商學院高級管理人員工商管理碩士學位。鮑先生於工商管理及電信業務發展方面擁有豐富經驗，彼現為老鷹基金的合夥人之一，老鷹基金於二零一二年於中華人民共和國註冊成立，專注於移動互聯網、物聯網和互聯網+行業投資。此外，鮑先生為上海通信行業協會主任、上海通信製造業協會副會長、上海青年聯合會會員及上海青年企業家協會會員。

獨立非執行董事

羅振坤博士，54歲，於二零一二年六月獲委任為本公司之獨立非執行董事。羅博士於中港多個行業上擁有豐富經驗，其中包括廣告、電訊、資訊科技及房地產開發等。羅博士現從事中國房地產開發業務。羅博士持有香港中文大學社會科學學士學位，以及位於西澳洲的Edith Cowan University的電子商業碩士學位及工商管理(資訊系統)博士學位。

Directors and Senior Management Profile

董事及高級管理人員簡介

Mr. LAM Man Kit, aged 44, is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lam graduated with a bachelor degree of Business Administration from the University of Hong Kong. Mr. Lam has worked in an international audit firm and various public and private companies in Hong Kong, with over 20 years of financial, accounting and auditing experiences. Mr. Lam has worked in the finance department of the Company from 2007 to 2013, with his last position as company secretary and financial controller of the Company. Mr. Lam is a company secretary of Mayer Holdings Limited, a company listed on the Stock Exchange (Stock Code: 1116), and a company secretary of Fuguiniao Co., Ltd., a company listed on the Stock Exchange (Stock Code: 1819).

Dr. LO Wai Shun, aged 59, was appointed as an Independent Non-executive Director of the Company in June 2018. Dr. Lo holds a bachelor degree in sciences and a master degree in philosophy from The Chinese University of Hong Kong, and a doctorate degree in Physics from Brown University, United States of America ("U.S.A."). He is also Adjunct Professor of The Chinese University of Hong Kong and Visiting Professor of Peking University (School of Innovation and Entrepreneurship). Dr. Lo is currently a general partner of DL Capitals, an angel investment fund focusing on disruptive and exponential technologies and has over 20 years of extensive experience in various business fields including intellectual property commercialization, business models innovation and technology transfer. Dr. Lo had served as a non-executive director for various listed companies in Hong Kong from 2000 to 2005.

COMPANY SECRETARY

Mr. SO Chi Kai, was appointed as the Company Secretary of the Company, the Financial Controller of the Group and the authorised representative of the Company in April 2018. Mr. So holds a degree of Bachelor of Arts (Honors) in Accountancy from the Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants. Mr. So has worked in an international audit firm and various public and private companies in Hong Kong. In addition, Mr. So has extensive professional and senior managerial experience in financial reporting, financial management and company secretarial matters.

林文傑先生，44歲，為特許公認會計師公會資深會員及香港會計師公會會員。林先生畢業於香港大學，取得工商管理學士學位。林先生曾於一所國際審計事務所及香港多家公眾及私營公司工作，並於財務、會計及審計範疇擁有超過20年經驗。林先生曾於二零零七年至二零一三年在本公司財務部工作，其最後出任職位為本公司之公司秘書及財務總監。林先生為聯交所上市公司美亞控股有限公司（股份代號：1116）公司秘書及聯交所上市公司富貴鳥股份有限公司（股份代號：1819）公司秘書。

勞維信博士，59歲，於二零一八年六月獲委任為本公司獨立非執行董事。勞博士持有香港中文大學理學學士學位及哲學碩士學位，以及美利堅合眾國（「美國」）布朗大學物理學博士學位。彼亦為香港中文大學兼任教授及北京大學（創新及創業學院）客座教授。勞博士現為點亮資本（專注於破壞性及指數性技術之天使投資基金）之普通合夥人，並於多個業務範疇（包括知識產權商業化、商業模式創新及技術轉讓）擁有逾20年豐富經驗。自二零零零年至二零零五年，勞博士曾擔任多家香港上市公司之非執行董事。

公司秘書

蘇子佳先生，已於二零一八年四月獲委任為本公司之公司秘書、本集團財務總監及本公司之授權代表。蘇先生持有香港理工大學會計（榮譽）文學士學位。彼為香港會計師公會會員。蘇先生曾任職於一間國際審計公司以及多間公眾及私營香港公司。此外，蘇先生於財務申報、財務管理及公司秘書事宜方面擁有豐富的專業及資深管理經驗。

Corporate Governance Report 企業管治報告書

CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high standards of corporate governance with a view to assuring the integrity, transparency and quality of disclosure to protect the interests of all shareholders. The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

During the year ended 31 December 2019, the Company has complied with most of the Code Provisions of the CG Code, except for the deviations as stated in paragraph headed "Chairman and Chief Executive Officer" and "Re-election of Directors".

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure the business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by Directors of the Company during the year under review.

Having made specific enquiry with all Directors, each of whom has confirmed that he has complied with the required standard as set out in the Model Code for the year ended 31 December 2019. The Model Code also applies to other specified senior management of the Group.

企業管治常規

董事會致力維持高度企業管治，務求確保所披露資料之完整性、透明度及質素，從而保障所有股東之利益。本公司之企業管治常規以香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）所載之原則及守則條文（「守則條文」）為依據。

截至二零一九年十二月三十一日止年度，本公司一直遵循企業管治守則之大部分守則條文，惟與「主席及首席執行官」及「重選董事」兩段有所偏離。

董事會將不斷檢討及改善本公司之企業管治常規及標準，確保業務活動及決策程序獲得適當及審慎規管。

董事之證券交易

回顧年度，本公司已就其董事進行之證券交易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」）。

向全體董事作出特定查詢後，各董事已確認於截至二零一九年十二月三十一日止年度內一直遵守標準守則所載之必守標準。本集團其他指定高級管理人員亦適用標準守則。

Corporate Governance Report

企業管治報告書

BOARD OF DIRECTORS

Overall accountability

Members of the Board are individually and collectively accountable to the shareholders for the success and sustainable development of the Company. The Board provides direction and approval in relation to matters concerning the Company's business strategies, policies and plans whilst the day-to-day business operations are delegated to the executive management. The Board is accountable to the shareholders and in discharging its corporate accountability, every Director of the Company is required to pursue excellence in the interests of the shareholders and fulfill his fiduciary duties by applying the required level of skills, care and diligence to a standard in accordance with the statutory requirements.

Board composition

The Board currently comprises three Executive Directors, one Non-executive Director and three Independent Non-executive Directors of whom all are independent as defined under the Listing Rules. Independent Non-executive Directors constitute more than one-third of the Board. The Company has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that all Independent Non-executive Directors are independent. To the best knowledge of the Company, there is no financial, business, family or other material/relevant relationship among the members of the Board. Brief biographical particulars of the Directors are set out on pages 27 to 30.

Re-election of directors

All Non-executive Directors of the Company are not appointed for a specific term as stipulated under the provision A.4.1 of the CG Code but are subject to retirement by rotation in accordance with the Company's Bye-laws. In accordance with the relevant provisions in the Bye-laws of the Company, if the appointment of Directors is made by the Board, the Directors so appointed must stand for election by the shareholders at the first annual general meeting following their appointments and all Directors, except the Chairman, must stand for re-election by the shareholders by rotation. Separate resolutions are proposed for the election of each director.

董事會

整體問責

董事會成員個別及共同就本公司之成功及持續發展向股東負責。董事會指導及審批本公司業務策略、政策及規劃相關事宜，日常業務運作則委派行政管理人員處理。董事會向股東負責，而履行其企業問責時，本公司各董事須竭誠盡心以股東利益行事，並按照符合法定規定之標準應用必要水平之技能，謹慎盡忠地履行其受信責任。

董事會組成

董事會現時成員包括三名執行董事、一名非執行董事及三名獨立非執行董事，其中，三名獨立非執行董事均為上市規則所界定之獨立人士。獨立非執行董事構成董事會超過三分之一人數。本公司已收到各獨立非執行董事根據上市規則第3.13條所載之獨立地位指引就其獨立性所發出之年度確認書，且認為全體獨立非執行董事均具獨立地位。據本公司所深知，董事會成員之間並無財務、業務、家屬或其他重大／相關關係。董事之簡歷詳請載於第27至30頁。

重選董事

本公司所有非執行董事之委任並無根據企業管治守則第A.4.1條之規定指定任期，惟彼等須根據本公司之公司細則輪流退任。根據本公司之公司細則相關條文，倘董事由董事會委任，則獲委任之董事必須於獲委任後首屆股東週年大會上由股東推選，而除主席外，所有董事必須輪流接受股東重選。推選每名董事均以獨立決議案提呈。

Corporate Governance Report 企業管治報告書

Nomination of directors

The Nomination Committee is authorised by the Board to determine the policy for the nomination of Directors, to set out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship.

Board responsibilities and delegation

The Board collectively determines the overall strategies of the Company, monitors performance and the related risks and controls in pursuit of the strategic objectives of the Company. Day-to-day management of the Company is delegated to the Executive Directors or the officer in charge of each division and function who is required to report back to the Board. Functions reserved to the Board and those delegated to management are reviewed periodically. All Board members have separate and independent access to the senior management, and are provided with full and timely information about the conduct of the business and development of the Company, including monthly reports and recommendations on significant matters. Should separate independent professional advice be considered necessary by the Directors or any Board Committee, independent professional services would be made available to the Directors or such Board Committee upon request. The Board has delegated some of its functions to the Board Committees, details of which are set out below. Matters specifically reserved for the Board include approval of financial statements, dividend policy, significant changes in accounting policies, material contracts, significant appointments such as Company Secretary and external auditor, terms of reference of Board Committees, as well as major corporate policies.

To implement the strategies and plans approved by the Board, Executive Directors and senior management meet on a regular basis to review the performance of the Group and make financial and operational decisions. The Company has arranged appropriate insurance cover on directors and officers liability for its directors and officers.

Details of the responsibilities, membership, attendance and activities during the year of each Board Committee are set out on pages 36 to 41.

提名董事

提名委員會由董事會授權釐定提名董事之政策，制定推選及推薦董事提名人所採納之提名手續、程序及條件。

董事會之責任及授權

董事會共同決定本公司之整體策略，監察表現及相關風險，並為達成本公司策略目標作出監控。執行董事或各部門及功能主管人員獲委派處理本公司日常管理，並須向董事會匯報。董事會保留之職能及委派予管理層之職能會定期檢討。全體董事會成員可個別及獨立接觸高級管理層，並獲提供有關本公司業務及發展之全面即時資料，包括有關重大事宜之每月報告及推薦建議。倘若董事或任何董事委員會認為有必要取得個別獨立專業意見，則彼等可提出要求而獲提供獨立專業服務。董事會已委派其部分職能予董事委員會，有關詳情載於下文。特定保留予董事會處理之事宜包括審批財務報表、股息政策、會計政策重大變動、重大合約、重大任命（例如公司秘書及外聘核數師）、董事委員會職權範圍以及主要公司政策。

為執行經董事會審批之策略及計劃，執行董事及高級管理層會定期會面，檢討本集團表現，並作出財務及營運決定。本公司已為其董事及高級人員安排合適之董事及高級人員責任保險。

各董事委員會於年內之責任、成員、會議出席情況及活動詳情載於第36至41頁。

Corporate Governance Report

企業管治報告書

Board meetings and attendance

The Board meets regularly to review the financial and operating performance of the Company and to discuss future strategy. five Board meetings were held in 2019. At the Board meetings, the Board reviewed significant matters including the Company's annual and interim financial statements, proposals for final and interim dividends (if any), annual report and interim report. At least 14 days' notice is given to all Directors for all regular Board meetings and all Directors are given the opportunity to include matters for discussion in the agenda. All minutes of the Board meetings are kept by the Company Secretary and are available to all Directors for inspection. During the year, the Chairman of the Company has held a meeting with all the Independent Non-executive Directors without other directors presented.

The attendance record of each Director at Board meetings in 2019 is set out below:

董事會會議及出席情況

董事會定期開會以審閱本公司之財務及營運表現，並商討未來策略。二零一九年曾舉行五次董事會會議。於董事會會議上，董事會審閱重大事宜，包括本公司之年度及中期財務報表、末期及中期股息（如有）建議、年度報告及中期報告。全體董事就所有定期董事會會議獲發最少十四天通知，並有機會於議程中加入欲商討事宜。所有董事會會議記錄由公司秘書存置，並可供全體董事查閱。年內，本公司主席已與全體獨立非執行董事舉行一次會議，其他董事於會上一概避席。

於二零一九年，各董事出席董事會會議之記錄載列如下：

Directors	董事	Attendance/ Number of Meetings 出席/ 會議次數
Chairman and Executive Director	主席兼執行董事	
Mr. Lau Siu Ying	劉小鷹先生	5/5
Executive Directors	執行董事	
Mr. Wang Yu	王 愚先生	5/5
Mr. Gao Fei*	高 飛先生*	0/0
(appointed on 27 December 2019)	(於二零一九年十二月二十七日獲委任)	
Non-executive Director	非執行董事	
Mr. Bao Kang Rong	鮑康榮先生	4/5
Independent Non-executive Directors	獨立非執行董事	
Dr. Law Chun Kwan	羅振坤博士	5/5
Mr. Lam Man Kit	林文傑先生	5/5
Dr. Lo Wai Shun	勞維信博士	5/5

* No Board meeting was held after Mr. Gao Fei was appointed as an Executive Director on 27 December 2019.

* 高飛先生於二零一九年十二月二十七日獲委任為執行董事後，概無舉行董事會會議。

Corporate Governance Report

企業管治報告書

Chairman and chief executive officer

Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual but Mr. Lau Siu Ying currently assumes both roles of the Chairman and the Chief Executive Officer of the Company.

Provision A.4 of the CG Code states that all directors should be subject to re-election at regular intervals. However, Mr. Lau Siu Ying, being the Chairman of the Board, does not need to retire by rotation.

Mr. Lau Siu Ying has been in charge of the overall management of the Company since its incorporation. As a result, although he does not need to retire by rotation and assumes both roles of the Chairman and the Chief Executive Officer of the Company, the Board considers that such arrangement at the Group's current stage of development can facilitate the execution of the Group's business strategies and maximise the effectiveness of its operations. Nevertheless, through the supervision from the Board including the Independent Non-executive Directors, the interests of the shareholders should be adequately and fairly considered.

Directors' continuing professional development

Each newly appointed director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations.

Directors' training is an ongoing process. During the year, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

主席及首席執行官

企業管治守則第A.2.1條規定主席及首席執行官之職能應予區分，不應由同一人兼任，惟劉小鷹先生現時兼任本公司主席及首席執行官之職位。

企業管治守則第A.4條訂明所有董事應定期重選連任。然而，董事會主席劉小鷹先生不必輪流退任。

劉小鷹先生自本公司註冊成立以來一直負責本公司之整體管理。因此，儘管彼不需輪流退任，並兼任本公司主席兼首席執行官職務，但董事會認為此安排於本集團現發展階段可促進本集團業務策略之執行，並可將業務發揮至最大效益。然而，在董事會（包括獨立非執行董事）之監察下，股東利益應已充分及公平地考慮。

董事持續專業發展

每名新委任董事獲提供必要入職培訓及資料，確保彼對本公司之營運及業務以及對彼在相關章程、法律、規則及法規下之責任有正確認知。

董事培訓乃一項持續程序。年內，董事獲提供有關本公司表現、狀況及前景之每月更新，以便董事會整體及各名董事履行其職責。此外，全體董事獲鼓勵參與持續專業發展，對其知識及技能溫故知新。本公司向董事提供有關上市規則及其他不時適用監管規定之最新發展資料，確保合規及提高良好企業管治常規之認知。

Corporate Governance Report

企業管治報告書

BOARD COMMITTEES

The Board has established three committees to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities. Sufficient resources are provided to enable the Board Committees to undertake their specific roles. The respective role, responsibilities and activities of each Board Committee are set out below:

Remuneration committee

The principal role of the Remuneration Committee is to determine and review the remuneration packages of individual executive directors and senior management, including salaries, bonuses, share options and other plans. The Remuneration Committee reviews and approves the management's remuneration proposals with reference to the Board's corporate goals and objectives and considers salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group, so as to align management incentives with shareholders' interests.

The Remuneration Committee currently comprises three Independent Non-executive Directors and an Executive Director. The Chairman of the Remuneration Committee is Mr. Lam Man Kit, an Independent Non-executive Director. The Company Secretary of the Company serves as the secretary of the committee. Minutes for the meetings are sent to the committee members within a reasonable time after the meetings. The full terms of reference are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

董事委員會

董事會已成立三個委員會，以監督本公司事務之特定範疇，並協助執行董事會責任。董事委員會獲提供足夠資源履行其特定職責。各董事委員會之相關角色、責任及活動載列如下：

薪酬委員會

薪酬委員會之主要角色為釐定及審閱個別執行董事及高級管理人員之薪酬待遇，包括薪金、花紅、購股權及其他計劃。薪酬委員會參照董事會之企業目標及目的審閱及審批管理人員之薪酬建議，並考慮可資比較公司支付之薪金、投入之時間及責任，以及本集團其他部門之僱用情況，從而使管理層獎勵與股東利益保持一致。

薪酬委員會現時由三名獨立非執行董事及一名執行董事組成。薪酬委員會主席為獨立非執行董事林文傑先生。本公司之公司秘書出任委員會秘書。會議之會議記錄將於會議後之合理時間內發送予委員會成員。完整之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

Corporate Governance Report

企業管治報告書

The composition of the Remuneration Committee during the year as well as the meeting attendance of the committee members are as follows:

薪酬委員會於年內之組成及各委員會成員出席會議之情況如下：

Membership and Attendance

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Independent Non-executive Directors		
Mr. Lam Man Kit (<i>Chairman</i>)	林文傑先生 (主席)	2/2
Dr. Law Chun Kwan	羅振坤博士	2/2
Dr. Lo Wai Shun	勞維信博士	2/2
Executive Director		
Mr. Lau Siu Ying	劉小鷹先生	2/2

Two meetings were held in the year in which the Remuneration Committee reviewed the remuneration policies and approved the salaries and bonuses of the Executive Directors and senior management. The Remuneration Committee has communicated with the Chairman of the Company about proposals relating to the remuneration packages of other Executive Directors and senior management.

薪酬委員會於年內曾舉行兩次會議，會上已審閱薪酬政策，並審批執行董事及高級管理人員之薪金及花紅。薪酬委員會已與本公司主席就其他執行董事及高級管理人員之薪酬待遇建議進行溝通。

Details of directors' emoluments and retirement benefits are disclosed on page 165. Remuneration payable to members of senior management is disclosed on page 194. At 31 December 2019, there were no outstanding shares in respect of which options had been granted. Details of the Company's share option plan are disclosed on page 187.

董事酬金及退休福利詳情於第165頁披露。應付高級管理層成員之薪酬於第194頁披露。於二零一九年十二月三十一日，概無已授出購股權相關之已發行股份。有關本公司購股權計劃詳情披露於第187頁。

Corporate Governance Report

企業管治報告書

Audit committee

The Audit Committee reviews financial information of the Group, monitors the effectiveness of the external audit and oversees the appointment, remuneration and terms of engagement of the Company's external auditor, as well as their independence. The Audit Committee is also responsible for reviewing the financial reporting process and the system of internal controls and risk management. The Board also delegated corporate governance functions to the Audit Committee, including the review and monitoring of (a) the development and review of the Company's policies and practices on corporate governance and recommendations; (b) the training and continuous professional development of directors and senior management; (c) the Company's policies and practices on compliance with legal and regulatory requirements; (d) the code of conduct of the Company; and (e) the Company's policies and practices on corporate governance and its compliance with the CG Code and disclosures in the Corporate Governance Report. The full terms of reference setting out the committee's authority and its role and responsibilities are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

The Audit Committee currently consists of three Independent Non-executive Directors, with one of whom having the relevant professional qualifications and expertise. The Chairman of the Audit Committee is Mr. Lam Man Kit, an Independent Non-executive Director. The Company Secretary acts as secretary of the Audit Committee. Sufficient resources are made available to the Audit Committee when independent legal or professional advice is required.

The Audit Committee meets at least twice a year. The external auditors of the Company are invited to the meetings, take part in the discussions and answer questions from the committee members. By invitation of the Audit Committee, other Directors and senior executives may also attend the meetings.

審核委員會

審核委員會審閱本集團之財務資料，監察外部審核之效能，以及監督本公司外聘核數師之委任、薪酬、委聘條款及其獨立性。審核委員會亦負責審閱財務報告程序，以及內部監控及風險管理制度。董事會亦向審核委員會委派企業管治職能，包括審閱及監察(a)本公司有關企業管治之政策及常規之發展及審閱，並提供推薦建議；(b)董事及高級管理人員之培訓及持續專業發展；(c)本公司遵循法定及監管規定之政策及常規；(d)本公司之行為守則；及(e)本公司之企業管治、遵循企業管治守則及企業管治報告書之披露之政策及常規。載列委員會權力以及其角色及職責之完整職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

審核委員會現時由三名獨立非執行董事組成，其中一人具備相關專業資格及知識。審核委員會主席為獨立非執行董事林文傑先生。公司秘書出任審核委員會秘書。審核委員會獲提供足夠資源在有需要時取得獨立法律或專業意見。

審核委員會每年最少舉行兩次會議。本公司之外聘核數師獲邀出席會議，參與討論及回答委員會成員提問。其他董事及高級行政人員亦應審核委員會邀請出席會議。

Corporate Governance Report

企業管治報告書

The Audit Committee held two meetings in the year. The Company Secretary prepared full minutes of the audit committee meetings with details of discussions and decisions reached. The draft and final versions of minutes were sent to all committee members within a reasonable time after each meeting.

審核委員會於年內曾舉行兩次會議。公司秘書已編製審核委員會會議之完整會議記錄，記錄討論詳情及達成之決定。會議記錄草稿及定稿已於各會議後之合理時間內發送予全體委員會成員。

The composition of the Audit Committee during the year as well as the meeting attendance of the committee members are as follows:

審核委員會於年內之組成及各委員會成員出席會議之情況如下：

Membership and Attendance

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Independent Non-executive Directors	獨立非執行董事	
Mr. Lam Man Kit (<i>Chairman</i>)	林文傑先生 (<i>主席</i>)	2/2
Dr. Law Chun Kwan	羅振坤博士	2/2
Dr. Lo Wai Shun	勞維信博士	2/2

Corporate Governance Report

企業管治報告書

During the year, the Audit Committee has discussed with the external auditor their independence and the nature and scope of the audit; reviewed the interim and annual financial statements of the Group, particularly judgmental areas, before submission to the Board; reviewed the effectiveness of the internal control system of the Group, findings and management's response; reviewed the Group's adherence to the code provisions in the CG Code. The Audit Committee recommended the Board to adopt the interim and annual financial statements for 2019. The Audit Committee has also performed the aforesaid corporate governance duties as delegated to it by the Board.

Nomination committee

The Nomination Committee is authorised by the Board to determine the policy for the nomination of Directors, to set out the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship. The Nomination Committee is also responsible for reviewing the structure, size and composition of the Board, and assessing the independence of Independent Non-executive Directors.

The Nomination Committee currently comprises five members, a majority of whom are Independent Non-executive Directors and is chaired by the Chairman of the Board. The Company Secretary of the Company serves as secretary of the Nomination Committee. Minutes for the meetings are sent to the Nomination Committee members within a reasonable time after the meetings. The full terms of reference are available on the Company's website and The Stock Exchange of Hong Kong Limited's website.

年內，審核委員會已與外聘核數師討論其獨立性，以及審核性質及範圍；在呈交董事會前審閱本集團之中期及年度財務報表，尤其判斷範圍；審閱本集團內部監控制度之效能、結果及管理層回應；審閱本集團遵守企業管治守則之守則條文之情況。審核委員會建議董事會採納二零一九年之中期及年度財務報表。審核委員會亦已履行董事會向其委派之上述企業管治職責。

提名委員會

提名委員會由董事會授權釐定提名董事之政策，制定所採納之推選及推薦董事提名人之提名手續、程序及條件。提名委員會亦負責審閱董事會之架構、規模及組成，以及評估獨立非執行董事之獨立性。

提名委員會現時由五名成員組成，大部分為獨立非執行董事，並由董事會主席出任其主席。本公司之公司秘書出任提名委員會秘書。會議之會議記錄於各會議後之合理時間內發送予提名委員會成員。完整之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

Corporate Governance Report

企業管治報告書

The composition of the Nomination Committee during the year as well as the meeting attendance of the committee members are as follows:

提名委員會於年內之組成及各委員會成員出席會議之情況如下：

Membership and Attendance

成員及出席情況

Members	成員	Attendance/ Number of Meetings 出席/ 會議次數
Executive Directors	執行董事	
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (主席)	3/3
Mr. Wang Yu	王 愚先生	3/3
Independent Non-executive Directors	獨立非執行董事	
Dr. Law Chun Kwan	羅振坤博士	3/3
Mr. Lam Man Kit	林文傑先生	3/3
Dr. Lo Wai Shun	勞維信博士	3/3

Three meetings were held in the year, in which members of the Nomination Committee reviewed the structure, size and composition of the Board and discussion of appointment of executive director.

提名委員會於年內曾舉行三次會議，會上各成員已審閱董事會之架構、規模及組成，並討論執行董事之任命。

Corporate Governance Report

企業管治報告書

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged the responsibilities for preparing the financial statements which give a true and fair view of the affairs of the Company and its subsidiaries. The auditors are responsible to form an independent opinion, based on their audits, on the Group's financial statements and express their opinions.

The responsibilities of the external auditor with respect to the financial statements for the year ended 31 December 2019 are set out in the Independent Auditor's Report on pages 75 to 83.

AUDITOR'S REMUNERATION

BDO Limited was re-appointed as the Company's external auditors by the shareholders at the Annual General Meeting on 29 May 2019, until the conclusion of the next Annual General Meeting. They are primarily responsible for providing audit services in connection with the financial statements of the Group for the year ended 31 December 2019. During the year, the fees charged to the accounts of the Group for BDO Limited's statutory audit services amounted to HK\$950,000. In addition, HK\$50,000 was charged for non-audit service, which was for interim review service.

董事會多元化政策

董事會採納多元化政策，當中載列董事會達致多元化之方法。為達致可持續的均衡發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。本公司在設定董事會成員組合時，會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

董事就財務報表須承擔之責任

董事知悉須負責編製真實公允地反映本公司及其附屬公司狀況之財務報表。核數師須負責根據其審核對本集團之財務報表達致並發表獨立意見。

外聘核數師就截至二零一九年十二月三十一日止年度之財務報表須承擔之責任載於第75至83頁之獨立核數師報告。

核數師酬金

香港立信德豪會計師事務所有限公司已於二零一九年五月二十九日舉行之股東週年大會上獲股東續聘為本公司外聘核數師，任期至下屆股東週年大會結束為止。香港立信德豪會計師事務所有限公司主要負責就本集團截至二零一九年十二月三十一日止年度之財務報表提供核數服務。年內，就香港立信德豪會計師事務所有限公司之法定核數服務而在本集團賬目中扣除之費用為950,000港元，並就中期審閱服務之非核數服務已被扣除50,000港元。

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COMPANY SECRETARY

Mr. SO Chi Kai (“Mr. SO”), was appointed as the Group Financial Controller and Company Secretary of the Company (“Company Secretary”) on 3 April 2018 and is responsible for overseeing the Group’s financial reporting, financial management and company secretarial matters.

The Company Secretary is mainly responsible for assisting the Chairman of the Board and its committees to prepare agendas for meetings and to prepare and disseminate meeting material to the Directors and committees’ members in a timely and comprehensive manner; ensuring every Director complies with the Board’s policy and procedures, and all applicable rules and regulations; and ensuring accurate records of Board/committee meeting proceedings, discussions and decisions are recorded. According to Rule 3.29 of the Listing Rules, Mr. SO has taken no less than 15 hours of relevant professional training during the year. His biography is set out on page 30 of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group’s existing corporate governance framework and the significant risks of the Group were summarized as follows:

Goals and Objectives

The Board is 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 the implementation of an effective risk management and internal control systems.

The Board acknowledged that the risk management and internal control systems are designed 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.

公司秘書

蘇子佳先生（「蘇先生」）於二零一八年四月三日獲委任為本公司之集團財務總監及公司秘書（「公司秘書」），負責監察本集團之財務申報、財務管理及公司秘書事宜。

公司秘書主要負責協助董事會主席及其委員會適時全面地編製會議議程及編製會議文件並發送予董事及委員會成員；確保各董事遵守董事會政策及程序及所有適用規定及規則；以及確保準確記錄董事會／委員會會議的會議程序、討論及決策。根據上市規則第3.29條，蘇先生於年內已參與不少於15個小時的相關專業培訓。彼之履歷載於本年報第30頁。

風險管理及內部監控框架

本集團之現有企業管治框架及本集團之重大風險概述如下：

目標及目的

董事會負責評估及釐定本集團達成策略目標時所願意承擔的風險性質及程度，並確保實施有效風險管理及內部監控系統。

董事會確認風險管理及內部監控系統旨在管理而非消除無法達成業務目標之風險，且就避免重大錯誤陳述或損失而言，僅能提供合理而非絕對之保證。

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Main features of the risk management and internal control systems

The Group's risk governance structure and the main responsibilities are summarised below:

Board

- To evaluate and determine the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring the implementation of an effective risk management and internal control systems;
- To oversee the Group's risk management and internal control systems on an ongoing basis;
- To perform an annual review to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions; and
- To oversee the management/responsible party ("responsible management") in the design, implementation and monitoring of the risk management and internal control systems.

Management

- To design, implement and monitor the risk management and internal control systems;
- To perform risks identification assessment which might threaten the strategic objectives set;
- To review the risk and risk level and advise on any matters which might be raised by employees and the Group;
- To assist external consultant to analysis and appraise the adequacy and efficiency of the Group's risk management and internal control systems; and
- To coordinate all the risks management and activities process and in compliance with Listing Rules and report periodically to the Board.

風險管理及內部監控系統之主要特點

本集團之風險管治架構及主要責任概述如下：

董事會

- 評估及釐定於達致本集團之策略目標時所願意承擔之風險之性質及程度，並確保落實有效之風險管理及內部監控系統；
- 持續監督本集團之風險管理及內部監控系統；
- 進行年度檢討，以確保本集團之會計、內部審核及財務申報職能之資源、員工資歷及經驗、培訓課程及預算之充足性；及
- 監管管理層／責任方（「負責管理層」）設計、實施及監察風險管理及內部監控系統。

管理層

- 設計、實施及監察風險管理及內部監控系統；
- 對可能威脅策略目標設定之風險進行風險識別評估；
- 審查風險及風險水平，並就可能由僱員及本集團提出之任何事項提出建議；
- 協助外聘顧問分析及評估本集團風險管理及內部監控系統之充分性及有效性；及
- 協調所有風險管理及活動流程，並遵照上市規則之規定及定期向董事會匯報。

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Process Used to Identify, Evaluate and Manage Significant Risks

The processes used to identify, evaluate and manage significant risks by the Group were summarized as follows:

Risk Identification

- Identified the risks through discussion with the management. Risk Assessment Questionnaire was used to document the risk identified by the responsible parties.

Risk Assessment

- Identified the existing controls and analysing risks in terms of consequence and likelihood in the context of those controls. The risk analysis considered the range of potential consequences and how likely those consequences were to occur. Consequence and likelihood might be combined to produce an estimated level of risk.

Risk Response

- Categorised the risks into low risk, medium risk and high risks;
- Determined the strategy to handle the risk; and
- Developed the risk register and internal control audit plan and determined the frequency of review and control testing on key controls.

Risk Monitoring and Reporting

- On-going communication of monitoring results to the Audit Committee which enables it to assess control of the Group and the effectiveness of risk management during the year, including:
 - Risk questionnaires completed by the management, risk register and internal audit plan; and
 - Fact finding report with recommendations on the review and testing of internal controls on certain operating cycles and areas.

用於識別、評估及管理重大風險之流程

本集團用於識別、評估及管理重大風險之流程概述如下：

風險識別

- 透過與管理層討論識別風險。風險評估問卷乃用於記錄責任方所識別之風險。

風險評估

- 確定現有監控並於該等監控過程中分析風險後果及可能性。風險分析考慮潛在後果範圍以及發生該等後果之可能性。後果及可能性可能予以合併，以得出估計風險水平。

風險應對

- 將風險分類為低風險、中風險及高風險；
- 釐定處理風險之策略；及
- 制定風險登記及內部監控審核計劃以及釐定有關主要監控之檢討及監控測試頻率。

風險監察及匯報

- 持續向審核委員會傳達監察結果，使其能夠於年內對本集團之監控及風險管理成效進行評估，包括：
 - 由管理層完成之風險問卷、風險登記及內部審核計劃；及
 - 事實調查報告，當中載有就有關若干營運週期及範圍之內部監控檢討及測試作出之推薦建議。

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Internal Audit Function

With the assistance of the external consultant, the Group's internal audit function is performed by the management of the Company, including analysing and appraising the adequacy and effectiveness of the Group's risk management and internal control systems.

The Company has engaged an external consultant to assist the Company to:

- Perform the risk assessment based on management evaluation on identified area and report the findings and recommendations to the management; and
- Conduct various agreed upon reviews on material controls and perform testing of internal controls on certain operating cycles and areas in accordance with the Company's Internal Control Audit Plan.

The Company is considering the recommendations on the internal audit findings identified by the external consultant and expects to complete the implementation of the aforesaid recommendations in the upcoming financial year.

During the year, the Board conducted an annual review on the effectiveness of the Company's risk management and internal control systems. The Board concluded that the risk management and internal control systems of the Company were adequate and effective during the year.

INSIDE INFORMATION

With respect to procedures and internal controls for handling and dissemination of inside information, the Company is fully aware of its obligations under the new Part XIVA of the Securities and Futures Ordinance, Chapter 571 and the Listing Rules. The Board has adopted a policy which contains the guideline to the Directors and officers of the Company to ensure that the inside information of the Company is to be disseminated to public in an equal and timely manner in accordance with the applicable laws and regulations.

內部審核職能

在外部顧問之協助下，本集團之內部審核職能由本公司管理層履行，包括分析及評估本集團風險管理及內部監控系統是否充足且具成效。

本公司已委聘外部顧問以協助本公司：

- 根據管理層對已識別範圍之評估進行風險評估並向管理層匯報調查結果及推薦建議；及
- 對重大監控進行各項協定檢討，並根據本公司之內部監控審核計劃對若干營運週期及範圍進行內部監控測試。

本公司正考慮就外聘顧問所識別之內部審核發現作出之推薦建議，並預期於下一個財政年度完成實施上述推薦建議。

年內，董事會對本公司之風險管理及內部監控系統之成效進行年度檢討。董事會之結論為本公司於年內之風險管理及內部監控系統屬充足及有效。

內幕消息

就處理及發佈內幕消息之程序及內部監控而言，本公司完全了解其於證券及期貨條例（第571章）新第XIVA部及上市規則項下之義務。董事會已採納載有對董事及本公司高級人員之指引之政策，以確保本公司內幕消息將根據適用法律及法規以平等及及時之方式向公眾人士發佈。

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CODE OF CONDUCT

The Company is committed to high standard of business ethics and integrity. A code of conduct is enforced on all employees of the Group. The employees at all levels are expected to act in an honest, diligent and responsible manner. No personal gifts or other forms of advantages from any person or organisation doing business with the Group can be accepted by any employee. Business partners and customers are reminded from time to time that our policy forbids any employee or agent of the Group from accepting any gift from them.

COMMUNICATION WITH SHAREHOLDERS

The Company considers effective communication with shareholders is essential to enable them to have a clear assessment of the Group's performance as well as accountability of the board of directors. Major means of communication with shareholders of the Company are as follows:

Information disclosure on company website

The Company endeavours to disclose all material information about the Group to all interested parties as widely and timely as possible. The Company maintains a company website at www.fortunetele.com where important information about the Group's activities and corporate matters such as annual reports and interim reports to shareholders, announcements, business development and operations, corporate governance practices and other information is available for review by shareholders and other stakeholders. When announcements are made through the website of The Stock Exchange of Hong Kong Limited, the same information will be made available on the Company's website.

行為守則

本公司致力維持高度廉正之業務操守，並對本集團全體僱員實施行為守則，冀各級僱員以誠懇、勤奮及負責任之態度工作。任何僱員一概不得接受任何與本集團業務有往來之人士或機構之個人禮品或其他形式之利益。業務夥伴及客戶應不時緊記，本公司之政策禁止本集團任何僱員或代理接受彼等之任何禮品。

與股東溝通

本公司認為與股東進行有效溝通至關重要，可讓彼等清晰評估本集團之表現及董事會之間責任。與本公司股東溝通之主要渠道如下：

於公司網站披露資料

本公司致力向所有權益相關人士，儘可能適時披露所有關於本集團之重要資料。本公司設有公司網站(www.fortunetele.com)，股東及其他權益關涉者可於網站內閱覽關於本集團業務活動及公司事宜之重要資料，例如致股東之年報及中期報告、公佈、業務發展及營運、企業管治常規及其他資料。本公司透過香港聯合交易所有限公司網站作出公佈時，亦會於本公司網站登載相同資料。

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General meetings with shareholders

The Company's annual general meeting provides a useful platform for direct communication between the Board and shareholders. Separate resolutions are proposed on each substantially separate issue at the general meetings.

The 2019 annual general meeting ("2019 AGM") was held on 29 May 2019. The attendance record of the Directors at the 2019 AGM is set out below:

Directors	董事	Attendance/ Number of general meetings 出席/ 股東大會次數
Executive Directors	執行董事	
Mr. Lau Siu Ying (<i>Chairman</i>)	劉小鷹先生 (<i>主席</i>)	1/1
Mr. Wang Yu	王 愚先生	1/1
Mr. Gao Fei (<i>appointed on 27 December 2019</i>)	高 飛先生* (<i>於二零一九年十二月二十七日獲委任</i>)	0/0
Non-executive Director	非執行董事	
Mr. Bao Kang Rong	鮑康榮先生	1/1
Independent Non-executive Directors	獨立非執行董事	
Dr. Law Chun Kwan	羅振坤博士	1/1
Mr. Lam Man Kit	林文傑先生	1/1
Dr. Lo Wai Shun	勞維信博士	1/1

* No general meeting was held after Mr. Gao Fei was appointed as an Executive Director on 27 December 2019.

The Company's external auditor also attended the 2019 AGM.

股東大會

本公司之股東週年大會提供一個有效平台，讓董事會與股東直接溝通。於股東大會上會就各項大致上獨立之事項提呈獨立決議案。

二零一九年股東週年大會（「二零一九年股東週年大會」）已於二零一九年五月二十九日舉行。董事出席二零一九年股東週年大會之記錄載列如下：

* 高飛先生於二零一九年十二月二十七日獲委任為執行董事後，概無舉行股東大會。

本公司之外聘核數師亦有出席二零一九年股東週年大會。

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Investor relations

The Company recognises its responsibility to explain its activities to those with a legitimate interest and to respond to their questions. Questions received from the general public and individual shareholders are answered promptly. In all cases, great care is taken to ensure that no price-sensitive information is disclosed selectively.

Shareholders' rights

Set out below is a summary of certain rights of the shareholders of the Company as required to be disclosed pursuant to the mandatory disclosure requirement under Paragraph O of the CG Code:

Convening of a special general meeting on requisition by shareholders

Pursuant to clause 58 of the Company's bye-laws, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the head office address of the Company, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. Pursuant to clause 59 of the Company's bye-laws, the Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business.

If within twenty one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (the "Act").

投資者關係

本公司確認其有責任向擁有合法權益之人士解釋業務活動，並回應彼等之問題。本公司會從速解答一般公眾及個別股東提出之問題。在各情況下，本公司會審慎處理，確保不會選擇性地披露任何股價敏感資料。

股東權利

下文載列根據企業管治守則O段下之強制性披露要求須予披露之本公司股東若干權利概要：

應股東請求召開股東特別大會

根據本公司之公司細則第58條，倘持有不少於本公司已發行股本及證券（附有於本公司任何股東大會上之投票權）十分之一之股東提出請求，則董事會可召開股東特別大會。股東須將書面請求寄往本公司之總辦事處地址，向本公司董事會或公司秘書提出請求。該書面請求須列明股東之持股資料、其聯絡詳情及有關任何指定事務／事項之建議及其支持文件。

董事會須於接獲有關書面請求後兩(2)個月內舉行該股東大會。根據本公司之公司細則第59條，本公司須送達所需之股東大會通告，當中註明會議舉行時間、地點及將於會上考慮之決議案內容以及該事項之一般性質。

倘董事會未能於接獲該書面請求後二十一(21)日內召開該股東特別大會，則根據百慕達一九八一年公司法（「公司法」）第74(3)條之條文，該股東可召開該大會。

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Procedures for putting forward proposals at general meetings by shareholders

Shareholders are requested to follow the Act for including a resolution at an annual general meeting of the Company ("AGM"). The requirements and procedures are set out below:

- (i) Pursuant to section 79 of the Act, shareholder(s) holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request stating the resolution intended to be moved at the AGM or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting.
- (ii) The written request/statements must be signed by the shareholder(s) concerned and deposited at the Company's registered office and/or principal office in Hong Kong, for the attention of the Company Secretary, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition.
- (iii) Pursuant to section 80 of the Act, if the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM or the statement will not be circulated for the general meeting.

股東於股東大會上提出建議之程序

倘股東擬於本公司股東週年大會（「股東週年大會」）上提呈決議案，必須依循公司法進行。有關要求及程序載列如下：

- (i) 根據公司法第79條，持有(i)有權於股東大會上投票之所有股東總投票權不少於二十分之一；或(ii)不少於100名股東之股東可提交書面要求，列明擬於股東週年大會上動議之決議案，亦可就將於特定股東大會上處理之任何擬提呈決議案或事項中所述事宜提交不超過1,000字之陳述書。
- (ii) 相關股東必須簽署書面要求／陳述書，並將之送交本公司之註冊辦事處及／或香港主要辦事處，註明公司秘書收啟。如屬須發出決議案通知之情況，該書面要求／陳述書須在該股東週年大會舉行前不少於六個星期送達；如屬任何其他情況，則須在股東大會舉行前不少於一個星期送達。
- (iii) 根據公司法第80條，倘書面要求適當，公司秘書會要求董事會(i)將決議案載入股東週年大會議程；或(ii)傳閱股東大會陳述，惟相關股東須支付董事會所釐定合理金額之費用，以撥付本公司按照法定要求向全體登記股東送達決議案通知及／或向彼等傳閱相關股東提呈之陳述而錄得之開支。相反，倘請求書無效或有關股東未能存入足夠款項以撥付本公司為上述目的而錄得的開支，則相關股東將獲告知此結果，而建議之決議案將不會納入股東週年大會議程，或有關陳述將不會就股東大會而傳閱。

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(iv) If a shareholder, who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of director(s), wishes to propose a person (other than the shareholder himself/herself) for election as a director at that meeting, he/she can deposit a written notice at the Company's registered office and/or its principal office in Hong Kong, for the attention of the Company Secretary, not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting. In order for the Company to inform all Shareholders of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned and that person indicating his/her willingness to be elected.

(iv) 如股東（彼符合適當資格出席就處理董事委任／選舉事宜召開之股東大會並於會上投票）有意於該大會上提名人士（該股東本人除外）參選董事職位，則可於股東大會日期前不少於七(7)個整日但不多於十四(14)個整日，向本公司之註冊辦事處及／或香港主要辦事處送交書面通知，註明公司秘書收啟。為讓本公司知會全體股東有關建議，上述書面通知必須列明擬參選董事職位之人士之全名、上市規則第13.51(2)條規定之履歷詳情及獲推選人士之參選意向，並由相關股東及該名人士簽署。

Procedures for directing shareholders' enquiries to the board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

The Company Secretary
China Fortune Holdings Limited
Room 1505-06, Tower A, Regent Centre, 63 Wo Yi Hop Road,
Kwai Chung, Hong Kong
Email: info@chinafortune.com
Tel No.: +852 2422 0811
Fax No.: +852 2428 0988

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

向董事會轉達股東查詢之程序

股東可隨時以書面方式透過公司秘書，向董事會提出查詢及表達意見。公司秘書之聯絡詳情如下：

香港葵涌
和宜合道63號麗晶中心A座1505-06室
中國長遠控股有限公司
公司秘書
電郵：info@chinafortune.com
電話號碼：+852 2422 0811
傳真號碼：+852 2428 0988

在適當的情況下，公司秘書會將股東之查詢及意見轉交董事會及／或本公司相關之董事委員會，以解答股東之提問。

Environmental, Social and Governance Report

環境、社會及管治報告

China Fortune Holdings Limited (the “Company”) is pleased to present the Environmental, Social, and Governance (“ESG”) Report (the “ESG Report”) for the year ended 31 December 2019 (the “Reporting Period”).

This ESG report is prepared with reference to the Appendix 27 – Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The information disclosed in this report is derived from the result of internal statistics and analysis of the Group’s internal management systems.

The Group is committed to fulfilling its environmental and social obligations while striving for economic growth and creating value for the Company’s shareholders. We focus on strategic priorities in terms of maintaining a peaceful natural environment, creating a harmonized working environment and sustaining an ethical business environment. Through this ESG report, we hope to continually refine our corporate strategy for sustainable business growth, and deliver long-term value for our stakeholders.

SCOPE OF THIS REPORT

The Company is an investment holding company. The principal activities of the Group are distribution and trading of mobile phones and related accessories, development of marketing and after-sales service network (“Mobile Phone Business”) and mining and processing of celestite, zinc and lead minerals (“Mining Business”). Since there were minimal activities in the mining business, this report only covers China Fortune Holdings Limited, Fortune (Shanghai) International Trading Co., Ltd and 浙江澳英信息科技有限公司.

During the year ended 31 December 2019, a change in control of the board of 北京飛鷹暢遊科技有限公司 (“Beijing Feiyang”) comes to a deemed step acquisition from associate to subsidiary. Considered the change became effective on 27 December 2019, the Company decided not to cover Beijing Feiyang in this ESG report.

中國長遠控股有限公司(「本公司»)欣然呈列截至二零一九年十二月三十一日止年度(「報告期»)之環境、社會及管治(「環境、社會及管治»)報告(「環境、社會及管治報告»)。

本環境、社會及管治報告乃參考香港聯合交易所有限公司證券上市規則附錄二十七—環境、社會及管治報告指引(「環境、社會及管治報告指引»)而編製。本報告所披露之資料來自本集團內部管理系統之內部統計與分析之結果。

於努力達致經濟增長及為本公司股東創造價值之同時，本集團致力履行其環境及社會義務。我們所專注的策略性重點為維護平靜自然環境、創造一個和諧工作環境及維持正直營商環境。透過本環境、社會及管治報告，我們希望繼續改善我們的可持續業務增長公司策略，並為持份者帶來長期價值。

本報告之範圍

本公司為投資控股公司。本集團之主要業務為分銷及買賣移動電話及相關配件、發展市場推廣及售後服務網絡(「移動電話業務»),以及天青石、鋅及鉛礦石的開採及加工業務(「採礦業務»)。由於採礦業務進行極少量活動，故本報告僅涵蓋中國長遠控股有限公司、長遠(上海)國際貿易有限公司及浙江澳英信息科技有限公司。

截至二零一九年十二月三十一日止年度內，北京飛鷹暢遊科技有限公司(「北京飛鷹»)董事會控制權變動視為從聯營公司到附屬公司的進一步收購。考慮到該變動於二零一九年十二月二十七日生效，本公司決定於本環境、社會及管治報告中不涵蓋北京飛鷹。

Environmental, Social and Governance Report

環境、社會及管治報告

STAKEHOLDERS ENGAGEMENT

The Group continues to maintain the relationships and communicate with its key stakeholders. We have identified our employees, customers, suppliers, investors, shareholders and communities at large as our key stakeholder groups. In daily business, we communicate with different key stakeholders through various channels such as conferences, electronic platforms and public events so as to understand the concerns of various stakeholders. To formulate the operational strategies and ESG measures, the Group takes into account the expectations of stakeholders and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

STAKEHOLDERS' FEEDBACK

We value your feedback on this report. If you have any feedback or suggestions, please contact us at info@chinafortune.com.

A. THE ENVIRONMENTAL

Our strategy towards the environment is to minimize the impact on the environment with sustainable operations. We place strong emphasis on environmental protection by maximizing the efficiency of resources and reducing pollution. Our sustainable practices encourage employees to be more considerate of the environment by savings on energy consumption and use of materials so that impact on the environment and natural resources can be minimized.

A1. Emissions

Given the nature of our businesses, we do not contribute directly to greenhouse gas ("GHG") emission, discharges into water and land nor the generation of hazardous and non-hazardous waste. However, we recognized that consumption of electricity, paper and petrol at workplaces and by motor vehicles account for our major indirect GHG emissions.

持份者參與

本集團與其主要持份者繼續維持關係及溝通。我們已將僱員、客戶、供應商、投資者、股東及整個社區識別為主要持份者組別。於日常業務中，我們透過會議、電子平台及公共活動等不同渠道與不同主要持份者溝通，從而了解各持份者關注之事宜。為制訂營運策略及環境、社會及管治措施，本集團考慮持份者之期望，並致力透過與持份者互相合作提升其表現，從而為社區創造更大價值。

持份者意見

我們重視閣下對本報告之意見。如閣下有任何意見或建議，請透過info@chinafortune.com與我們聯絡。

A. 環境

我們對環境的策略為盡量以可持續營運減低對環境的影響。我們透過盡量提升資源效益及減少污染而強調環保。我們的可持續發展實踐鼓勵僱員藉節省能源消耗及物料使用而更關愛環境，從而將對環境及天然資源之影響減至最低。

A1. 排放物

鑑於我們的業務性質，我們並無直接排放溫室氣體（「溫室氣體」）、向水及土地排污或產生有害及無害廢棄物。然而，我們確認工作場所及汽車之電力、紙張及汽油消耗為主要間接溫室氣體排放。

Environmental, Social and Governance Report

環境、社會及管治報告

GHG Emissions

During the year, the Group's total greenhouse gas emissions reduced approximately 1.25 tonnes from 33.82 tonnes in 2018 to 32.57 tonnes in 2019. The detailed summary of GHG emission for the year is shown as below:

Scope of GHG 溫室氣體範圍	CO ₂ Emission (Tonnes) 二氧化碳排放(噸)		Intensity – Tonnes per square feet of gross floor area 密度 – 噸/每平方呎樓面面積	
	2019	2018	2019	2018
Scope 1 – Electricity consumption 範圍1 – 電力消耗	29.15	28.44	0.00536	0.00500
Scope 2 – Petrol consumption 範圍2 – 汽油消耗	2.49	3.33	0.00060	0.00081
Scope 3 – Paper Consumption 範圍3 – 紙張消耗	0.93	2.05	0.00017	0.00032
Total GHG emissions 溫室氣體排放總量	32.57	33.82	0.00613	0.00613

Notes:

1. Petrol consumption: according to purchase volume of gasoline and diesel of company vehicle;
2. Electricity consumption: according to electricity bills received by the Company;
3. Paper Consumption: according to purchase volume of paper.

溫室氣體排放

年內，本集團之溫室氣體排放總量由二零一八年的33.82噸減少1.25噸至二零一九年的32.57噸。年內溫室氣體排放之詳細概要列示如下：

附註：

1. 汽油消耗：根據為公司汽車購買之汽油及柴油量計算；
2. 電力消耗：根據本公司收到之電費單計算；
3. 紙張消耗：根據紙張購買量計算。

Environmental, Social and Governance Report

環境、社會及管治報告

To reduce the energy consumption and the amount of carbon emission, we have implemented a number of measures to mitigate such consumption and emission, we reinforced our management of energy conservation in our offices through the ventilation system with a stabilized room temperature at 25 degrees Celsius, as well as reminding employees to turn off any computers, printers, light and other office equipment that are not being used. We try to use daylight wherever possible, and choose energy efficient equipment during procurement. We encourage our employees to travel by public transport to reduce carbon footprint. We advocate a green lifestyle by growing plants in the office. Awareness of environmental protection among our staff was raised through the promotion of green office culture.

Relevant important laws and regulations including the “Energy Conservation Law” and “Environmental Protection Law of the People’s Republic of China” are strictly complied with.

Non-hazardous Waste

The Group generates no hazardous waste in our operation. Non-hazardous wastes from the Group’s operation is mainly the paper waste. During the year, the consumption volume generated by the Group is shown as below:

Category of Non-hazardous waste 無害廢棄物類別	Quantity (Tonnes) 數量 (噸)		Intensity – Tonnes per square feet of gross floor area 密度 – 噸 / 每平方呎樓面面積	
	2019	2018	2019	2018
Paper Waste 紙張廢棄物	0.19	0.43	0.00004	0.00007

The Group has implemented paperless processing in its internal communications. In order to reduce paper consumption, we encourage employees to use duplex printing and copying and therefore, led to a drop of 0.24 tonnes of total paper waste in 2019.

為減少能源消耗及碳排放量，我們已實施一系列措施減少有關消耗及排放。我們透過調整辦公室的通風系統，將室溫控制在攝氏25度，並提醒僱員於不使用時關掉任何電腦、打印機、燈光及其他辦公室設備，以加強管理節約能源。我們於可行情況下嘗試採用日光，並於採購時選擇具能源效益的設備。我們鼓勵僱員乘坐公共交通工具，以減少碳足跡。我們藉於辦公室內種植植物而提倡綠色生活。我們透過宣傳綠色辦公室文化提高員工的環保意識。

我們嚴格遵守相關重要法律及規例，包括「節約能源法」及「中華人民共和國環境保護法」。

無害廢棄物

本集團之營運並無產生有害廢棄物。本集團營運產生之無害廢棄物主要為紙張廢棄物。年內，本集團產生之消耗量列示如下：

本集團已於其內部溝通實施無紙化處理。為減少紙張消耗，我們鼓勵僱員使用雙面打印及影印，故於二零一九年紙張廢棄物減少0.24噸。

Environmental, Social and Governance Report

環境、社會及管治報告

A2. Use of Resources

Energy saving tips and guidelines are in place as a direction on the efficient use of resources throughout daily operations. Our strategy is to reduce resources used in daily office operation, through wise use of energy and water, wastage and paper consumption, as well as promoting the practice of recycle, reuse, reduce, and replace. We recognize the importance of transitioning our operations to bring upon more sustainable options.

Use of Resources

資源使用

Fuel Efficiency
燃料效益

We are committed to replacing old vehicles with more fuel-efficient vehicles.
我們致力將舊汽車更換為更具燃料效益的汽車。

We encourage employees to use telephone conference whenever possible to reduce the carbon footprint of business travel.
我們鼓勵僱員於可行情況下使用電話會議，以減少差旅的碳足跡。

Materials
物料

We encourage to use automatic pencil leads and ball pen refills.
我們鼓勵使用自動鉛筆芯及更換原珠筆筆芯。

We encourage employees to bring their own water bottles instead of using paper cups.
我們鼓勵僱員自備水瓶以取代紙杯。

We promote wise use of toilet paper.
我們推動明智使用廁紙。

We advocate the use of double sided printed to reduce paper wastage.
我們提倡雙面打印以減少浪費紙張。

Water
水

We make sure there is no leakage of taps to conserve water.
我們確保水龍頭並無漏水以節約用水。

A2. 資源使用

我們設有節約能源提示及指引，以於日常營運中指導有效使用資源。我們的策略為透過明智地使用能源及水、廢物及紙張消耗，以及推動循環再造、廢物重用、減少使用及替代使用習慣而減少日常辦公室運作所使用的資源。我們認同改變我們的營運以帶來更多可持續發展選擇的重要性。

Environmental, Social and Governance Report

環境、社會及管治報告

Use of Resources

資源使用

Energy 能源

We maintain the room temperature at 25 degree Celsius to conserve energy.
我們將室溫設定為攝氏25度以節約能源。

We keep the air ventilation system off if the room is vacant.
我們於房間無人時關掉通風系統。

We encourage employees to save energy by turning off lights and electronics when not in use.
我們鼓勵僱員節約能源，並於不使用時關掉燈光及電源。

We remind employees to turn off lights, computers, printers and other office equipment after work.
我們提醒僱員於下班後關掉燈光、電腦、打印機及其他辦公室設備。

We keep track on the power consumption record and take measures when there is significant increase in consumption.
我們監察電力消耗記錄及於出現重大消耗增加時採取措施。

Resources 資源

We encourage employees to reuse plastic bags, recycle glass bottles and aluminum cans.
我們鼓勵僱員重用膠袋、回收玻璃瓶及鋁罐。

Recycling of printer cartridges and toners is implemented.
我們已實施回收打印機墨盒及碳粉盒。

Environmental, Social and Governance Report

環境、社會及管治報告

Energy consumption

During the year, the Group's consumption in petrol and electricity were:

Energy Type 能源類別	Quantity 數量		Unit 單位	Intensity – Unit per square feet of gross floor area 密度 – 單位 / 每平方呎樓面面積	
	2019	2018		2019	2018
Petrol 汽油	1,054.13	1,412.70	litre 公升	0.26	0.34
Electricity 電力	46,270.37	45,145.50	kWh 千瓦時	8.51	7.93

Due to business purpose the electricity consumption during the reporting period has been increased approximately 1,124.87 kWh compared to that in 2018. Regarding the petrol consumption, the Group has reduced 358.57 litre, from 1,412.70 litre in 2018 to 1,054.13 litre in 2019.

Water consumption and use of packaging materials

The Group's water consumption is minimal and no issue in sourcing water for the Group's operation had been noted in the reporting period.

Besides, due to the nature of business, the Group did not involve any use of packaging material and hence the disclosure is not applicable to the Group.

A3. The Environment and Natural Resources

Since our core operations are confined to the office environment, we do not make significant impact on the environment and natural resources. Still, adhering to our policy, we will review in due course to seek for continual improvement, if any.

能源消耗

年內，本集團之汽油及電力消耗為：

由於業務用途，報告期內之耗電量較二零一八年已增加約1,124.87千瓦時。就汽油消耗而言，本集團已由二零一八年的1,412.70公升減少358.57公升至二零一九年的1,054.13公升。

耗水量及包裝材料使用

本集團之耗水量極低，且於報告期內並無注意到就本集團之營運採購水的問題。

此外，鑑於業務性質，本集團並無涉及使用任何包裝材料，因此，有關披露不適用於本集團。

A3. 環境及天然資源

由於我們的核心營運局限於辦公室環境內，我們並無對環境及天然資源造成重大影響。然而，根據我們的政策，我們將於適當時候進行檢討，以作持續改善（如有）。

Environmental, Social and Governance Report

環境、社會及管治報告

B. SOCIAL

B1. Employment

We believe that our employees are valuable assets to the company. In order to build a harmonized working environment, we recognize the importance of fostering a supportive workplace for employees to grow with the company together.

We firmly believe in the principle of equal opportunity for all employees and this is addressed in the staff handbook as our employment policy. We ensure that our recruitment, promotion, compensation, training and dismissal practices are on a fair and equal basis. We do not tolerate any discrimination based on race, religion, sex, marital status, age, national origin, or other considerations deemed inappropriate by local laws. We strictly comply with relevant local laws and regulations relating to hiring, compensation, dismissal, working hours, rest periods and diversity.

We respect and protect the legal rights of employees by abiding to the local laws and regulations including “Labour Law of the People’s Republic of China” and “Labour Contract Law of the People’s Republic of China”, as well as “Employment Ordinance” in Hong Kong.

B2. Health and Safety

Safety always comes first throughout the operation and is the basis of success. Our health and safety approach is to minimize occupational hazards and provide a safe working environment. We have set up procedures for our employees to follow in case of typhoons and severe rainstorms to ensure their safety during the journey from and to work. Access to and egress from workplace is maintained unblocked. First aid box with emergency contact is in place. We did not find any work fatality cases during the reporting period.

B. 社會

B1. 僱傭

我們相信我們的僱員為本公司之寶貴資產。為構建和諧工作環境，我們認同營造一個給予僱員支持的工作環境相當重要，以讓僱員與本公司一起成長。

我們堅信為所有僱員提供平等機會的原則，並已將其載入員工手冊作為我們的僱傭政策。我們確保招聘、晉升、薪酬、培訓及解僱慣例乃按公平及平等基準進行。我們絕不容忍因種族、宗教、性別、婚姻狀況、年齡、國籍或當地法律視為不恰當的其他因素的任何歧視行為。我們嚴格遵守有關招聘、薪酬、解僱、工時、假期及多元化方面的相關當地法律及規例。

我們透過遵守當地法律及規例，包括「中華人民共和國勞動法」及「中華人民共和國勞動合同法」以及香港「僱傭條例」而尊重及保障僱員的法定權利。

B2. 健康與安全

安全一直是營運過程中的首要考量，並為成功之本。我們的健康與安全方針為將職業性危害減至最低，並提供安全工作環境。我們已制定在颱風及暴雨下的程序，為僱員提供指引，確保他們安全往返工作地點，而進入及離開工作地點不受阻撓。我們設有急救箱及緊急聯絡電話。我們於報告期內並無任何因工死亡事故。

Environmental, Social and Governance Report

環境、社會及管治報告

Apart from physical health, we also take care of the mental health of our employees as well. Paid annual leaves higher than the statutory requirement are offered to enhance the work-life balance. In addition, we have lunch gathering during special festivals such as the winter solstice and the Christmas Eve. We arrange birthday parties for our employees to maintain their spirit in a pleasant working environment.

In order to comply with the “Employees’ Compensation Ordinance” and “Regulation on Work-Related Injury Insurances”, all employees are covered by insurance against any accidents.

B3. Development and Training

The Group encourages continuous learning within our employees and puts emphasis on their holistic development. All new joiners are required to undergo an induction briefing regarding corporate culture, company’s policy and procedure, health and safety, basic knowledge about the Group’s operation and system. Measures on professional training, enhancing leadership and talent team building are available for employees to achieve their personal goals while growing with the Group.

A performance appraisal is in place to review the employees’ performance annually. This provides an opportunity between the company and the employees to communicate so that we can meet employees’ expectations and objectives.

除身體健康外，我們亦關懷僱員的心理健康。我們提供較法定規定更高之有薪年假，以提升工作生活平衡。此外，我們於冬至及聖誕節前夕等特別節日舉行午餐聚會。我們為僱員安排生日派對，以於愉快的工作環境維持士氣。

為遵守「僱員補償條例」及「工傷保險條例」，我們已為所有僱員投購涵蓋任何意外的保險。

B3. 發展及培訓

本集團鼓勵僱員持續學習，並著重他們的整體發展。所有新入職者均須接受有關企業文化、公司政策及程序、健康與安全、有關本集團營運及系統之基本知識之入職簡介。我們向僱員提供專業培訓、提升領導才能及人才隊伍建設措施，以於與本集團共同成長之同時達成個人目標。

我們設有表現評估以每年審閱僱員的表現。此舉提供本公司與僱員溝通之機會，從而令我們可達成僱員期望及目標。

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環境、社會及管治報告

B4. Labour Standards

Child and forced labour are strictly prohibited in the workplace. Stringent hiring procedures and processes are enforced to verify the legal proof of age before commencement of work. The Group has strictly complied with the Labour Contract Law of PRC, the Hong Kong employment laws and other relevant laws and regulations to avoid child or forced labour and other potential irregularities. We do not adopt any kind of forced labour including prison labour as supplier. During the reporting period, we did not find any issues with child and forced labour.

B5. Supply Chain Management

One of our procurement principles towards sustainability is to ensure that our procurement system can manage any environmental and social risks in the supply chain. In order to maintain sustainability as well as quality, our strategy is to build a long-term relationship with suppliers. We continue to monitor the existing suppliers' performances to ensure their quality and performance is up to our standard. New suppliers have to undergo assessment and evaluation before being adopted.

Green procurement has been our procurement approach. In the process of sourcing materials, we require that components used by the suppliers be in full compliance with environmental protection requirements, in accordance with national and industry standards.

B6. Product/service Responsibility

Product and service

Quality is the key component to take shape of customer satisfaction. With regard to product quality, we ensure that all products should comply with national standards including China Compulsory Certification (CCC) in terms of testing certificates issued by accredited laboratory.

B4. 勞工準則

我們於工作場所內嚴禁童工或強制勞工。我們執行嚴格招聘程序及流程，以於開工前核實法定年齡證明文件。本集團已嚴格遵守中國勞動合同法、香港僱傭條例及其他相關法例及法規，以避免童工或強制勞工及其他潛在違規行為。我們並不接納任何形式的強制勞工（包括犯人勞工）作為供應商。於報告期內，我們並無發現任何童工或強制勞工事宜。

B5. 供應鏈管理

我們達致可持續發展的其中一項採購原則為確保我們的採購系統可管理供應鏈內的任何環境及社會風險。為維持可持續發展及質素，我們的策略為與供應商建立長期關係。我們不斷監察現有供應商的表現，以確保其質素及表現符合我們的標準。新供應商於獲採用前須接受評核及評估。

綠色採購一直為我們的採購方針。於採購物料過程中，我們要求供應商採用的部件根據國家及業內標準全面符合環保規定。

B6. 產品／服務責任

產品及服務

質素為令客戶滿意的關鍵所在。就產品質素而言，我們確保所有產品應符合國家標準，包括就認可實驗室發出之測試證書遵守中國強制性認證(CCC)。

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We value customers' feedback, as this is the driving force for our continual improvement. Once a complaint is received, we will take prompt actions to investigate the issue and carry out remedial action plans.

Customer privacy

Customer information is treated as confidential data in the Group. Only core staff of relevant department are granted permissions to access according to different hierarchy and locations. The Group has the right to executive disciplinary actions on employees who violate the rules stipulated in the employee handbook.

Intellectual property

The Group endeavours to protect intellectual rights by different measures. We actively monitor any infringement in terms of counterfeit goods across the country with people's court and public bodies. In addition, we renew the registration of any expiring trademarks and patents based on the need of our business. We strictly abide by relevant laws and regulations, including the "Copyright Law of the People's Republic of China" and "Trademark Law of the People's Republic of China".

Advertising and labelling

Systematic review and approval process is in place before advertisement launch to the market to safeguard accurate presentation and protect customers. Appropriate safety warnings are attached on the product packaging for consumers' information.

We are in accordance with relevant laws and regulations including "Advertising Law of People's Republic of China" and "Law of the People's Republic of China on the Protection of Consumer Rights and Interests". There are no breaches of laws and regulations relating to health and safety, advertising, labelling and privacy matters in connection with our products and services provided during the reporting period.

我們重視客戶的意見，此乃我們不斷改善的推動力。一旦接獲投訴，我們將及時採取行動以調查事件及實施補救行動計劃。

客戶私隱

本集團將客戶資料視作機密資料。僅相關部門的核心員工獲准根據職級及地點進行查閱。本集團有權對違反僱員手冊所載規則的僱員採取紀律處分。

知識產權

本集團透過不同措施致力保障知識產權。我們與人民法院及公共機構共同積極監察全國範圍內任何侵犯知識產權的假貨。此外，我們根據業務需要更新任何到期商標及專利註冊。我們嚴格遵守相關法律及規例，包括「中華人民共和國著作權法」及「中華人民共和國商標法」。

廣告及標籤

我們於向市場推出廣告前進行系統性審閱及批准程序，以確保準確陳述及保障客戶。產品包裝上已貼上適當安全警告，以供消費者參考。

我們遵守相關法律及規例，包括「中華人民共和國廣告法」及「中華人民共和國消費者權益保護法」。我們於報告期內提供的產品及服務概無違反有關健康與安全、廣告、標籤及私隱事宜的法律及規例。

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B7. Anti-corruption

Anti-corruption is the cornerstone of the business and sustainability, which at the same time the most material topics rated by our stakeholders. Stringent policies are stipulated in the employee handbook in relation to compliance with the “Prevention of Bribery Ordinance”, such as soliciting or accepting any advantages in the business operations, to ensure employees’ actions abide by our internal regulations. Procedures are established to minimize corruption risks related to bribery, extortion, fraud and money laundering in the business operation. Internal control mechanism is in place for monitoring. We did not have any concluded legal cases regarding corrupt practices during the reporting period.

B8. Community Investment

As a corporate citizen, we are responsible for driving a positive impact to the community. We create job opportunities and promote economic growth in the local communities through our business and operation. We encourage employees to participate actively in voluntary services during their leisure time to help people in need. We are under the process of formulating a policy on community engagement.

B7. 反貪污

反貪污為業務及可持續發展的基石，其同時為持份者所評定的最重要議題。僱員手冊內已訂定有關遵守「防止賄賂條例」的嚴格政策，如於業務營運中索取或接受任何利益，以確保僱員的行為遵守內部規例。我們已制定程序以盡量減低於業務營運中有關賄賂、勒索、欺詐及洗黑錢之貪污風險。我們已設立內部監控機制以作監察。於報告期內，我們並無任何有關貪污行為的已審結法律案件。

B8. 社區投資

作為企業公民，我們有責任推動社區正面發展。透過我們的業務及營運，我們於當地社區創造就業機會及促進經濟增長。我們鼓勵僱員於空閒時間積極參與志願服務，以協助有需要人士。我們正在制定社區參與政策。

Directors' Report

董事會報告書

The directors present their annual report and audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 41 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on page 84 of the annual report.

No interim dividend was declared during the year. The directors do not recommend the payment of a final dividend.

PLANT AND EQUIPMENT

Details of movements during the year in the plant and equipment of the Group are set out in note 17 to the consolidated financial statements.

SHARE CAPITAL

Details of the share capital of the Company are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

In the opinion of the directors, the Company's reserves available for distribution to shareholders as at 31 December 2019 and 31 December 2018 consisted of contributed surplus and accumulated profits were nil.

董事謹提呈截至二零一九年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其主要附屬公司之主要業務載於綜合財務報表附註41。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載於本年報第84頁之綜合全面收入表。

年內概無宣派任何中期股息。董事並不建議派付末期股息。

廠房及設備

本集團年內廠房及設備之變動詳情載於綜合財務報表附註17。

股本

本公司之股本詳情載於綜合財務報表附註29。

本公司之可供分派儲備

董事認為，本公司於二零一九年十二月三十一日及二零一八年十二月三十一日可用以分派予股東之儲備（包括實繳盈餘及累計溢利）為零。

Directors' Report 董事會報告書

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS

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

Executive directors:

Mr. Lau Siu Ying (*Chairman*)
Mr. Wang Yu
Mr. Gao Fei
(*appointed on 27 December 2019*)

Non-executive director:

Mr. Bao Kang Rong

Independent Non-executive directors:

Dr. Law Chun Kwan
Mr. Lam Man Kit
Dr. Lo Wai Shun

In accordance with bye-law 86(2) and bye-law 87 of the Company's bye-laws, Mr. Gao Fei and Dr. Law Chun Kwan shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election, respectively.

None of the directors being proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

根據百慕達一九八一年公司法(經修訂),本公司之實繳盈餘(如有)可用以分派。然而,在下列情況下,本公司不得以實繳盈餘宣派或派付股息或作出分派:

- (a) 於付款後無法或將無法支付到期之負債;或
- (b) 資產之可變現價值因而少於負債與已發行股本及股份溢價賬之總和。

董事

本公司於本年度及直至本報告日期止之董事如下:

執行董事:

劉小鷹先生(主席)
王愚先生
高飛先生
(於二零一九年十二月二十七日獲委任)

非執行董事:

鮑康榮先生

獨立非執行董事:

羅振坤博士
林文傑先生
勞維信博士

根據本公司之公司細則之細則第86(2)條及細則第87條,高飛先生及羅振坤博士將分別於應屆股東週年大會上任滿告退,惟符合資格並願重選連任。

擬於應屆股東週年大會上重選連任之董事概無與本公司或其任何附屬公司訂立於一年內不可由本集團毋須補償(法定補償除外)而終止之服務合約。

Directors' Report

董事會報告書

The term of office of each of the non-executive director and independent non-executive directors is the date up to his retirement by rotation in accordance with the Company's by-laws.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES AND UNDERLYING SHARES

At 31 December 2019, the interests and short positions of the directors, the chief executive and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Ordinary shares of HK\$0.10 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
董事姓名	身份	所持已發行普通股數目	佔本公司已發行股本百分比
Mr. Lau Siu Ying ("Mr. Lau") 劉小鷹先生(「劉先生」)	Held by a discretionary trust (Note)	188,300,013	20.52%
	全權信託持有(附註)		
	Beneficial owner	259,996,285	28.33%
	實益擁有人		
		448,296,298	48.85%

各非執行董事及獨立非執行董事之任期直至根據本公司之公司細則須輪席告退之日止。

董事及行政總裁於股份及相關股份之權益

於二零一九年十二月三十一日，董事、行政總裁及彼等聯繫人於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份及相關股份中擁有須根據證券及期貨條例第XV部第7及第8分部知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉（包括彼等根據證券及期貨條例有關條文而被當作或視作擁有之權益及淡倉）；或須記入本公司根據證券及期貨條例第352條存置之登記冊的權益及淡倉；或根據有關上市公司董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

本公司每股面值0.10港元之普通股

Directors' Report 董事會報告書

Note:

These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust, the beneficiaries of which include Mr. Lau, his spouse and his children.

The interest disclosed above represents long positions in the shares and underlying shares of the Company or its associated corporations.

Save as disclosed above, none of the directors, chief executives nor their associates had any interests or short positions in any shares or underlying shares of the Company or any of its associated corporations as defined in the SFO at 31 December 2019.

SHARE OPTIONS

As at 31 December 2019, there were no share options outstanding.

ARRANGEMENT TO PURCHASE SHARES OR DEBENTURES

Other than the share option scheme disclosed above, at no time during the year was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. None of the directors, their spouses or children under the age of 18 had any rights to subscribe for the securities of the Company or had exercised any such rights during the year.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 37 to the consolidated financial statements, other transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, were entered into or subsisted during the year ended 31 December 2019.

附註：

該等股份由在英屬處女群島註冊成立之公司Future 2000 Limited持有，而該公司由受益人包括劉先生、其配偶及其子女的全權信託持有。

上文所披露之權益指本公司或其相聯法團之股份及相關股份的好倉。

除上文所披露者外，董事、行政總裁或彼等之聯繫人於二零一九年十二月三十一日概無擁有本公司或其任何相聯法團（定義見證券及期貨條例）之任何股份或相關股份之權益或淡倉。

購股權

於二零一九年十二月三十一日，並無尚未行使的購股權。

購買股份或債券之安排

除上文披露之購股權計劃外，於年內任何時間本公司、其控股公司或任何附屬公司概無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。董事、彼等之配偶或未滿18歲之子女於年內概無擁有任何可認購本公司證券之權利，亦不曾行使任何該等權利。

董事於交易、安排或合約之權益

除綜合財務報表附註37所披露者外，截至二零一九年十二月三十一日止年度，本公司簽訂或維持有關本公司業務，且本公司為訂約方及本公司的董事直接或間接擁有重大權益的其他重大交易、安排或合約。

Directors' Report

董事會報告書

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 as at 31 December 2019.

SUBSTANTIAL SHAREHOLDERS

The register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, as at 31 December 2019, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

Ordinary shares of HK\$0.10 each of the Company

Name of substantial shareholder	Capacity	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1) 全權信託持有(附註1)	188,300,013	20.52%
	Beneficial owner 實益擁有人	259,996,285	28.33%
		448,296,298	48.85%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2) 受控制實體持有(附註2)	188,300,013	20.52%

Notes:

- These shares are held by Future 2000 Limited, a company incorporated in the British Virgin Islands which in turn is held by a discretionary trust. The beneficiaries of the discretionary trust include Mr. Lau, his spouse and his children.
- Under the SFO, Mr. Lee Wai, Timothy is deemed to have interests in the shares of the Company as he is entitled to exercise more than one-third of the voting power at general meetings of Future 2000 Limited.

管理合約

於二零一九年十二月三十一日，概無已訂立或存續之有關本公司全部或任何重大部分業務之管理及行政之合約。

主要股東

按照本公司根據證券及期貨條例第336條所存置之主要股東名冊列示，於二零一九年十二月三十一日，本公司獲悉下列股東在本公司已發行股本中擁有相關權益。

本公司每股面值0.10港元之普通股

Name of substantial shareholder	Capacity	Number of issued ordinary shares held 所持已發行普通股數目	Percentage of the issued share capital of the Company 佔本公司已發行股本之百分比
Mr. Lau 劉先生	Held by a discretionary trust (Note 1) 全權信託持有(附註1)	188,300,013	20.52%
	Beneficial owner 實益擁有人	259,996,285	28.33%
		448,296,298	48.85%
Mr. Lee Wai, Timothy 李偉先生	Held by controlled entity (Note 2) 受控制實體持有(附註2)	188,300,013	20.52%

附註：

- 該等股份由在英屬處女群島註冊成立之公司 Future 2000 Limited 持有，而該公司由一項全權信託持有。該全權信託之受益人包括劉先生、其配偶及其子女。
- 根據證券及期貨條例，由於李偉先生有權於 Future 2000 Limited 之股東大會上行使三分之一以上投票權，故彼被視為於本公司股份擁有權益。

Directors' Report 董事會報告書

CONFIRMATION OF INDEPENDENCE

The Company has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considers all of the independent non-executive directors are independent.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019:

- (1) The aggregate sales attributable to the Group's five largest customers and the largest customer represent approximately 69% and 19%, respectively, of the Group's total revenue;
- (2) The aggregate purchases attributable to the Group's five largest suppliers and the largest supplier represent approximately 96% and 38%, respectively, of the Group's total purchase.

At no time during the year did a director, an associate of a director or a shareholder of the Company which to the knowledge of the directors, own more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest suppliers and customers.

獨立性確認

本公司已收到各獨立非執行董事按照聯交所證券上市規則（「上市規則」）第3.13條就其獨立性而提交之年度確認函。本公司認為，所有獨立非執行董事均屬獨立人士。

優先購買權

本公司之公司細則或百慕達法例並無有關本公司須按比例向現有股東發售新股份的優先購買權條文。

購買、出售或贖回本公司之上市證券

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

主要客戶及供應商

截至二零一九年十二月三十一日止年度：

- (1) 本集團向五大客戶及最大客戶所作出之銷售總額分別約佔本集團收入總額之69%及19%；
- (2) 本集團向五大供應商及最大供應商所作出之採購總額分別約佔本集團採購總額之96%及38%。

於年內任何時間，董事、其聯繫人或據董事所知擁有本公司已發行股本5%以上之本公司股東，概無擁有本集團任何五大供應商及客戶之實益權益。

Directors' Report

董事會報告書

CORPORATE GOVERNANCE

Save as disclosed in the Corporate Governance Report on pages 31 to 51 of this annual report, the Company has complied throughout the year with the Code on Corporate Governance Practices and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules which were then in force during the respective periods.

Detailed information on the Company's corporate governance practices is also set out in the Corporate Governance Report.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee having regard to the Company's operating results, individual performance and comparable market statistics.

The Group has a share option scheme under which the Company may grant share options to the participants, including directors and employees, to subscribe for shares of the Company, details of the scheme is set out in note 31 to the consolidated financial statements.

KEY RISKS AND UNCERTAINTIES

The Board acknowledges its responsibility for the effectiveness of the internal control and risk management systems of the Group, which are designed to manage the risk of failure to achieve business objectives and provide reasonable assurance against material misstatement or loss.

企業管治

除本年報第31至51頁之企業管治報告書所披露者外，本公司於年內一直遵從於相關時期當時生效之上市規則附錄十四所載之企業管治常規守則及企業管治守則。

本公司企業管治常規之詳細資料亦載於企業管治報告書內。

酬金政策

本集團之僱員酬金政策由薪酬委員會制定，以僱員之優點、資歷及才幹為基準。

本公司董事之酬金由薪酬委員會經考慮本公司之經營業績、個人表現及可資比較市場數據而釐定。

本集團設有一項購股權計劃，據此本公司可向董事及僱員等參與者授出購股權，以認購本公司股份，計劃詳情載於綜合財務報表附註31。

主要風險及不明朗因素

董事會知悉其維持本集團內部監控及風險管理系統有效性之責任。該等系統旨在管理未能達成業務目標之風險，並針對重大失實陳述或損失提供合理保證。



Directors' Report 董事會報告書

Business Risk

The Group's business risks include rapid change in the general market conditions, downturn pressure on the overall economy of the PRC and price competition from other market players. The Board is responsible for the overall management of the business and review of material business decisions involving material risks exposures from time to time.

Financial Risk

The Board monitors closely the Group's currency risk, interest rate risk, credit risk, and liquidity risk. The Board also reviews monthly management accounts, capital structure and key operating data of the Group.

Compliance Risk

The Board monitor and ensure that the Group is in compliance with the applicable laws, rules and regulations. The Group engages professionals from time to time to keep abreast of the latest developments in the regulatory environment, including legal, financial, environmental and operational developments. The Group also adopts a strict policy in prohibiting any unauthorised use or dissemination of confidential or inside information.

The Board has reviewed the effectiveness of the Group's internal control and risk management systems covering business, financial and compliance risks of the Group and is satisfied that such systems are effective and adequate for the current operations of the Group.

業務風險

本集團之業務風險包括整體市場狀況之急劇變化、中國整體經濟之下行壓力及其他市場參與者之價格競爭。董事會負責業務整體管理及不時檢討涉及重大風險之重大業務決策。

財務風險

董事會密切監察本集團之貨幣風險、利率風險、信貸風險及流動資金風險。董事會亦審閱本集團之每月管理賬目、資本架構及主要營運數據。

合規風險

董事會監察並確保本集團遵守適用法律、規則及法規。本集團不時委聘專業人員以掌握監管環境之最新發展，包括法律、財務、環境及營運發展。本集團亦採取嚴格政策，禁止任何未經授權使用或發佈機密資料或內幕消息。

董事會已審閱本集團內部監控及風險管理系統之有效性，涵蓋本集團之業務、財務及合規風險，並信納該等系統就本集團之現時營運而言屬有效及充足。

Directors' Report

董事會報告書

SOCIAL RESPONSIBILITIES AND SERVICES AND ENVIRONMENTAL POLICY

The Group is committed to the long-term sustainability of its businesses and the communities with which it engages. The Group pursues this business approach by managing its business prudently and executing management decisions with due care and attention. The Group keeps on reviewing environmental issues in its operations from time to time.

For details, please refer to section headed "Environmental, Social and Governance Report" on pages 52 to 63 of this annual report.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2019.

RELATED PARTY TRANSACTIONS/CONNECTED TRANSACTIONS/CONTINUING CONNECTED TRANSACTIONS

Details of the related party transactions of the Group are set out in note 37 to the consolidated financial statements. Save in the notes to the consolidated financial statements, the Group has not entered into any connected transaction or continuing connected transaction which should be disclosed pursuant to the requirements under Chapter 14A of the Listing Rules during the year ended 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2019.

社會責任與服務及環境政策

本集團致力於業務及經營所在社區之長期可持續發展。本集團之業務經營方針為審慎管理業務並盡責專注地執行管理決策。本集團持續不時檢討其營運之環境事宜。

有關詳情請參閱本年報第52至63頁之「環境、社會及管治報告」一節。

審核委員會審閱

審核委員會已審閱本集團採納之會計原則及政策，並與管理層討論本集團之風險管理、內部監控及財務申報事宜。審核委員會已審閱本集團截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

關連人士交易／關連交易／持續關連交易

有關本集團關連人士交易詳情載於綜合財務報表附註37。除綜合財務報表附註外，截至二零一九年十二月三十一日止年度，本集團概無簽訂根據上市規則第十四A章規定須予披露之任何關連交易或持續關連交易。

足夠公眾持股量

本公司於截至二零一九年十二月三十一日止年度內一直維持足夠的公眾持股量。

Directors' Report 董事會報告書

EVENTS AFTER THE REPORTING PERIOD

Outbreak of novel coronavirus (the "COVID-19")

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which this set of financial statements were authorised for issue, the COVID-19 outbreak has been intensifying and spreading across the PRC, weighing on the PRC wholesale and retail markets. There is an ongoing concern regarding the development and government advices related to, or restrictions on, travel to and from regions, which hinders customers making sales order, disrupted the logistics of the supply chain for our distribution and the movement of goods and people within the PRC. The Group will keep continuous attention on the change of situation and make timely response and adjustments in the future.

The Group does not have other significant subsequent events after the reporting period.

AUDITOR

A resolution will be submitted to the annual general meeting of the Company to re-appoint BDO Limited as auditor of the Company.

報告期後事項

新型冠狀病毒（「COVID-19」）疫情爆發

COVID-19疫情於二零二零年初爆發之後，一系列預防及控制措施已經並繼續在全國實施。本集團將密切關注COVID-19疫情發展並評估其對本集團財務狀況及經營業績之影響。截至該等財務報表獲授權刊發日期，COVID-19疫情已加劇並在中國蔓延，對中國批發及零售市場造成壓力。公眾對來往有關地區的限制之相關進展及政府建議存在持續憂慮，該等情況阻礙了客戶訂購銷售單，擾亂了本集團在中國境內的分銷供應鏈物流及貨物和人員流動。未來本集團將持續關注形勢變化並及時進行應對及調整。

報告期後本集團並無其他重大後續事件。

核數師

本公司將於股東週年大會上提呈續聘香港立信德豪會計師事務所有限公司為本公司核數師之決議案。

Directors' Report

董事會報告書

APPRECIATION

The Group would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, and they are the key factors for the Group to continue its success in future. Also, the Group wishes to extend its gratitude for the continued support from its shareholders, customers, and business partners. The Group will continue to deliver sustainable business development, so as to meet its business objectives for 2020 and realise higher values for its shareholders and other stakeholders.

On behalf of the Board

Lau Siu Ying

CHAIRMAN

Hong Kong, 17 July 2020

致謝

本集團謹此衷心感謝全體員工為本集團發展所付出的卓越貢獻。董事會在此對管理層勤懇的奉獻及付出致以衷心感謝，彼等為本集團未來取得持續成功的關鍵。此外，本集團亦對各股東、客戶及業務夥伴的持續支持深表謝意。本集團將繼續致力於業務的可持續增長，以達成其於二零二零年的業務目標，並為其股東及其他持份者實現更高價值。

代表董事會

劉小鷹

主席

香港，二零二零年七月十七日

Independent Auditor's Report 獨立核數師報告



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TO THE SHAREHOLDERS OF CHINA FORTUNE HOLDINGS LIMITED

中國長遠控股有限公司

(incorporated in Bermuda with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of China Fortune Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 84 to 210, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter 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 the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中國長遠控股有限公司列位股東

(於百慕達註冊成立之有限公司)

保留意見

本核數師行已審核載列於第84至210頁中國長遠控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,包括於二零一九年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合全面收入表、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。

吾等認為,除吾等的報告「保留意見之基準」一節所述事項的可能影響外,綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公允地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況以及其於截至該日止年度之綜合財務表現及其綜合現金流量,並已遵照香港公司條例之披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告

BASIS FOR QUALIFIED OPINION

As described in Note 24 to the consolidated financial statements included in the Group's trade and other receivables as at 31 December 2019 were advances of HK\$3,366,000 (the "Advance") to Mr. Dai's mother ("Mrs. Dai"). Mr. Dai is a non-controlling shareholder of one of the Group's subsidiary.

As described in Note 37(a) to the consolidated financial statements included in the Group's amounts due from related parties as at 31 December 2019 was amount of HK\$8,960,000 due from a company which is wholly owned by Mr. Dai (the "Debt").

The Advance and the Debt were unsecured, non-interest bearing and repayable on demand. As at 31 December 2019, the directors of the Company considered the credit risk of the Advance and the Debt have not increased significantly since initial recognition and the loss allowance for the Advance and the Debt were measured at an amount equal to 12-month expected credit losses. In the opinion of the directors, the 12-month expected credit losses in respect of the Advance and the Debt were immaterial and therefore no loss allowance has been recognised as at 31 December 2019.

During our course of audit, the directors of the Company have not provided us with adequate information about their assessment conclusion that the credit risk of the Advance and the Debt have not increased significantly since initial recognition. In addition, no reliable and supportable information in respect of the estimation of the 12-month expected credit losses of the Advance and the Debt were provided to us by the directors of the Company. We were therefore unable to obtain sufficient appropriate audit evidence we considered necessary to assess the appropriateness of the directors' expected credit losses allowance assessment on the Advance and the Debt. Given these scope limitations, we were unable to determine whether the directors' estimation of expected credit loss allowance on the Advance and the Debt has followed the Group's accounting policies as detailed in Note 4 to the consolidated financial statements, which are required by Hong Kong Financial Reporting Standard 9 "Financial Instruments".

Recognition of expected credit loss allowance in respect of the Advance or the Debt as at 31 December 2019 found necessary would increase the Group's loss for the year and its net liabilities as at 31 December 2019, and would affect the related disclosures thereof in the consolidated financial statements.

保留意見之基準

如綜合財務報表附註24所述，貴集團於二零一九年十二月三十一日之應收貿易賬款及其他應收賬款包括向戴先生母親（「戴夫人」）作出的墊款3,366,000港元（「該墊款」）。戴先生乃貴集團附屬公司之非控制性股東。

如綜合財務報表附註37(a)所述，貴集團於二零一九年十二月三十一日之應收附屬公司非控制性股東款項包括應收戴先生全資擁有之款項8,960,000港元（「該債務」）。

該墊款及該債務均為無待遇、不計息及須按要求償還。於二零一九年十二月三十一日，貴公司董事認為，該墊款及該債務的信貸風險尚未大幅增加，原因為該墊款及該債務虧損撥備的初始確認按相當於12個月預期信貸虧損的金額計量。董事認為，有關該墊款及該債務的12個月預期信貸虧損甚微，因此，於二零一九年十二月三十一日並無已確認虧損撥備。

於吾等的審核過程中，貴公司董事尚未向我們提供有關彼等評估結論的充足資料，而評估結論是該墊款及該債務的信貸風險自初始確認以來尚未大幅增加。此外，貴公司董事並無向我們提供有關該墊款及該債務12個月預期信貸虧損估計的可靠及支持性資料。因此，吾等無法獲得吾等認為評估董事對該墊款及該債務預期信貸虧損撥備的評估的適當性屬必要之充足及適當的審核證據。鑒於該等範圍限制，吾等無法釐定董事對該墊款及該債務預期信貸虧損撥備的估計是否遵從綜合財務報表附註4所詳述的貴集團會計政策（香港財務報告準則第9號「金融工具」有所規定）。

倘發現有必要確認於二零一九年十二月三十一日有關該墊款及該債務的預期信貸虧損撥備，則會增加貴集團於有關年度的虧損及其於二零一九年十二月三十一日的負債淨額，並會影響其於綜合財務報表的相關披露資料。

Independent Auditor's Report 獨立核數師報告

We conducted our audit in accordance with the Hong Kong Standards on Auditing (“HKSAAs”) 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.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the “Basis for Qualified Opinion” section above, we were not able to obtain sufficient appropriate evidence about the expected credit loss allowance assessment on the Advance and the Debt. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

吾等已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審核。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節作進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則（「守則」），吾等獨立於貴集團，並已履行守則中的其他道德責任。吾等相信，吾等所獲得的審計憑證能充足及適當地為吾等的保留意見提供基礎。

年報內之其他資料

董事須對其他資料負責。其他資料包括貴公司年報所載的資料，但不包括綜合財務報表及吾等就此發出的核數師報告。

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

在吾等審核綜合財務報表時，吾等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吾等在審核過程中所了解的情況存在重大不符，或可能存在重大錯誤陳述。

倘基於吾等已進行之工作，吾等之結論為該其他資料存在重大錯誤陳述，則吾等須報告有關事實。如上文「保留意見之基準」一節所述，吾等無法獲得有關該墊款及該債務預期信貸虧損撥備評估的充足及適當證據。因此，吾等無法就其他資料是否重大遺漏該等事項得出結論。

Independent Auditor's Report

獨立核數師報告

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. In addition to the matter described in the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

關鍵審核事項

關鍵審核事項為根據吾等的專業判斷，認為於吾等審核本期間之綜合財務報表時最為重要之事項。該等事項在吾等審核整體綜合財務報表及達致意見時進行處理。吾等不會對該等事項提供單獨意見。除「保留意見之基準」一節所述的事項外，吾等釐定下文所述的事項為於吾等報告中傳達的關鍵審核事項。

Key audit matters

關鍵審核事項

How the matter was addressed in our audit

吾等之審核如何處理有關事項

Revenue recognition relating to sales of goods

有關貨品銷售之收益確認

Please refer to notes 4 and 8 to the consolidated financial statements

請參閱綜合財務報表附註4及8

The Group's revenue was derived from sales of mobile phones.

貴集團之收益來自移動電話銷售。

Our procedures on the revenue recognition relating to sales of goods included:

吾等就有關貨品銷售之收益確認進行之程序包括：

- (i) inspecting sales and purchase agreements, on a sample basis, to understand the terms of delivery and assess whether management recognised the related revenue in accordance with the Group's accounting policies, with reference to the requirements of the prevailing accounting standards;
- (ii) 抽樣檢查買賣協議，以了解交付條款及評估管理層是否根據貴集團之會計政策並參考現行會計準則之規定確認有關收益；

Independent Auditor's Report 獨立核數師報告

Key audit matters

關鍵審核事項

How the matter was addressed in our audit

吾等之審核如何處理有關事項

Revenue recognition relating to sales of goods

有關貨品銷售之收益確認

Management inspected the contract terms and determined the amount of revenue recognised during the year is dependent on the point in time when control of the goods is transferred to the customer, generally when the goods are delivered to and the risks of obsolescence and loss have been transferred to customer.

管理層檢查合約條款，並釐定年內確認之收益金額是否視乎貨品轉讓予客戶之時間點（一般為貨品交付予客戶以及過時及損失之風險轉移至客戶時）而定。

We identified the recognition of revenue as a key audit matter because of its significance to the Group and errors in the recognition of revenue could have a material impact on the Group's results.

吾等將收益確認識別為關鍵審核事項乃由於其對 貴集團之重要性以及收益確認誤差可對 貴集團之業績造成重大影響。

- (ii) assessing, on a sample basis, whether sales transactions recorded during the financial year had been recognised properly by inspecting the transactions selected with relevant underlying documentations;
- (ii) 抽樣評估於財政年度入賬之銷售交易是否妥為確認，方式為以相關文件檢查所選定之交易；
- (iii) assessing, on a sample basis, whether sales transactions before and after the financial year end had been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentations; and
- (iii) 抽樣評估財政年度末前後之銷售交易是否已於適當期間確認，方式為以相關文件比較所選定之交易；及
- (iv) reviewing if there is any significant adjustments to revenue during the reporting period, understanding the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentations.
- (iv) 審閱報告期內之收益有否作出任何重大調整，了解有關調整之理由，並以相關文件比較調整詳情。

Independent Auditor's Report

獨立核數師報告

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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 HKSAAs 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.

董事就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製，及真實公允地列報綜合財務報表，並落實其認為編製該等綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

於編製綜合財務報表時，董事須負責評估 貴集團持續經營之能力、披露（如適用）有關持續經營之事宜，並使用持續經營基準之會計處理方法，除非董事擬將 貴集團清盤或終止經營或除此以外別無實際可行之替代方案。

董事亦須負責監察 貴集團之財務報告程序。審核委員會則就此協助董事履行彼等之職責。

核數師就審核綜合財務報表須承擔之責任

吾等的目標為合理核證整體而言綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含吾等意見的核數師報告。本報告僅根據百慕達一九八一年《公司法》第90條為 閣下（作為整體）而編製，並無其他用途。吾等並不就本報告的內容對任何其他人士承擔任何義務或負上任何責任。

合理核證屬高層次的核證，但不能保證根據香港審計準則進行的審核工作總能發現所存在的重大錯誤陳述。錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，被視為重大錯誤陳述。

Independent Auditor's Report 獨立核數師報告

As part of an audit in accordance with HKSAAs, 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.
- 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.

吾等根據香港審計準則進行審核的工作之一為運用專業判斷，在整個審核過程中抱持職業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致重大錯誤陳述的風險，因應這些風險設計及執行審核程序，以及獲得充足及適當的審核憑證為吾等的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、失實陳述或凌駕內部控制，因此未能發現由此造成重大錯誤陳述的風險比未能發現由於錯誤而導致重大錯誤陳述的風險更高。
- 了解與審核有關的內部控制，以設計適合當時情況的審核程序，但並非旨在對貴集團內部監控的有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作出的會計估計和相關披露是否合理。
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有可能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。倘若吾等總結認為有重大不確定因素，吾等須在核數師報告中提請注意綜合財務報表內的相關披露資料，或倘相關披露不足，則修改吾等之意見。吾等的結論是基於截至核數師報告日期所獲得的審核憑證。然而，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。

Independent Auditor's Report 獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

- 評估綜合財務報表（包括資料披露）的整體列報、架構和內容，以及綜合財務報表是否已公允地反映相關交易及事項。
- 就 貴集團內各實體或業務活動的財務資料獲得充足恰當的審核憑證，以就綜合財務報表發表意見。吾等須負責指導、監督和執行集團審核工作。吾等須為吾等的審核意見承擔全部責任。

吾等就（其中包括）審核工作的計劃範圍和時間以及重大審核發現（包括吾等在審核過程中發現內部控制的任何重大缺失）與審核委員會進行溝通。

吾等亦向審核委員會提供吾等已遵守有關獨立性之相關道德規定之聲明，並與審核委員會就可被合理視為會影響吾等獨立性之所有關係及其他事項以及（如適用）有關保障措施進行溝通。



Independent Auditor's Report 獨立核數師報告

From the matters communicated with the directors, 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.

就與董事溝通之事項而言，吾等釐定該等事項為於審核本期間之綜合財務報表時最重要之事項，因此為關鍵審核事項。除非法律或法規不允許公開披露有關事項，或在極罕見之情況下，吾等因合理預期有關溝通造成之不利後果會超過產生的公眾利益而決定不應在報告中溝通該事項，否則吾等會於核數師報告中描述該等事項。

BDO Limited

Certified Public Accountants

香港立信德豪會計師事務所有限公司

執業會計師

Choi Man On

Practising Certificate Number: P02410

17 July 2020

蔡文安

執業證書號碼：P02410

二零二零年七月十七日

Consolidated Statement of Comprehensive Income

綜合全面收入表

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

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue	收益	8	108,455	216,104
Cost of sales	銷售成本		(107,444)	(213,966)
Gross profit	毛利		1,011	2,138
Other income	其他收入		506	917
Other gains and losses	其他收益及虧損	9	(16,367)	22,984
Selling and distribution costs	銷售及分銷成本		(20)	(11)
Administrative expenses	行政費用		(17,266)	(14,928)
Finance costs	融資成本	10	(605)	–
Share of results of associates	分佔聯營公司之業績		–	(647)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	11	(32,741)	10,453
Income tax expense	所得稅開支	12	(35)	(148)
(Loss)/profit for the year	年度(虧損)/溢利		(32,776)	10,305
Other comprehensive income that may be subsequently transferred to profit or loss	其他全面收入，可於其後轉撥至損益			
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算成呈列貨幣而產生之匯兌差異		(49)	(80)
Total comprehensive income for the year	年度全面收入總額		(32,825)	10,225
(Loss)/profit for the year attributable to:	應佔年度(虧損)/溢利：			
Owners of the Company	本公司擁有人		(26,093)	7,799
Non-controlling interests	非控制性權益		(6,683)	2,506
			(32,776)	10,305
Total comprehensive income for the year attributable to:	應佔年度全面收入總額：			
Owners of the Company	本公司擁有人		(26,595)	5,916
Non-controlling interests	非控制性權益		(6,230)	4,309
			(32,825)	10,225
(LOSS)/EARNINGS PER SHARE	每股(虧損)/盈利			
Basic	基本	16(a)	(2.84) cents 仙	0.85 cents 仙
Diluted	攤薄	16(b)	N/A不適用	0.85 cents 仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Non-current Assets	非流動資產			
Plant and equipment	廠房及設備	17	82	5,709
Mining right	採礦權	18	–	–
Right-of-use assets	使用權資產	19	1,176	–
Investments in associates	於聯營公司之投資	20	–	498
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產	21	4,691	5,350
Club memberships	會所會籍	22	874	877
			6,823	12,434
Current Assets	流動資產			
Inventories	存貨	23	26	95
Trade and other receivables	應收貿易賬款及其他 應收賬款	24	16,503	42,182
Amounts due from related parties	應收關連人士之款項	37(a)	24,849	–
Amounts due from non-controlling shareholders of subsidiaries	應收附屬公司非控制性 股東之款項	25	3,638	3,435
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產	21	921	536
Cash and cash equivalents	現金及現金等價物	26	18,177	26,563
			64,114	72,811
Current Liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他 應付賬款	27	30,688	39,039
Amounts due to related parties	應付關連人士之款項	37(b)	24,796	11,301
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控制性 股東之款項	25	3,426	3,488
Tax payables	應付稅項		6,334	6,415
Bank borrowing	銀行借貸	28	4,480	–
Lease liabilities	租賃負債	30	1,307	–
			71,031	60,243
Net Current (Liabilities)/Assets	流動(負債)/資產淨值		(6,917)	12,568
Total Assets less Current Liabilities	資產總值減流動負債		(94)	25,002

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

		Notes	2019	2018
		附註	HK\$'000	HK\$'000
			千港元	千港元
Capital and Reserves	資本及儲備			
Share capital	股本	29	91,778	91,778
Reserves	儲備		(77,786)	(51,191)
Equity attributable to owners of the Company	本公司擁有人應佔權益		13,992	40,587
Non-controlling interests	非控制性權益		(32,617)	(33,151)
			(18,625)	7,436
Non-current Liabilities	非流動負債			
Lease liabilities	租賃負債	30	707	-
Government grant	政府補助	32	5,600	5,700
Amounts due to related parties	應付關連人士之款項	37(b)	12,224	11,866
			18,531	17,566
			(94)	25,002

On behalf of the Board

代表董事會

Mr. Lau Siu Ying
劉小鷹先生
CHAIRMAN
主席

Mr. Wang Yu
王愚先生
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to owners of the Company
本公司擁有人應佔

		Share capital	Share premium	Special reserve	Translation reserve	Statutory funds	Share option reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	特別儲備	換算儲備	法定基金	購股權儲備	其他儲備	累計虧損	總額	非控制性權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note i)	(Note i)	(Note ii)	(Note iii)	(Note iv)	(Note v)	(Note vi)	(Note vi)	(Note vi)	(Note vi)	(Note vi)
		(附註i)	(附註i)	(附註ii)	(附註iii)	(附註iv)	(附註v)	(附註vi)	(附註vi)	(附註vi)	(附註vi)	(附註vi)
At 1 January 2018	於二零一八年一月一日	91,778	417,391	2,481	68,908	30,132	991	-	(578,824)	32,857	(37,460)	(4,603)
Profit for the year	年度溢利	-	-	-	-	-	-	-	7,799	7,799	2,506	10,305
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算至呈列貨幣而產生之匯兌差異	-	-	-	(1,883)	-	-	-	-	(1,883)	1,803	(80)
Total comprehensive income for the year	年度全面收入總額	-	-	-	(1,883)	-	-	-	7,799	5,916	4,309	10,225
Imputed interest on the loan from related parties (Note 37(b)(iii))	來自關連人士之貸款之估算利息(附註37(b)(iii))	-	-	-	-	-	-	1,814	-	1,814	-	1,814
Lapse of share options (Note 31)	購股權失效(附註31)	-	-	-	-	-	(991)	-	991	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	91,778	417,391	2,481	67,025	30,132	-	1,814	(570,034)	40,587	(33,151)	7,436
At 1 January 2019	於二零一九年一月一日	91,778	417,391	2,481	67,025	30,132	-	1,814	(570,034)	40,587	(33,151)	7,436
Loss for the year	年度虧損	-	-	-	-	-	-	-	(26,093)	(26,093)	(6,683)	(32,776)
Exchange differences arising on translation from functional currency to presentation currency	由功能貨幣換算至呈列貨幣而產生之匯兌差異	-	-	-	(502)	-	-	-	-	(502)	453	(49)
Total comprehensive income for the year	年度全面收入總額	-	-	-	(502)	-	-	-	(26,093)	(26,595)	(6,230)	(32,825)
Deemed step acquisition from associate to subsidiary (Note 33(a))	從聯營公司到附屬公司的視為進一步收購(附註33(a))	-	-	-	-	-	-	-	-	-	6,764	6,764
At 31 December 2019	於二零一九年十二月三十一日	91,778	417,391	2,481	66,523	30,132	-	1,814	(596,127)	13,992	(32,617)	(18,625)

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

Notes:

- (i) The share premium represents the amount subscribed for share capital in excess of nominal value.
- (ii) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for their acquisition at the time of the group reorganisation in 1999.
- (iii) The translation reserve represents gains/losses arising on retranslating the net assets/liabilities of foreign operations into presentation currency.
- (iv) The statutory funds are required by the relevant laws applicable to the Group's subsidiaries established in the People's Republic of China (the "PRC") and can be utilised to offset the prior years' losses of the PRC subsidiaries.
- (v) The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in Note 4 to the consolidated financial statements.
- (vi) Other reserve represents the imputed interest portion calculated by the effective interest method on the loan from a related party which was provided interest-free.

附註：

- (i) 股份溢價指認購股本金額超出面值之款項。
- (ii) 特別儲備指所收購附屬公司之股份面值與本公司於一九九九年進行集團重組時就收購所發行之股份面值間之差額。
- (iii) 換算儲備指因海外業務之資產／負債淨額重新換算為呈列貨幣而產生之收益／虧損。
- (iv) 法定基金指適用於本集團在中華人民共和國（「中國」）成立之附屬公司之有關法例所規定者，並可用於抵銷該等中國附屬公司過往年度之虧損。
- (v) 購股權儲備包括已授出但尚未行使之購股權之公平值，詳情於綜合財務報表附註4就以股份為基礎付款之交易之會計政策進一步闡述。
- (vi) 其他儲備指就來自一名關連人士之不計息貸款以實際利率法計算之估算利息部分。

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

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
OPERATING ACTIVITIES	經營活動		
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(32,741)	10,453
Adjustments for:	調整:		
Interest income	利息收入	(87)	(45)
Interest expense on lease liabilities	租賃負債的利息開支	29	-
Imputed interest on loan from a related party	來自一名關連人士之貸款之估算利息	576	-
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	108	519
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之財務資產之虧損	69	-
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	95	1,221
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	4,256	23
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	5,166	-
Impairment loss recognised in respect of right-of-use assets	就使用權資產確認之減值虧損	831	-
Impairment loss on goodwill	商譽之減值虧損	6,005	-
Reversal of impairment loss recognised in respect of prepayment to a supplier	就向一家供應商之預付款項確認之減值虧損撥回	(118)	(363)
Share of results of associates	分佔聯營公司之業績	-	647
Recovery of bad debts	收回壞賬	-	(14,083)
Recovery of write down of inventories	存貨撇減撥回	(370)	(155)
Write back of trade payables	應付貿易賬款撤回	(23)	(3)
Write back of interest payables	應付利息撤回	-	(11,922)
Depreciation of plant and equipment	廠房及設備折舊	1,215	211
Depreciation of right-of-use assets	使用權資產折舊	533	-
Gain on deregistration of an associate	註銷一間聯營公司之收益	(24)	-
Loss on write-off of plant and equipment	廠房及設備撇銷之虧損	1	-

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量		
Decrease in inventories	存貨減少	(14,479)	(13,497)
Decrease/(increase) in trade and other receivables	應收貿易賬款及其他應收賬款減少／(增加)	370	882
(Decrease)/increase in trade and other payables	應付貿易賬款及其他應付賬款(減少)／增加	22,584	(29,706)
Tax paid	已繳稅項	(21,544)	25,267
		(80)	(47)
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(13,149)	(17,101)
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	87	45
Net cash inflow from deemed step acquisition of a subsidiary	視為進一步收購一間附屬公司之現金流入淨額	282	260
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之財務資產	-	(1,550)
Purchase of plant and equipment	購買廠房及設備	-	(13)
Payments to acquire plant and equipment	收購廠房及設備之付款	(693)	-
Decrease in amount due from an associate	應收一間聯營公司款項減少	-	2,382
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	投資活動(所用)／所得現金淨額	(324)	1,124

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
FINANCING ACTIVITIES	融資活動		
Increase in amounts due from related parties	應收關連人士之款項增加	(2,795)	-
Repayment of principal portion of the lease liabilities	租賃負債本金部分之還款	(551)	-
Advance from a related party	來自一名關連人士之墊款	11,401	45,270
Repayment to a related party	償還一名關連人士之款項	(2,757)	(20,608)
NET CASH GENERATED FROM FINANCING ACTIVITIES	融資活動所得現金淨額	5,298	24,662
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(8,175)	8,685
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	年初之現金及現金等價物	26,563	18,364
Effect of foreign exchange rate changes	匯率變動之影響	(211)	(486)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等價物	18,177	26,563
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結存	18,177	26,563

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

The Company is an exempted company with limited liability incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended). The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Its parent and ultimate holding company is Future 2000 Limited, a company incorporated in the British Virgin Islands. The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section to the annual report.

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) for the convenience of the shareholders, as the Company is listed in Hong Kong.

The Company is an investment holding company. The principal activities of the Group are distribution and trading of mobile phones and related accessories, development of marketing and after-sales service network and mining and processing of celestite, zinc and lead minerals. The activities of its principal subsidiaries are set out in Note 41, respectively.

1. 一般事項

本公司為根據百慕達一九八一年公司法（經修訂）在百慕達註冊成立之獲豁免有限公司。本公司之股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之母公司及最終控股公司為於英屬處女群島註冊成立之公司Future 2000 Limited。本公司之註冊辦事處及主要營業地點之地址在年報「公司資料」一節內披露。

本公司之功能貨幣為人民幣（「人民幣」）。由於本公司乃於香港上市，為方便股東，綜合財務報表會以港元（「港元」）呈列。

本公司為投資控股公司。本集團之主要業務為分銷及買賣移動電話及相關配件、發展市場推廣及售後服務網絡，以及天青石、鋅及鉛礦石的開採及加工。其主要附屬公司之業務分別載於附註41。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019

HKFRS 16, Leases

HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments

Amendments to HKFRS 9, Prepayment Features with Negative Compensation

Amendments to HKAS 19, Plan Amendments, Curtailment or Settlement

Amendments to HKAS 28, Long-term Interests in Associates and Joint Ventures

Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 included in Annual Improvements to HKFRSs 2015-2017 Cycle

The impact of the adoption of HKFRS 16 Leases is summarised below. The other new/revised or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the Group’s accounting policies or consolidated financial statements.

2. 採納香港財務報告準則（「香港財務報告準則」）

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效

香港財務報告準則第16號·租賃

香港（國際財務報告詮釋委員會）— 詮釋第23號·所得稅處理之不確定性

香港財務報告準則第9號之修訂·具負補償之預付款項特性

香港會計準則第19號之修訂·計劃修訂、縮減或結算

香港會計準則第28號之修訂·於聯營公司及合營企業之長期權益

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所包含之香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂

採納香港財務報告準則第16號租賃之影響概要如下。其他自二零一九年一月一日起生效的新訂／經修訂或修訂香港財務報告準則對本集團會計政策或綜合財務報告並無任何重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases

(i) Impact of the adoption of HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17 Leases (“HKAS 17”), HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease, HK(SIC)-Int 15 Operating Leases-Incentives and HK(SIC)-Int 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee’s perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor’s perspective, the accounting treatment is substantially unchanged from HKAS 17. The new definition of a lease under HKFRS 16, its impact on the Group’s accounting policies and the transition method adopted by the Group as allowed under HKFRS 16 are set out in section (ii) to (iv) of this Note.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號—租賃

(i) 採納香港財務報告準則第16號的影響

香港財務報告準則第16號對租賃會計的會計處理方法造成重大變動，主要為承租人的會計處理。其取代香港會計準則第17號租賃（「香港會計準則第17號」）、香港（國際財務報告詮釋委員會）—詮釋第4號釐定安排是否包括租賃、香港（常務詮釋委員會）—詮釋第15號經營租賃—優惠及香港（常務詮釋委員會）—詮釋第27號評估涉及租賃法律形式交易的内容。從承租人角度來看，絕大部分租賃於財務狀況表確認為使用權資產及租賃負債，惟相關資產價值較低或被釐定為短期租賃的租賃等少數該原則例外情況除外。從出租人角度來看，會計處理方法大致與香港會計準則第17號一致。香港財務報告準則第16號對租賃的新定義、其對本集團會計政策的影響及香港財務報告準則第16號項下准許本集團採納的過渡方法載於本附註第(ii)至(iv)節。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(i) Impact of the adoption of HKFRS 16 (Continued)

The Group has applied HKFRS 16 using the cumulative effect approach and recognised the right-of-use asset at the amount equal to the lease liability, adjusted by the amount of any prepayments or accrued lease payments relating to that lease, as adjustment to the opening balance of accumulated losses at the date of initial application. The comparative information presented for 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

The following tables summarised the impact of transition to HKFRS 16 on the consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 as follows:

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號—租賃（續）

(i) 採納香港財務報告準則第16號的影響（續）

本集團已採用累計影響法應用香港財務報告準則第16號並按等於租賃負債的金額確認使用權資產，由該租賃相關的任何預付款項或應計租賃付款作出調整，作為於首次應用日期累計虧損期初餘額調整。二零一八年呈列的比較資料概無予以重列並繼續根據香港會計準則第17號及香港財務報告準則第16號過渡條文准許的相關詮釋呈報。

下表概述過渡至香港財務報告準則第16號對截至二零一八年十二月三十一日至截至二零一九年一月一日之綜合財務狀況表之影響：

		HK\$'000 千港元
Consolidated statement of financial position as at 1 January 2019	於二零一九年一月一日之 綜合財務狀況表	
Right-of-use assets – increase by	使用權資產—增加	93
Lease liabilities (current) – increase by	租賃負債（流動）—增加	60
Lease liabilities (non-current) – increase by	租賃負債（非流動）—增加	33

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(i) Impact of the adoption of HKFRS 16 (Continued)

The following reconciliation explains how the operating lease commitments disclosed under HKAS 17 at 31 December 2018 could be reconciled to the lease liabilities recognised at the date of initial application in the consolidated statement of financial position as at 1 January 2019:

Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承諾	723
Less: short term leases for which lease terms end within 31 December 2019	減：租賃期於二零一九年十二月三十一日屆滿的短期租賃	(627)
Less: future interest expenses	減：未來利息開支	(3)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	93

The weighted average lessee’s incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position as at 1 January 2019 is 4.75%.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號－租賃（續）

(i) 採納香港財務報告準則第16號的影響（續）

以下對賬闡述於二零一八年十二月三十一日根據香港會計準則第17號披露之經營租賃承擔與於初步應用日期在二零一九年一月一日綜合財務狀況表確認之租賃負債之對賬情況：

HK\$'000
千港元

於二零一九年一月一日綜合財務狀況表確認之租賃負債所應用的加權平均承租人增量借款利率為4.75%。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(ii) The new definition of a lease

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號—租賃（續）

(ii) 租賃的新定義

根據香港財務報告準則第16號，租賃被定義為以代價獲得資產（相關資產）於一段時間內的使用權的一項合約或合約的一部分。當客戶於整個使用期間同時：(a) 有權獲取使用已識別資產帶來的絕大部分經濟利益及(b) 有權指示已識別資產的用途時，合約附帶權利可於一段時間內控制已識別資產的用途。

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，承租人須將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格，除非承租人應用實際權宜方法使承租人可按相關資產類別選擇不從租賃成分中區分非租賃成分，而是將各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(ii) The new definition of a lease (Continued)

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

(iii) Accounting as lessee

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號－租賃（續）

(ii) 租賃的新定義（續）

本集團已選擇不區分非租賃成分並就所有租賃將所有各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

(iii) 作為承租人的會計處理

根據香港會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人的相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租賃期內將經營租賃項下的租賃付款確認為開支。租賃項下的資產將不會於承租人的財務狀況表內確認。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(iii) Accounting as lessee (Continued)

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號－租賃（續）

(iii) 作為承租人的會計處理（續）

根據香港財務報告準則第16號，所有租賃（不論為經營租賃或融資租賃）須於財務狀況表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選擇，可選擇不將(i) 屬短期租賃的租賃及／或(ii) 相關資產為低價值的租賃進行資本化。本集團已選擇不就於開始日期租期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租期內按直線法支銷。

本集團於租賃開始日期確認使用權資產及租賃負債。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(iii) Accounting as lessee (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (the policy to account for lease liability is set out below); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee; and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group applies the cost model to measure the right-of-use assets. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any re-measurement of lease liability.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號—租賃（續）

(iii) 作為承租人的會計處理（續）

使用權資產

使用權資產應按成本確認並將包括：(i)初步計量租賃負債的金額（見下文有關租賃負債的會計處理政策）；(ii)於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵；(iii)承租人產生的任何初步直接成本；及(iv)承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。除符合投資物業或某類物業、廠房及設備（本集團就此應用重估模型）定義之使用權資產外，本集團應用成本模型計量使用權資產。根據成本模型，本集團按成本減去任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債之任何重新計量作出調整。

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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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(iii) Accounting as lessee (Continued)

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group’s incremental borrowing rate.

The following payments for the right-to-use of the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號—租賃（續）

(iii) 作為承租人的會計處理（續）

租賃負債

租賃負債應按於租賃開始日期尚未支付之租賃款項現值確認。如可即時釐定租賃隱含之利率，則租賃款項使用該利率貼現。如不可即時釐定該利率，則本集團將使用其增量借款利率貼現。

下列就於租賃期內相關資產之使用權而於租賃開始日期尚未支付之款項被視為租賃款項：(i) 固定款項減任何應收租賃獎勵；(ii) 視乎某一指數或比率而定之可變租賃款項（初步按於開始日期之指數或比率計量）；(iii) 承租人根據餘值擔保預期應付之金額；(iv) 購買選擇權之行使價（倘承租人合理確定將行使該選擇權）；及(v) 終止租賃之罰款付款（倘租賃期反映承租人行使選擇權終止租賃）。

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(iii) Accounting as lessee (Continued)

Lease liability (Continued)

Subsequent to the commencement date, a lessee shall measure the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) re-measuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

(iv) Transition

As mentioned above, the Group has applied HKFRS 16 using the cumulative effect approach and recognised the right-of-use asset at the amount equal to the lease liability, adjusted by the amount of any prepayments or accrued lease payments relating to that lease, as adjustment to the opening balance of accumulate losses at the date of initial application (1 January 2019). The comparative information presented for 2018 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號—租賃（續）

(iii) 作為承租人的會計處理（續）

租賃負債（續）

於開始日期後，承租人將以下列方式計量租賃負債：(i) 增加賬面金額以反映租賃負債利息；(ii) 減少賬面金額以反映已作出之租賃款項；及 (iii) 重新計量賬面金額以反映任何重新評估或租賃修訂，例如某一指數或比率改變、租賃期改變、實質固定租賃款項改變或對於購買相關資產之評估改變令未來租賃款項改變。

(iv) 過渡

如上所述，本集團已採用累計影響法應用香港財務報告準則第16號並按等於租賃負債的金額確認使用權資產，由該租賃相關的任何預付款項或應計租賃付款作出調整，作為於首次應用日期（二零一九年一月一日）累計虧損期初餘額調整。二零一八年呈列的比較資料概無予以重列並繼續根據香港會計準則第17號及香港財務報告準則第16號過渡條文准許的相關詮釋呈報。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(iv) Transition (Continued)

The Group has recognised the lease liabilities at 1 January 2019 for leases previously classified as operating leases by applying HKAS 17 and measured those lease liabilities at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate at 1 January 2019.

The Group has elected to recognise all the right-of-use assets at 1 January 2019 for leases previously classified as operating leases under HKAS 17 as if HKFRS 16 had been applied since the commencement date, but discounted using the lessee’s incremental borrowing rate at the date of initial application. For all these right-of-use assets, the Group has applied HKAS 36 Impairment of Assets at 1 January 2019 to assess if there was any impairment as on that date.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號－租賃（續）

(iv) 過渡（續）

本集團已於二零一九年一月一日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債並按餘下租賃付款的現值（採用於二零一九年一月一日的承租人增量借款利率貼現）計量該等租賃負債。

本集團已選擇於二零一九年一月一日就先前根據香港會計準則第17號分類為經營租賃的租賃確認所有使用權資產，猶如香港財務報告準則第16號自開始日期起已經應用，惟採用初步應用日期的承租人增量借款利率進行貼現。就所有該等使用權資產而言，本集團已於二零一九年一月一日應用香港會計準則第36號資產減值以評估該日是否有任何減值。

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

A. HKFRS 16 – Leases (Continued)

(iv) Transition (Continued)

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics; (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases; (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 January 2019; and (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group’s lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease; and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

A. 香港財務報告準則第16號－租賃（續）

(iv) 過渡（續）

本集團亦已採用以下實際權宜方法：(i)對具有合理相似特徵的租賃組合應用單一貼現率；(ii)適用豁免不就期限將在首次應用（二零一九年一月一日）起計十二個月內終止的租賃確認使用權資產和租賃負債，並將這些租賃作為短期租賃入賬；(iii)不包括二零一九年一月一日計量使用權資產的初始直接成本；及(iv)如果合約包含延長或終止租賃的選擇權，則在確定租賃期時使用後見之明。

此外，本集團亦已應用實際權宜方法以便：(i)將香港財務報告準則第16號應用於本集團先前應用香港會計準則第17號及香港（國際財務報告詮釋委員會）－詮釋第4號釐定安排是否包括租賃識別為租賃的所有租賃合約；及(ii)並無將香港財務報告準則第16號應用於先前並無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號識別為含有租賃的合約。

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

B. HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored;
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則－於二零一九年一月一日生效（續）

B. 香港（國際財務報告詮釋委員會）－詮釋第23號－所得稅處理之不確定性

詮釋闡釋在存在稅項處理不確定性的情況下遞延及即期所得稅資產及負債的確認及計量方法。具體而言，其就以下各項進行討論：

- 如何確定適當的賬戶單位，及須就各項不確定稅項處理獨立或集中為一組進行考慮，取決於何種方法可更佳預測不確定性的解決方案；
- 實體應假設稅務機關將檢查不確定的稅務處理並充分了解所有相關資料，即應忽略檢測風險；
- 當稅務機關不太可能接受處理時，實體應反映其所得稅會計處理中不確定性的影響；
- 應使用最可能發生的金額或期望值法來衡量不確定性的影響，取決於何種方法可更佳預測不確定性的解決方案；及

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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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(a) Adoption of new/revised HKFRSs – effective on 1 January 2019 (Continued)

B. HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments (Continued)

- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements. While there are no new disclosure requirements, entities are reminded of the general requirement to provide information about judgements and estimates made in preparing the financial statements.

Except for the abovementioned, in the current year, the Group has applied a number of amendments to HKFRSs and Interpretations that are effective for an annual period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(a) 採納新訂／經修訂香港財務報告準則 – 於二零一九年一月一日生效（續）

B. 香港（國際財務報告詮釋委員會） – 詮釋第23號 – 所得稅處理之不確定性（續）

- 無論何時發生情況變化或有新的資料影響判斷，均須重新評估所做出的判斷及估計。儘管並無新的披露規定，各實體須注意提供有關編製財務報表時作出的判斷及估計資料的一般要求。

除上述者外，本集團於本年度已應用多項香港財務報告準則之修訂及詮釋，自二零一九年一月一日或之後開始的年度期間生效。此採納對該等財務報表之披露或呈報金額並無重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) Potential impact arising on new/revised HKFRSs not yet effective

The following new/revised HKFRSs, potentially relevant to the Group’s operations, have been issued but are not yet effective and have not been early adopted by the Group.

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

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

² The amendments were originally intended to be effective for periods beginning on or after 1 January 2019. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 尚未生效新訂／經修訂香港財務報告準則所產生之潛在影響

下列與本集團營運潛在相關之新訂／經修訂香港財務報告準則已頒佈惟尚未生效且本集團尚未提早採納。

香港財務報告準則第3號之修訂	業務之定義 ¹
香港會計準則第1號及香港會計準則第8號之修訂	重大之定義 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業間之資產出售或注資 ²

¹ 於二零二零年一月一日或之後開始之年度期間生效。

² 該等修訂原訂於二零一九年一月一日或之後開始之期間生效。有關生效日期現已押後／刪除。繼續允許提前應用有關修訂。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) Potential impact arising on new/revised HKFRSs not yet effective (Continued)

Amendments to HKFRS 3 – Definition of a Business

The amendments clarify that a business must include, as a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs, together with providing extensive guidance on what is meant by a “substantive process”.

Additionally, the amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs, whilst narrowing the definition of “outputs” and a “business” to focus on returns from selling goods and services to customers, rather than on cost reductions. An optional concentration test has also been added that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Amendments to HKAS 1 and HKAS 8 – Definition of Material

The amendments clarify the definition and explanation of “material”, aligning the definition across all HKFRS Standards and the Conceptual Framework, and incorporating supporting requirements in HKAS 1 into the definition.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 尚未生效新訂／經修訂香港財務報告準則所產生之潛在影響（續）

香港財務報告準則第3號之修訂－業務之定義

修訂內容澄清業務必須包括至少一項投入和一個實質性過程，而這些投入及過程對創造產出的能力有很大的幫助，連同就「實質性過程」的涵義提供廣泛的指導。

此外，該等修訂刪除對市場參與者是否有能力取代任何遺漏的產出或程序並繼續產生產出之評估，同時縮小「產出」及「業務」之定義，專注於向客戶銷售貨物及服務之回報，而不是降低成本。加入選擇性的集中度測試，簡化所收購的一組活動和資產是否不屬於業務的評估。

香港會計準則第1號及香港會計準則第8號之修訂－重大之定義

修訂內容澄清「重大」之定義及解釋，使所有香港財務準則及概念框架中的定義保持一致，並將香港會計準則第1號中的支援規定納入該定義。

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. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

(b) Potential impact arising on new/revised HKFRSs not yet effective (Continued)

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 – Interest Rate Benchmark Reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

2. 採納香港財務報告準則（「香港財務報告準則」）（續）

(b) 尚未生效新訂／經修訂香港財務報告準則所產生之潛在影響（續）

香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂－利率基準改革

修訂修改部分特定對沖會計要求以緩解利率基準改革所帶來不確定性之潛在影響。此外，修訂內容要求公司提供投資者更多有關對沖關係的資料，該等對沖關係直接受到不確定性之影響。

香港財務報告準則第10號及香港會計準則第28號之修訂－投資者與其聯營公司或合營企業間之資產出售或注資

修訂內容澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當該交易涉及一項業務時，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

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

3. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, these consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange.

(b) Basic of measurement and going concern

These consolidated financial statements have been prepared on the historical cost basis except that certain financial instruments are measured at fair values, as explained in the accounting policies set out below:

During the year, the Group has incurred a loss attributable to the owners of the Company of approximately HK\$26,093,000 for the year ended 31 December 2019 and as at 31 December 2019 the Group was in net current liabilities position of approximately HK\$6,917,000.

In preparing the consolidated financial statements, the directors have carefully considered to the current and anticipated future liquidity of the Group. The directors have prepared cash flow forecasts for the period up to June 2021 after taking into account of the measures below.

3. 編製基準

(a) 合規聲明

綜合財務報表乃根據所有適用香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（以下統稱為「香港財務報告準則」）以及香港《公司條例》之披露要求編製。此外，該等綜合財務報表載有聯交所證券上市規則規定之適用披露事項。

(b) 計量基準及持續經營

誠如下文所載會計政策所闡釋，該等綜合財務報表根據歷史成本基準編製，惟若干金融工具按公平值計量：

年內，本集團已於截至二零一九年十二月三十一日止年度產生本公司擁有人應佔虧損約26,093,000港元，且於二零一九年十二月三十一日，本集團之流動負債淨額約為6,917,000港元。

於編製綜合財務報表時，董事已審慎考慮本集團之現有及預期未來流動資金。董事於考慮以下措施後，已編製直至二零二一年六月止期間的現金流量預測。

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

3. BASIS OF PREPARATION (Continued)

(b) Basic of measurement and going concern (Continued)

In order to strengthen the Group's capital base and liquidity in foreseeable future, the directors of the Company have taken the following measures:

- obtained the undertaking from Mr. LAU and Ms. Xiao for not requesting the Group to repay the amounts due to them of HK\$20,384,000 until the Group is in a good financial position to repay;
- obtained loans from Mr. LAU in June and July 2020 with an aggregate amount of approximately HK\$27,300,000 which are unsecured, non-interest bearing and repayable in December 2021 and January 2022 respectively; and
- obtained the deed of undertaking from Mr. LAU that, upon the receipt of written demand issued by the board of directors of the Company, he would provide further financial support up to an aggregate sum of HK\$23 million.

Based on the Group's cash flow forecasts and with the above measures, the directors are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

3. 編製基準 (續)

(b) 計量基準及持續經營 (續)

為增強本集團於可見將來之資本基礎及流動資金，本公司董事已採取以下措施：

- 獲得劉先生及蕭女士的承諾，彼等不要求本集團償還應付彼等款項20,384,000港元直至本集團財務狀況良好得以償還；
- 於二零二零年六月及七月獲得劉先生之貸款，總額約為27,300,000港元，該貸款為無抵押、不計息及須分別於二零二一年十二月及二零二二年一月償還；及
- 獲得劉先生承諾契據，於收到本公司董事會發出的書面要求後，彼將進一步提供總額最高為23,000,000港元的財務支持。

根據本集團的現金流量預測及憑借上述措施，董事認為，本集團將於可見將來其財務責任到期時有能力履行該責任。因此，本集團於編製綜合財務報表時採用持續經營基準。

4. 主要會計政策

業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。集團內公司間之交易及結餘及未變現溢利於編製綜合財務報表時悉數抵銷。未變現虧損亦予抵銷，除非交易提供所轉讓資產之減值證明，在此情況下，虧損於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and basis of consolidation (Continued)

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interests that represent present ownership interests in the subsidiaries either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. 主要會計政策 (續)

業務合併及綜合基準 (續)

年內收購或出售之附屬公司之業績由收購日期起或至出售日期止(視適用情況而定)列入綜合全面收入表內。在有需要之情況下,附屬公司之財務報表會作出調整,使有關會計政策與本集團其他成員公司所採用者一致。

收購附屬公司或業務採用收購法入賬。收購成本按本集團(作為收購方)所轉讓資產、所產生負債以及所發行股本權益於收購日之公平值總額計量。收購之可識別資產及承擔之負債主要按收購日之公平值計量。本集團以往持有被收購方之股本權益按收購日之公平值重新計量,並將因此而產生之收益或虧損於損益內確認。本集團可選擇因應每項交易,按公平值或應佔之被收購方可識別資產淨值比例來計量非控制性權益(即現時於附屬公司之擁有權權益)。除非香港財務報告準則規定按另一計量基準計量,否則所有其他非控制性權益按公平值計量。收購所產生之相關成本列作支出,除非有關成本因發行股本工具而產生,在此情況下,成本自權益內扣除。

由收購方將予轉讓之任何或然代價按收購日之公平值確認,其後對代價之調整僅於調整源自於計量期間(最長為收購日期起計12個月)內所取得有關於收購日之公平值之新資料時,方於商譽內確認。分類為資產或負債之或然代價之所有其他其後調整,均於損益內確認。

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and basis of consolidation (Continued)

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 interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

4. 主要會計政策 (續)

業務合併及綜合基準 (續)

倘本集團喪失附屬公司控制權，出售溢利或虧損會按以下兩者之差額計算：(i) 已收代價公平值與任何保留權益公平值之總額；及(ii) 資產（包括商譽）過往賬面值與附屬公司及任何非控制性權益負債之總額。至於以往於其他全面收入確認而與附屬公司有關之金額，入賬方式與在相關資產或負債已經出售之情況下所用者相同。

收購後，非控制性權益（即目前於附屬公司之擁有權權益）之賬面值為初步確認之金額，另加該非控制性權益其後之應佔權益變動。即使全面收入總額歸屬於有關非控制性權益造成虧絀結餘，全面收入總額仍然歸屬於非控制性權益。

附屬公司

附屬公司為本公司可對其行使控制權的被投資方。倘具備以下三個元素，則本公司控制被投資方：可對被投資方行使權力；承擔或享受被投資方可變回報風險或權利；及可運用其權力影響該等可變回報。如有事實及情況顯示該等控制權元素可能出現變動，則會重新評估控制權。

於本公司財務狀況表內，於附屬公司之投資按成本減減值虧損（如有）列賬。附屬公司之業績由本公司按已收及應收股息入賬。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

4. 主要會計政策 (續)

聯營公司

聯營公司乃指投資者可行使重大影響力之實體，且該實體並非附屬公司亦非合營企業權益。重大影響力指參與被投資方之財務及經營決策但並非控制或共同控制該等政策之權力。

聯營公司採用權益法入賬，據此，聯營公司初步按成本確認，其後則就本集團應佔聯營公司資產淨值之收購後變動對賬面值作出調整，惟超出本集團於聯營公司權益之虧損不予確認，惟有責任補償該等虧損則除外。

本集團與其聯營公司間進行交易所產生之溢利及虧損僅以無關連投資者於聯營公司之權益為限確認。投資者應佔聯營公司於該等交易所產生溢利及虧損，與聯營公司賬面值對銷。倘未變現虧損提供所轉讓資產出現減值之證據，有關虧損即時於損益中確認。

就一間聯營公司所支付超出本集團於所收購可識別資產、負債及或然負債中應佔公平值之溢價會撥充資本，並計入該聯營公司之賬面值中。倘有客觀證據顯示於一間聯營公司之投資經已減值，則會以與其他非財務資產相同之方式對投資之賬面值進行減值測試。

於本公司之財務狀況表內，於聯營公司之投資乃按成本減減值虧損（如有）列賬。本公司按年內已收及應收之股息入賬聯營公司之業績。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

4. 主要會計政策 (續)

收益確認

客戶合約收益於貨品或服務控制權轉移至客戶時，按反映本集團預期就交換該等貨品或服務而有權收取之代價（不包括代表第三方收取之金額）之金額確認。收益不包括增值稅或其他銷售稅項，並經扣除任何貿易折扣。

視乎合約條款與適用於合約的法律，貨品或服務的控制權可能隨時間或於某一時間點轉移。倘本集團履約符合以下各項，則貨品或服務之控制權會隨時間轉移：

- 提供客戶同時接收及消耗之所有利益；
- 創造或提升客戶於本集團履約時控制的資產；或
- 並無創造對本集團具有替代用途的資產及本集團有強制執行權利收取至今已履約部分的款項。

倘貨品或服務控制權隨時間轉移，則參照該履約責任履行至完成的進度於合約期內確認收益。否則，於客戶取得貨品或服務控制權的某一時間點確認收益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. 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. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Revenue for trading of mobile phones generally includes only one performance obligation. The Group has concluded that revenue from trading of mobile phones should be recognised at the point in time when control of the products is transferred to the customer, generally when the products are delivered to and the risks of obsolescence and loss have been transferred to customer. In the comparative period, revenue from sales of goods is recognised on transfer of risks and rewards of ownership, which was taken as at the time of delivery and the title is passed to customer.

Commission income is recognised point in time when the goods are delivered to customers.

Interest income is accrued on a time basis on the principal outstanding at the applicable interest rate.

4. 主要會計政策 (續)

收益確認 (續)

當合約中包含融資部分，即為客戶轉移貨品或服務超過一年且提供給客戶重大的融資利益時，收益按應收金額的現值計量，使用的貼現率在合約開始時反映在本集團與客戶之間的獨立融資交易中。當合約包含為本集團提供重大融資利益的融資部分時，根據合約確認的收益包括按實際利率法計算的合約負債所產生的利息開支。對於付款與承諾商品或服務轉讓之間的期限為一年或一年以下的合約，交易價格使用香港財務報告準則第15號的可行權宜方法，不會對重大融資成分的影響進行調整。

移動電話貿易一般僅包括一項履約責任。本集團之結論為來自移動電話貿易之收益應於產品控制權轉移予客戶之時間點確認，一般為當產品交付予客戶以及過時及損失風險轉移予客戶時。於比較期間，來自銷售貨品之收益於擁有權之風險及回報轉移時（被視為交付及所有權轉移至客戶時）確認。

佣金收入於貨品交付予客戶之時間點確認。

利息收入按時間基準就尚未償還之本金按適用利率累計。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment

Plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses.

The cost of plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Depreciation is provided to write off the cost of items of plant and equipment over their estimated useful lives and after taking into account of their estimated residual values, using the straight-line method. The principal annual rates used for the current year are as follows:

Leasehold improvements	5%-20% or over the term of the relevant leases, whichever is shorter
Furniture, fixtures and equipment	20%-33%
Motor vehicles	20%-25%

An item of plant and equipment is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period in which the item is recognised.

4. 主要會計政策 (續)

廠房及設備

廠房及設備(在建工程除外)按成本減累計折舊及累計減值虧損列賬。

廠房及設備成本包括其購買價及收購有關項目之直接應佔成本。

廠房及設備項目之折舊根據其估計可使用年期及計入其估計剩餘價值後,以直線法撇銷其成本。本年度所用之主要年率如下:

租賃裝修	5%-20%或有關租期(以較短者為準)
傢俬、裝置及設備	20%-33%
汽車	20%-25%

倘廠房及設備之賬面值高於其估計可收回金額,則該資產即時撇減至其可收回金額。

廠房及設備項目於出售時或預期持續使用資產不會產生未來經濟利益時終止確認。終止確認資產時所產生之任何收益或虧損(按出售所得款項淨額與項目賬面值之間的差額計算)於確認項目期間計入損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Plant and equipment (Continued)

Construction in progress represents plant and equipment under construction or pending installation and is stated at cost less any impairment losses. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use. Construction in progress is classified to the appropriate category of plant and equipment when completed and ready for use.

Leasing (accounting policies applied from 1 January 2019)

All leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but accounting policy choices exist for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

4. 主要會計政策 (續)

廠房及設備 (續)

在建工程指興建中或待安裝之廠房及設備，並按成本減任何減值虧損列賬。直至相關資產落成及可作擬定用途前，在建工程不作折舊撥備。在建工程於完成及可供使用時歸入廠房及設備之適當類別。

租賃 (自二零一九年一月一日起應用之會計政策)

所有租賃（不論是經營租賃或融資租賃）須於財務狀況報表內撥充資本作為使用權資產及租賃負債，惟會計政策選擇權為實體存續以選擇不將(i)屬短期租賃之租賃及／或(ii)相關資產屬低價值資產之租賃撥充資本。本集團已選擇不就低價值資產及於租賃開始當日租賃期少於12個月之租賃確認使用權資產及租賃負債。與該等租賃相關之租賃款項已於租賃期內以直線法支銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (accounting policies applied from 1 January 2019) (Continued)

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise: (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability); (ii) any lease payments made at or before the commencement date, less any lease incentives received; (iii) any initial direct costs incurred by the lessee and (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Except for right-of-use asset that meets the definition of an investment property or a class of property, plant and equipment to which the Group applies the revaluation model, the Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability. For right-of-use asset that meets the definition of an investment property, they are carried at fair value and for right-of-use asset that meets the definition of a leasehold land and buildings held for own use, they are carried at fair value.

Lease liability

The lease liability is recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.

4. 主要會計政策 (續)

租賃 (自二零一九年一月一日起應用之會計政策) (續)

使用權資產

使用權資產應按成本確認，並將包括：(i) 初始計量租賃負債之金額（見下文有關租賃負債入賬之會計政策）；(ii) 於開始日期或之前支付之任何租賃款項減去任何已收租賃獎勵；(iii) 承租人產生之任何初始直接成本；及(iv) 承租人拆除及移除相關資產以符合租賃條款及條件所規定情況時將產生之估計成本，除非該等成本乃為生產存貨而產生則作別論。除符合投資物業或某類物業、廠房及設備（本集團就此應用重估模型）定義之使用權資產外，本集團應用成本模型計量使用權資產。根據成本模型，本集團按成本減去任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債之任何重新計量作出調整。符合投資物業定義之使用權資產乃按公平值列賬，且符合持作自用的租賃土地及樓宇定義之使用權資產乃按公平值列賬。

租賃負債

租賃負債應按於租賃開始日期尚未支付之租賃款項現值確認。如可即時釐定租賃隱含之利率，則租賃款項使用該利率貼現。如不可即時釐定該利率，則本集團將使用其增量借款利率貼現。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (accounting policies applied from 1 January 2019) (Continued)

Lease liability (Continued)

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments: (i) fixed payments less any lease incentives receivable; (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date; (iii) amounts expected to be payable by the lessee under residual value guarantees; (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option and (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability by: (i) increasing the carrying amount to reflect interest on the lease liability; (ii) reducing the carrying amount to reflect the lease payments made; and (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g., a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in substance fixed lease payments or a change in assessment to purchase the underlying asset.

Leasing (accounting policies applied until 31 December 2018)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

4. 主要會計政策 (續)

租賃 (自二零一九年一月一日起應用之會計政策) (續)

租賃負債 (續)

下列就於租賃期內相關資產之使用權而於租賃開始日期尚未支付之款項被視為租賃款項：(i)固定款項減任何應收租賃獎勵；(ii)視乎某一指數或比率而定之可變租賃款項（初步按於開始日期之指數或比率計量）；(iii)承租人根據餘值擔保預期應付之金額；(iv)購買選擇權之行使價（倘承租人合理確定將行使該選擇權）；及(v)終止租賃之罰款付款（倘租賃期反映承租人行使選擇權終止租賃）。

於開始日期後，本集團將以下列方式計量租賃負債：(i)增加賬面金額以反映租賃負債利息；(ii)減少賬面金額以反映已作出之租賃款項；及(iii)重新計量賬面金額以反映任何重新評估或租賃修訂，例如某一指數或比率改變、租賃期改變、實質固定租賃款項改變或對於購買相關資產之評估改變令未來租賃款項改變。

租賃 (應用至二零一八年十二月三十一日之會計政策)

如租賃條款將擁有權之絕大部分風險及回報轉讓予承租人，該租賃會分類為融資租賃。所有其他租賃一律分類為經營租賃。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leasing (accounting policies applied until 31 December 2018) (Continued)

The Group as lessee

Assets held under finance leases are initially recognised as assets at their fair value or, if lower, the present value of the minimum lease payments. The corresponding lease commitment is shown as a liability. Lease payments are analysed between capital and interest. The interest element is charged to profit or loss over the period of the lease and is calculated so that it represents a constant proportion of the lease liability. The capital element reduces the balance owed to the lessor.

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

The land and buildings elements of property leases are considered separately for the purposes of lease classification.

Intangible asset

Club memberships

Club memberships with indefinite life are carried at cost less any subsequent accumulated impairment losses.

Mining right

Mining right is stated at cost less subsequent accumulated amortisation and accumulated impairment losses. Mining right is amortised using the units of production method based on the proven and probable mineral reserves.

4. 主要會計政策 (續)

租賃 (應用至二零一八年十二月三十一日之會計政策) (續)

本集團作為承租人

根據融資租賃持有的資產乃按其公平值或最低租賃付款的現值 (以較低者為準) 初步確認為資產。相應的租賃承擔列作為負債。租賃付款以資本與利息作分析。利息部分按租賃期間計入損益，並以租賃負債之固定比例計算。資本部分則扣除應付予出租人之結餘。

根據經營租賃應付之總租金，按租賃期以直線法於損益中確認。已收租賃獎勵按租賃期確認為總租金開支一部分。

就租賃分類而言，物業租賃之土地及樓宇成分視為獨立分開。

無形資產

會所會籍

永久會所會籍按成本減任何其後累計減值虧損入賬。

採礦權

採礦權按成本減其後累計攤銷及累計減值虧損列賬。採礦權使用生產單位法按探明及推定礦產儲量攤銷。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible asset (Continued)

Impairment losses on tangible and intangible assets other than goodwill

At the end of reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have reduced. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4. 主要會計政策 (續)

無形資產 (續)

有形及無形資產 (商譽除外) 之減值虧損

本集團於報告期末審閱其有形及無形資產之賬面值以確定是否有任何跡象顯示該等資產存在減值虧損或先前確認之減值虧損不再存在或可能經已減少。倘出現任何該等跡象，則會估計資產之可收回金額，以釐定減值虧損 (如有) 之程度。此外，具無限可使用年期之無形資產須每年及在其出現可能減值之跡象時進行減值測試。倘預計某項資產之可收回金額低於其賬面值，則該項資產之賬面值會扣減至其可收回金額。減值虧損即時確認為支出。

倘減值虧損於日後撥回，則該項資產之賬面值會增加至其可收回金額之經修訂後估值，惟所增加之賬面值不得超過在該項資產於過往年度未確認減值虧損之情況下所釐定之賬面值。撥回之減值虧損即時確認為收入。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provision for close down and restoration costs

Close down and restoration costs are provided in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during mine development or during the production phase, based on the net present value of estimated future costs. The cost is capitalised where it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of close down. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision is included in borrowing costs. Where there is a change in the expected decommissioning and restoration costs, an adjustment is recorded against the carrying value of the provision and related assets, and the effect is then recognised in the profit or loss on a prospective basis over the remaining life of the operation. Provision for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are reviewed and revised at the end of each reporting period to reflect changes in conditions.

4. 主要會計政策 (續)

關閉及復墾成本撥備

關閉及復墾成本於有關干擾引起之責任產生之會計期間，按估計未來成本之淨現值計提撥備，而不論該責任是否在煤礦開發期間或在生產階段產生。有關成本於可產生未來利益時撥充資本，而不論復墾活動預計會在經營期限內或是在關閉時產生。資本化成本按經營期限攤銷，撥備淨現值之增加則計入借貸成本。如預計停用及復墾成本出現變動，則撥備及相關資產賬面值將作出調整，屆時所產生影響將於剩餘經營期限內按預測基準於損益內確認。關閉及復墾成本撥備不包括未來干擾事件預期會引起之任何額外責任。成本估計於各報告期末審閱及修正，以反映情況變化。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost, which comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out method. Net realisable value represents 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.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the translation reserve).

4. 主要會計政策 (續)

存貨

存貨初步按成本確認，及其後按成本及可變現淨值之較低者確認。成本包括所有購買成本、將存貨安置在目前位置及環境所產生之轉換成本及其他成本。成本乃按先入先出法計算。可變現淨值指正常業務過程中之估計售價減去完成生產及銷售所需之估計成本後所得之金額。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易，按交易日期之匯率以各功能貨幣（即該實體經營業務所在主要經濟環境之貨幣）列賬。於報告期末，以外幣計值之貨幣項目按該結算日之匯率重新換算。按過往成本以外幣計量之非貨幣項目不會重新換算。

結算貨幣項目及換算貨幣項目產生之匯兌差額於產生期間在損益內確認。

就呈列綜合財務報表而言，本集團實體之資產及負債均按報告期末匯率換算為本集團之呈列貨幣（即港元），而收入及開支則按年度平均匯率換算，除非期內匯率大幅波動，則採用交易日之現行匯率。所產生之匯兌差額（如有）於其他全面收入中確認及累計至權益（換算儲備）。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the translation reserve.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from the borrowing costs capitalised.

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

Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are 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.

4. 主要會計政策 (續)

外幣 (續)

收購海外業務所產生之已收購可識別資產公平值之調整，視為該海外業務之資產及負債，並按報告期末現行匯率重新換算。產生之匯兌差額於換算儲備內確認。

借貸成本

收購、建設或生產合資格資產（即需要長時間準備方可作擬定用途或銷售之資產）直接應佔之借貸成本會資本化為該等資產之成本之一部分。於特定借貸用作該等資產開支之前，暫時投資所賺得之收入會自資本化之借貸成本扣除。

所有借貸成本均於產生期間在損益內確認。

政府補助

倘可合理確定能夠收取政府補助且本集團能夠滿足該等政府補助所附帶之條件，則會確認政府補助。補貼本集團開支之補助於開支產生之同一期間以系統化方式於損益內確認為收益。補貼本集團資產成本之補助於相關資產賬面值中扣除，其後於該項資產之可使用年期內以經調低折舊開支之方式於損益內實際確認。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and other PRC state-managed retirement benefit schemes are charged as expenses when employees have rendered services entitling them to the contributions.

Taxation

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

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

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

4. 主要會計政策 (續)

退休福利成本

向強制性公積金計劃及其他中國國家管理之退休福利計劃作出之付款於僱員因提供服務而可享有供款時列作開支。

稅項

所得稅開支指現時應付稅項及遞延稅項之總額。

現時稅項按自日常業務產生之損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整)及採用於報告期末已制定或實際已制定之稅率計算。

遞延稅項乃就作財報呈報用途之資產及負債之賬面值與作稅項用途之相應金額之暫時差額而確認。除對會計處理及應課稅溢利並無影響之商譽及已確認資產及負債外，就所有應課稅暫時差額確認遞延稅項負債。遞延稅項資產時在極可能有應課稅溢利用以動用該等可扣稅暫時差額時確認。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於報告期末已頒佈或大致上頒佈之稅率計量。

遞延稅項負債會就自附屬公司及合營企業之投資產生之應課稅暫時差額而確認，惟倘本集團可控制暫時差額撥回且暫時差額不大可能會於可見將來撥回則除外。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

Income taxes are recognised in profit or loss except when they related to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

Financial instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

4. 主要會計政策 (續)

稅項 (續)

所得稅於損益內確認，惟倘稅項與於其他全面收入確認之項目有關，則稅項亦於其他全面收入確認或當稅項與於權益直接確認之項目有關，則稅項亦直接於權益確認。

金融工具

(i) 財務資產

財務資產（並無重大融資部分的應收賬款除外）首次按公平值加上收購或發行財務資產應佔的直接交易成本計量（倘屬並非按公平值計入損益的項目）。並無重大融資部分的應收賬款首次按交易價格計量。

財務資產之所有一般買賣都在交易日確認，即本集團承諾購買或出售資產之日期。一般買賣為須於市場規定或慣例一般確定的期間內交付財務資產的買賣。

債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及該項資產之現金流量特點。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(i) Financial assets (Continued)

Debt instruments (Continued)

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through profit or loss ("FVTPL"): Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

4. 主要會計政策 (續)

金融工具 (續)

(i) 財務資產 (續)

債務工具 (續)

攤銷成本：為收取合約現金流量而持有，且現金流量僅為支付本金及利息之資產按攤銷成本計量。按攤銷成本計量之財務資產其後使用實際利率法計量。利息收入、匯兌收益及虧損以及減值於損益內確認。取消確認之任何收益於損益內確認。

按公平值計入損益（「按公平值計入損益」）：按公平值計入損益之財務資產包括持作買賣財務資產、初始確認時指定為按公平值計入損益的財務資產或強制規定按公平值計量之財務資產。倘收購目的為於短期內出售或購回，則財務資產分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟指定為有效對沖工具則除外。現金流量並非純粹作本金及利息付款之財務資產以按公平值計入損益方式分類及計量，而不論其業務模式如何。儘管如上文所述已對將按攤銷成本分類或按公平值計入其他全面收入的方式分類之債務工具設定標準，惟倘可消除或顯著減少會計錯配，則債務工具可於初始確認時指定為按公平值計入損益。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(i) Financial assets (Continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group has not elect to present subsequent changes in the investment's fair value in other comprehensive income. All equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for ECLs on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

4. 主要會計政策 (續)

金融工具 (續)

(i) 財務資產 (續)

權益工具

於初始確認並非持作買賣之權益工具時，本集團並無選擇於其他全面收入中呈列投資公平值之其後變動。所有權益工具均分類為按公平值計入損益，而公平值變動、股息及利息收入則於損益確認。

(ii) 財務資產之減值虧損

本集團就按攤銷成本計量之應收貿易賬款及財務資產之預期信貸虧損確認虧損撥備。預期信貸虧損按以下基準計量：(1) 12個月預期信貸虧損：為報告日後12個月內之可能違約事件導致之預期信貸虧損；及(2)全期預期信貸虧損：為金融工具之預期年期內所有可能違約事件導致之預期信貸虧損。估計預期信貸虧損時考慮之最長期間為本集團須承受信貸風險之最長合約期。

預期信貸虧損乃以概率加權估計之信貸虧損。信貸虧損以所有根據合約應付本集團之合約現金流量與本集團預期收回之所有現金流量之差額計量。差額其後按資產原有實際利率之近似值折讓。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group has elected to measure loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other debt financial assets, the ECLs are based on the 12-months ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

4. 主要會計政策 (續)

金融工具 (續)

(ii) 財務資產之減值虧損 (續)

本集團已選擇根據香港財務報告準則第9號簡化法計量應收貿易賬款之虧損撥備，並根據全期預期信貸虧損計算預期信貸虧損。本集團已設立根據本集團過往信貸虧損經驗計算之撥備矩陣，並按與債務人相關之前瞻性因素及經濟環境調整。

就其他債務財務資產而言，本集團按12個月預期信貸虧損計算預期信貸虧損。然而，自開始以來信貸風險顯著增加時，撥備將以全期預期信貸虧損為基準。

當釐定財務資產之信貸風險自初步確認後有否大幅增加，並於估計預期信貸虧損時，本集團會考慮相關及無須付出過多成本或努力即可獲得之合理及可靠資料。此包括根據本集團之過往經驗及已知信貸評估得出之定量及定性資料及分析，並包括前瞻性資料。

倘某項財務資產逾期超過90天，則本集團假設該財務資產之信貸風險顯著上升。

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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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

The Group considers a financial asset to be credit-impaired when: (1) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (2) the financial asset is more than 365 days past due.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised cost are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost including trade and other payables, borrowings, certain preference shares and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. 主要會計政策 (續)

金融工具 (續)

(ii) 財務資產之減值虧損 (續)

本集團認為財務資產於下列情況下已出現信貸減值：(1) 借款人不大可能在本集團無追索權採取行動（例如變現抵押（如持有））之情況下向本集團悉數履行其信貸義務；或(2) 該財務資產逾期超過365天。

信貸減值之財務資產利息收入乃按財務資產之攤銷成本（即總賬面值減虧損撥備）計算。就非信貸減值之財務資產而言，利息收入乃按總賬面值計算。

(iii) 財務負債

本集團視乎財務負債產生之目的將其財務負債分類。按攤銷成本計量之財務負債初步按公平值減所產生之直接應佔成本計量。

按攤銷成本計量之財務負債（包括應付貿易賬款及其他應付賬款、借貸、若干優先股及本集團發行之可換股貸款票據之債務部分）其後使用實際利率法按攤銷成本計量。相關利息開支會於損益內確認。

於負債終止確認或進行攤銷時，收益或虧損概於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(iv) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(vi) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

4. 主要會計政策 (續)

金融工具 (續)

(iv) 實際利率法

實際利率法乃計算財務資產或財務負債之攤銷成本，並於相關期間攤分利息收入或利息支出之方法。實際利率是指可準確將估計未來現金收入或支出於財務資產或負債之預計年期或較短期間（如適用）貼現之利率。

(v) 權益工具

本公司發行之權益工具乃按已收所得款項扣除直接發行成本入賬。

(vi) 終止確認

當就財務資產之未來現金流量之合約權利屆滿時，或財務資產已轉讓且該轉讓符合香港財務報告準則第9號之終止確認規定，本集團會終止確認該項財務資產。

當相關合約中訂明之責任獲解除、註銷或到期時，會終止確認財務負債。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

(vi) Derecognition (Continued)

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

Related parties

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

4. 主要會計政策 (續)

金融工具 (續)

(vi) 終止確認 (續)

倘由於重新磋商財務負債之條款，本集團向債權人發行其自身股本工具以支付全部或部分之財務負債，則已發行之股本工具為已付代價並於抵銷財務負債或其部分日期按彼等之公平值初步確認及計量。倘已發行股本工具之公平值不能可靠計量，則股本工具將計量以反映所抵銷財務負債之公平值。所抵銷財務負債或其部分之賬面值與已付代價之差額於年內損益中確認。

關連人士

- (a) 倘屬以下人士，則該人士或其近親與本集團有關連：
- (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) 為本集團或本公司母公司主要管理人員。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (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) Both entities 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 the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).

4. 主要會計政策 (續)

關連人士 (續)

- (b) 倘符合下列任何條件，則實體與本集團有關連：
- (i) 該實體與本集團為同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此互有關連）。
 - (ii) 一間實體為另一間實體之聯營公司或合營企業（或為另一間實體所屬集團之成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一間實體為該第三方實體之聯營公司。
 - (v) 該實體乃為本集團或與本集團相關之實體之僱員福利而設之退休福利計劃。
 - (vi) 該實體受(a)段所識別人土控制或共同控制。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply: (Continued)

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

(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 and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 主要會計政策 (續)

關連人士 (續)

(b) 倘符合下列任何條件，則實體與本集團有關連：(續)

(vii) (a)(i)段所識別之人士對實體有重大影響力或為該實體（或該實體母公司）主要管理人員成員。

(viii) 該實體或其所屬集團之任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

一名人士之近親指預期於其與實體進行交易時可影響該人士或受該人士影響之家屬成員，包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

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

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following is the a critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the operating results of the Group's operations and financing plan assessed using cash flows forecasts as detailed in Note 3(b) to the consolidated financial statements. However, because not all future events or conditions can be predicted, this assumption is not a guarantee as to the Group's and Company's ability to continue as a going concern.

5. 關鍵會計判斷及估計不確定因素之主要來源

於應用附註4所述之本集團會計政策時，本公司董事須對無法依循其他途徑即時得知之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根據過往經驗及認為相關之其他因素而作出。實際結果或會與該等估計不同。

估計及相關假設會持續檢討。會計估計之修訂於修訂估計之期間（倘修訂僅影響該期間），或修訂期間及未來期間（倘修訂影響本期間及未來期間）確認。

應用會計政策時的關鍵判斷

下文為除估計所涉及者（請參閱下文）外本公司董事在應用本集團會計政策過程中所作出的對於綜合財務報表確認的金額產生最重大影響的關鍵判斷。

持續經營基準

該等綜合財務報表已按持續經營基準編製，其有效性取決於本集團經營的經營業績及該等綜合財務報表附註3(b)所詳述使用現金流量預測評估的融資計劃。然而，由於並非所有未來事件或狀況均可預測，故該假設並非保證本集團及本公司的持續經營能力。

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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

5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Control over 北京飛鷹暢遊科技有限公司 (“Beijing Feiyong”)

As stated in Note 41 to the consolidated financial statements, Beijing Feiyong is a subsidiary of the Group with 33.5% ownership interest and voting rights at end of the reporting period. The directors of the Company assessed whether or not the Group has control over Beijing Feiyong based on whether the Group has the practical ability to direct the relevant activities of Beijing Feiyong unilaterally. In making the judgement, the directors of the Company considered the shareholders voting agreement that the Group and one shareholder of Beijing Feiyong undertaken to vote in concert with the wholly owned subsidiary of the Company on 27 December 2019, which enable the Group entitles to control the 33.5% voting rights in the shares of Beijing Feiyong owned by this shareholder. After assessment, the directors of the Company concluded that the Group has the ability to direct the relevant activities of Beijing Feiyong with aggregated voting interest of 67%, and therefore the Group has control over Beijing Feiyong.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

Impairment of intangible asset

Determining whether intangible asset is impaired requires an estimation of the value in use of the cash-generating units. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

對北京飛鷹暢遊科技有限公司 (「北京飛鷹」) 的控制權

誠如綜合財務報表附註41所述，北京飛鷹為本集團的一間附屬公司，於報告期末擁有其33.5%的所有權權益及投票權。根據本集團是否具備單方面主導北京飛鷹相關業務的實際能力，本公司董事評估本集團是否對北京飛鷹有控制權。於作出判斷時，本公司董事考慮到股東投票協議，當中本集團及北京飛鷹的一名股東於二零一九年十二月二十七日承諾與本公司的該全資附屬公司一致投票，令本集團有權控制該股東擁有的北京飛鷹股份中33.5%的投票權。於評估後，本公司董事得出結論，認為本集團憑藉合計67%的投票權有能力主導北京飛鷹的相關業務，因此本集團對北京飛鷹擁有控制權。

估計不確定因素的主要來源

下文為於報告期末有關未來的關鍵假設及其他主要估計不確定因素的來源，其產生重大影響導致對下個財政年度資產賬面值作出重大調整。

無形資產之減值

釐定無形資產是否出現減值需要估計現金產生單位的使用價值。計算使用價值需要董事估計預期現金產生單位將產生之未來現金流量及合適之貼現率，旨在計算現值。

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綜合財務報表附註

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5. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(Continued)

Impairment of trade and other receivables

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

6. CAPITAL RISK MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

The capital structure of the Group consists of debt, which includes bank borrowing and amounts due to related parties as disclosed in Notes 28 and 37(b), and equity attributable to owners of the Company, comprising issued share capital and reserves.

5. 關鍵會計判斷及估計不確定因素之主要來源 (續)

應收貿易賬款及其他應收賬款之減值

根據香港財務報告準則第9號對所有類別的財務資產進行減值虧損計量須作出判斷，特別是在釐定減值虧損及評估信貸風險的大幅增加時，對未來現金流量及抵押價值的金額及發生的時間的估計。此等估計受多項因素推動，當中有關的變動可能導致須作出不同程度的撥備。

於各報告日期，本集團會將通過對由報告日期至初步確認日期之間的預計年期內發生的違約風險進行比較，以評估自初步確認以來信貸風險是否有顯著增加。本集團就此會考慮相關及毋須付出過度成本或努力而可用的合理及具支持理據的資料，當中包括量化及質化資料以及前瞻性分析。

6. 資本風險管理

本集團之資本管理目標乃保障本集團能持續營運，從而為股東提供回報，同時兼顧其他利益相關者之利益，並維持最佳之資本架構以減低資本成本。

本集團資本架構包含債務（包括附註28及37(b)所披露之銀行借貸及應付關連人士款項）及本公司擁有人應佔權益（包括已發行股本及儲備）。

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. CAPITAL RISK MANAGEMENT (Continued)

The directors of the Company review the capital structure periodically. As part of their review, the directors consider the cost of capital and the risks associates thereto. Based on recommendations of the directors, the Group will maintain its overall capital structure through the payment of dividends, new share issues as well as issue of new debt or the redemption of existing debt.

The Group's overall strategy remains unchanged from prior year.

The gearing ratio of the Group at the end of the reporting period was as follows:

6. 資本風險管理 (續)

本公司董事定期檢討資本架構。檢討時，董事考慮資本成本及相關風險。根據董事之推薦建議，本集團將透過派發股息、發行新股份及發行新債務或償還現有債務維持其整體資本架構。

本集團之整體策略與去年維持不變。

本集團於報告期末之資產負債比率如下：

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Debt	負債	16,704	11,866
Less: Cash and cash equivalents	減：現金及現金等價物	(18,177)	(26,563)
Net cash	現金淨額	(1,473)	(14,697)
Equity	權益	13,992	40,587
Net debt to equity ratio	淨負債對權益比率	N/A 不適用	N/A 不適用

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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

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	財務資產
Loan and receivables at amortised cost (including cash and cash equivalents)	按攤銷成本計量之貸款及應收賬款(包括現金及現金等價物)
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產
Financial liabilities	財務負債
Financial liabilities at amortised cost	按攤銷成本計量之財務負債

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market price; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

HKFRS 13 requires disclosures for financial instruments that are measured at fair value by level of the following fair value measurement hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs for the asset or liability that are not based on observable market data.

7. 金融工具

(a) 金融工具類別

2019 HK\$'000 千港元	2018 HK\$'000 千港元
58,408	55,564
5,612	5,886
76,577	65,533

財務資產及財務負債之公平值釐定如下：

- 具標準條款及條件並於活躍流動市場買賣之財務資產之公平值乃參考市場報價而釐定；及
- 其他財務資產及財務負債之公平值乃根據公認定價模型按貼現現金流量分析而釐定。

香港財務報告準則第13號規定按以下公平值計量層級之層次披露按公平值計量之金融工具：

- 第1級：相同資產或負債於活躍市場的報價(未經調整)；
- 第2級：第1級範圍內的報價以外的資產或負債可觀察輸入數據(直接或間接)；及
- 第3級：並非基於可觀察市場數據之資產或負債輸入數據。

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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

7. FINANCIAL INSTRUMENTS (Continued)**7. 金融工具 (續)****(a) Categories of financial instruments (Continued)****(a) 金融工具類別 (續)**

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

下表提供按公平值列賬之金融工具按公平值層級劃分之分析：

		Level 1 第1級 HK\$'000 千港元	Level 2 第2級 HK\$'000 千港元	Level 3 第3級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Assets	資產				
At 31 December 2019	於二零一九年 十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產				
– Unlisted equity investments	– 非上市股權投資	–	–	222	222
– Unlisted fund investment	– 非上市基金投資	–	–	4,469	4,469
– Listed equity investments	– 上市股權投資	921	–	–	921
		921	–	4,691	5,612
At 31 December 2018	於二零一八年 十二月三十一日				
Financial assets at fair value through profit or loss	按公平值計入損益之 財務資產				
– Unlisted equity investments	– 非上市股權投資	–	–	1,619	1,619
– Unlisted fund investment	– 非上市基金投資	–	–	3,731	3,731
– Listed equity investments	– 上市股權投資	536	–	–	536
		536	–	5,350	5,886

There were no transfers between Level 1 and Level 2 or into or out of Level 3 during the year.

年內，第1級及第2級之間概無轉移，亦無轉入或轉出第3級。

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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

7. FINANCIAL INSTRUMENTS (Continued)

(a) Categories of financial instruments (Continued)

The movement of financial instruments under Level 3 of fair value hierarchy is as follows:

At 1 January	於一月一日
Initial application of HKFRS 9	首次採納香港財務報告準則第9號
Purchases	購買
Disposal	出售
Fair value change	公平值變動
Exchange adjustments	匯兌調整
At 31 December	於十二月三十一日

The fair value of financial assets that are grouped under Level 3 is determined by using market approach valuation techniques.

Specific valuation techniques used to value financial instruments include:

- Fund administrators' valuation for unlisted fund investment, the fund invests substantially in a basket of investments, such as property development projects carried in Beijing.
- Market value was measured based on the underlying value of the assets and liabilities of the unlisted investments.

7. 金融工具 (續)

(a) 金融工具類別 (續)

公平值層級之第3級項下金融工具變動如下：

2019 HK\$'000 千港元	2018 HK\$'000 千港元
5,350	2,449
–	1,448
–	1,550
(69)	–
(510)	98
(80)	(195)
4,691	5,350

分組至第3級項下之財務資產之公平值乃使用市場法估值技術釐定。

用於評估金融工具之特定估值技術包括：

- 基金管理人對非上市基金投資之估值，該等基金主要投資於一籃子投資，例如於北京進行之房地產開發項目。
- 根據非上市投資之資產及負債之相關價值計量市值。

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7. FINANCIAL INSTRUMENTS (Continued)

(a) Categories of financial instruments (Continued)

The carrying amounts of the Group's financial instruments carried at amortised cost approximated their fair values as at 31 December 2019 because of the short-term maturities nature.

(b) Financial risk management objectives and policies

The Group's major financial assets included financial assets at fair value through profit or loss, trade and other receivables, amounts due from related parties, non-controlling shareholders of subsidiaries and cash and cash equivalents. The Group's major financial liabilities included trade and other payables, amounts due to related parties and non-controlling shareholders of subsidiaries. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Foreign currency risk

Several subsidiaries of the Group are exposed to foreign currency risk primarily arising from bank deposits, other receivables and trade and other payables that are denominated in foreign currency.

7. 金融工具 (續)

(a) 金融工具類別 (續)

由於短期內到期之性質，本集團按攤銷成本列賬之金融工具之賬面值與其於二零一九年十二月三十一日之公平值相若。

(b) 財務風險管理目標及政策

本集團之主要財務資產包括按公平值計入損益之財務資產、應收貿易賬款及其他應收賬款、應收關連人士之款項、應收附屬公司非控制性股東之款項以及現金及現金等價物。本集團之主要財務負債包括應付貿易賬款及其他應付賬款以及應付關連人士及附屬公司非控制性股東之款項。該等金融工具之詳情於各相關附註披露。有關該等金融工具之風險包括市場風險（外幣風險及利率風險）、信貸風險及流動資金風險。下文載列減低此等風險之政策。管理層會管理及監控該等風險，以確保及時並有效地採取適當措施。

市場風險

(i) 外幣風險

本集團多家附屬公司面對外幣風險，主要源自以外幣計值的銀行存款、其他應收賬款以及應付貿易賬款及其他應付賬款。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

The carrying amounts of the Group's significant monetary assets and liabilities which are denominated in currencies other than the functional currency of the relevant group entities at the end of reporting period are as follows:

		Liabilities 負債		Assets 資產	
		2019 HK\$'000 千港元	2018 HK\$'000 千港元	2019 HK\$'000 千港元	2018 HK\$'000 千港元
HK\$	港元	14,790	5,062	451	2,235

The Group is mainly exposed to the fluctuation of HK\$. The following table details the Group's sensitivity to a 4% (2018: 4%) appreciation in the functional currency of the relevant subsidiaries (RMB) against the above foreign currency. 4% (2018: 4%) represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of reporting period for a 4% (2018: 4%) change in the exchange rates. A strengthening of the functional currency of the relevant subsidiaries against the above foreign currency would give rise to the following impact to the Group's results for the year, or vice versa.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

於報告期末，本集團以相關集團實體功能貨幣以外之貨幣計值之重大貨幣資產及負債之賬面值如下：

本集團主要面對港元之匯率波動風險。下表詳列本集團相關附屬公司功能貨幣(人民幣)兌上述外幣升值4%(二零一八年:4%)之敏感度。4%(二零一八年:4%)為管理層對外匯匯率可能出現合理變動之評估。敏感度分析僅包括尚未清償之外幣計值貨幣項目，並於報告期末以匯率4%(二零一八年:4%)之變動調整換算。倘相關附屬公司功能貨幣兌上述外幣升值，將對本集團之年度業績產生以下影響，反之亦然。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(i) Foreign currency risk (Continued)

Decrease in (loss)/increase in	年度(虧損)減少／
profit for the year	溢利增加
– HK\$	– 港元

In the management's opinion, the above sensitivity analysis is not necessarily representative of the inherent foreign currency risk as the exposure at year end does not reflect the exposure during the year.

(ii) Interest rate risk

The Group is not exposed to fair value interest rate risk in relation to its borrowing (see Notes 28 and 37(b) to the consolidated financial statements for details) as they are carried at amortised cost. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group is exposed to cash flow interest rate risk as the interest rate of bank borrowing is floating (see Note 28 to the consolidated financial statements for details).

The management considered that the Group's exposure to the interest rate risk on financial assets is not significant. Accordingly, no sensitivity analysis is presented.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(i) 外幣風險 (續)

2019	2018
HK\$'000	HK\$'000
千港元	千港元
(574)	292

管理層認為，由於年終所面對之風險並不反映本年度所面對之風險，故上述敏感度分析並不一定代表固有外幣風險。

(ii) 利率風險

由於借貸（詳情見綜合財務報表附註28及37(b)）以攤銷成本列值，故本集團毋須就其借貸承擔公平值利率風險。本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並會在有需要時考慮對沖重大利率風險。

由於銀行借貸之利率為浮動利率（詳情見綜合財務報表附註28），故本集團面臨現金流量利率風險。

管理層認為本集團之財務資產承受的利率風險並不重大，因此並無呈報敏感度分析。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

The Group's credit risk is primarily attributable to its trade and other receivables, amounts due from related parties and non-controlling shareholders of subsidiaries, and bank balances. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtor's past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtors operate. Ongoing credit evaluation is performed on the financial condition of the debtors. Normally, the Group does not obtain collateral from debtors.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significant different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

本集團之信貸風險主要來自其應收貿易賬款及其他應收賬款、應收關連人士及附屬公司非控制性股東之款項及銀行結餘。管理層設有信貸政策，並持續監察本集團該等信貸風險。

就應收貿易賬款及其他應收賬款而言，所有信貸額超過一定金額之債務人均需接受個別信貸評估。有關評估集中於債務人支付到期款項之往績及現時付款之能力，以及考慮債務人之具體資料及債務人營運所在地之經濟環境。本集團會就債務人之財務狀況進行持續信貸評估。本集團通常不會向債務人收取抵押品。

本集團按等同於全期預期信貸虧損之金額計量應收貿易賬款之虧損撥備，其乃使用撥備矩陣進行計算。由於本集團過往信貸虧損並未就不同客戶分部顯示重大不同虧損模式，基於逾期狀態之虧損撥備不會於本集團不同客戶基礎之間進一步區分。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables:

2019

Not past due	未過期
Less than 1 month past due	過期少於1個月
1 to 3 months past due	過期1至3個月
4 to 6 months past due	過期4至6個月
7 to 12 months past due	過期7至12個月
Over 12 months past due	過期超過12個月

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

下表提供有關本集團承受之信貸風險及應收貿易賬款之預期信貸虧損資料：

ECLs rate 預期 虧損率 (%)	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
0.150%	5,029	(6)
0.153%	25	-
0.193%	81	-
0.516%	-	-
100.00%	3,193	(3,193)
100.00%	51	(51)
	8,379	(3,250)

2018

Not past due	未過期
Less than 1 month past due	過期少於1個月
1 to 3 months past due	過期1至3個月
4 to 6 months past due	過期4至6個月
7 to 12 months past due	過期7至12個月
Over 12 months past due	過期超過12個月

ECLs rate 預期 虧損率 (%)	Gross carrying amount 總賬面值 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
0.151%	-	-
0.154%	-	-
0.208%	456	(1)
0.649%	-	-
45.605%	1	-
100.00%	51	(51)
	508	(52)

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

ECLs rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the year over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

預期信貸虧損率乃按實際虧損經驗計算。該等利率經調整以反映收集過往數據之年份之經濟狀況、目前狀況及本集團對應收款項預計年期內經濟狀況之看法之差異。

並無逾期或減值之應收賬款與近期並無拖欠歷史之多個客戶有關。

已逾期但未減值之應收賬款與若干獨立客戶有關，該等客戶於本集團具有良好往績記錄。根據過往經驗，管理層相信毋須就該等結餘計提減值撥備，原因為信貸質素並無重大變動，且有關結餘仍被視為可悉數收回。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

Balance at 1 January	於一月一日之結餘	
Exchange adjustments	匯兌調整	
Recovery of bad debts	收回壞賬	
Impairment losses recognised during the year	年內確認之減值虧損	
Balance at 31 December	於十二月三十一日之結餘	

The Group's concentration of credit risk on the trade receivables as at 31 December 2019 included two major counterparties accounting for approximately 98% (2018: included one major counterparty accounting for approximately 90%) of the trade receivables. The Group has closely monitored the recoverability of the receivables from these counterparties and taken effective measures to ensure timely collection of outstanding balances. The Group has not obtained collateral from customers.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

年內有關應收貿易賬款之虧損撥備賬變動如下：

2019 HK\$'000 千港元	2018 HK\$'000 千港元
52	14,135
(58)	(3)
-	(14,083)
3,256	3
3,250	52

於二零一九年十二月三十一日，本集團應收貿易賬款之信貸風險集中包括兩名佔應收貿易賬款約98%之主要交易對手方（二零一八年：包括一名佔應收貿易賬款約90%之主要交易對手方）。本集團已密切監察向該等交易對手方作出之應收賬款之可收回情況，並採取有效措施確保及時收回尚未收回之結餘。本集團並無自客戶取得抵押品。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

In addition, the Group had concentration of credit risk on its liquid funds as 99% (2018: 99%) of bank balances were placed with four (2018: four) banks. However, the credit risk on liquid funds is limited because management believes the counterparties are reputable banks with high credit quality.

The Group is exposed to the concentration of geographic risk on revenue which is generated mostly from customers located in the PRC. The Group has closely monitored the business performance of these customers in the PRC.

The amounts due from related parties, non-controlling shareholders of subsidiaries and other receivables are measured at amortised cost. The credit risks of these financial assets are considered not to increase significantly since initial recognition. They are subject to the ECLs model and the loss allowances limited to 12 months ECLs. After applying the ECLs model, additional loss allowance of HK\$1,000,000 (2018: HK\$21,000) has been charged to the profit or loss during the year.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

此外，本集團的信貸風險集中於其流動資金，99%的銀行餘額（二零一八年：99%）存放於四家銀行（二零一八年：四家）。然而，流動資金信貸風險屬有限，因為管理層相信對手方為信譽良好、信貸質量高的銀行。

本集團須承擔收益之地域風險集中，有關風險主要來自位於中國之客戶。本集團已密切監察該等中國客戶之業務表現。

應收關連人士之款項、應收附屬公司非控制性股東之款項及其他應收賬款均按攤銷成本計量。該等財務資產之信貸風險被視為自初步確認以來並未大幅增加。該等項目須受預期信貸虧損模型及限於12個月預期信貸虧損之虧損撥備所規限。於應用預期信貸虧損模型後，年內額外虧損撥備1,000,000港元（二零一八年：21,000港元）已自損益扣除。

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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. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Equity price risk

The Group is exposed to equity price risk through its investments in listed equity securities. The management manages this exposure by maintaining a portfolio of investments with different risks. The Group's equity price risk is mainly concentrated on equity instruments quoted in the PRC stock exchange. Management monitors the price risks and will consider hedging the risk exposure should the need arises.

The management considered that the Group's exposure to the equity price risk on financial assets at fair value through profit or loss is not significant. Accordingly, no sensitivity analysis is presented.

Liquidity risk

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management closely monitors the borrowings as well as the cash flows from operating activities on timely basis.

The following table details the Group's remaining contractual maturity for its derivative and non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities and the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

股權價格風險

本集團因投資上市股本證券而承受股價風險。管理層維持風險不一的投資組合以管理此風險。本集團的股價風險主要集中於中國證券交易所報價的股本工具。管理層監察價格風險，並將於有需要時考慮對沖風險。

管理層認為本集團按公平值計入損益之財務資產承受的股權價格風險並不重大，因此並無呈報敏感度分析。

流動資金風險

管理流動資金風險時，本集團監控並維持管理層視為足夠為本集團營運提供資金之現金及現金等價物，並減輕現金流量波動之影響。管理層會及時密切監控借貸以及經營活動之現金流量。

下表載列本集團衍生及非衍生財務負債之剩餘合約到期詳情。該表根據財務負債之未貼現現金流量及本集團可能須償還之最早日期編製，包括利息及本金之現金流量。

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7. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Liquidity table

2019	二零一九年
Non-derivative financial liabilities	非衍生財務負債
Trade and other payables	應付貿易賬款及其他應付賬款
Amounts due to related parties	應付關連人士之款項
– non-interest bearing	– 不計息
– fixed rate at imputed interest	– 按估算利息計算之固定利率
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控制性股東之款項
Bank borrowing	銀行借貸
Lease liabilities	租賃負債

2018	二零一八年
Non-derivative financial liabilities	非衍生財務負債
Trade and other payables	應付貿易賬款及其他應付賬款
Amounts due to related parties	應付關連人士之款項
– non-interest bearing	– 不計息
– fixed rate at imputed interest	– 按估算利息計算之固定利率
Amounts due to non-controlling shareholders of subsidiaries	應付附屬公司非控制性股東之款項

7. 金融工具 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

流動資金表

Weighted average effective interest rate (per annum)	On demand or less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amounts as at 31.12.2019
加權平均實際利率 (每年) %	按要求或少於1年 HK\$'000 千港元	多於1年但少於2年 HK\$'000 千港元	多於2年但少於5年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	於二零一九年十二月三十一日之賬面值 HK\$'000 千港元
-	29,637	-	-	29,637	29,637
-	24,796	-	-	24,796	24,796
4.75	-	13,440	-	13,440	12,224
-	3,426	-	-	3,426	3,426
4.25 - 4.30	4,528	-	-	4,528	4,480
4.75	1,367	710	-	2,077	2,014
	63,754	14,150	-	77,904	76,577

Weighted average effective interest rate (per annum)	On demand or less than 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total undiscounted cash flows	Carrying amounts as at 31.12.2018
加權平均實際利率 (每年) %	按要求或少於1年 HK\$'000 千港元	多於1年但少於2年 HK\$'000 千港元	多於2年但少於5年 HK\$'000 千港元	未貼現現金流量總額 HK\$'000 千港元	於二零一八年十二月三十一日之賬面值 HK\$'000 千港元
-	38,878	-	-	38,878	38,878
-	11,301	-	-	11,301	11,301
4.75	-	-	13,680	13,680	11,866
-	3,488	-	-	3,488	3,488
	53,667	-	13,680	67,347	65,533

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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

8. SEGMENT INFORMATION AND REVENUE

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers (the “CODM”) that are used to make strategic decisions.

During the year ended 31 December 2019, the Group has two reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group’s reportable segments:

- Mobile phone business
- Mining business

Corporate expenses, corporate assets and corporate liabilities are not allocated to the reportable segments as they are not included in the measure of the segments’ profit or loss, segments’ assets and segments’ liabilities that are used by the CODM for assessment of segment performance.

8. 分部資料及收益

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之對賬

本集團基於由作出策略決定之主要營運決策者（「主要營運決策者」）審閱之報告釐定其營運分部。

截至二零一九年十二月三十一日止年度內，本集團擁有兩個可呈報分部。由於各業務提供不同產品以及服務，並且需要採取不同的業務策略，故此各分部乃分開管理。以下概要描述本集團各個可呈報分部之營運：

- 移動電話業務
- 採礦業務

由於企業支出、企業資產及企業負債並沒有計入主要營運決策者評估分部表現時使用之分部損益、分部資產及分部負債之計量內，故並沒有被分配至各可呈報分部。

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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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

For the year ended 31 December 2019

Reportable segment revenue from contracts with external customers within scope of HKFRS 15	香港財務報告準則第15號範圍內之來自外界客戶合約的可呈報分部收益
Reportable segment loss	可呈報分部虧損
Depreciation of plant and equipment	廠房及設備折舊
Depreciation of right-of-use assets	使用權資產折舊
Reversal of impairment loss recognised in respect of prepayment to a supplier	就向一家供應商之預付款項確認之減值虧損撥回
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損
Impairment loss recognised in respect of right-of-use assets	就使用權資產確認之減值虧損
Impairment loss on goodwill	商譽之減值虧損
Recovery of write down of inventories	存貨撇減撥回
Reportable segment assets	可呈報分部資產
Additions to non-current assets	非流動資產添置
Reportable segment liabilities	可呈報分部負債

8. 分部資料及收益 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

截至二零一九年十二月三十一日止年度

Mobile phone business 移動電話業務 HK\$'000 千港元	Mining business 採礦業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
108,455	-	108,455
(19,175)	(1,759)	(20,934)
1,177	-	1,177
368	-	368
(118)	-	(118)
4,256	-	4,256
95	-	95
4,491	-	4,491
205	-	205
6,005	-	6,005
(370)	-	(370)
60,141	3,678	63,819
61	-	61
(37,639)	(13,499)	(51,138)

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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

8. SEGMENT INFORMATION AND REVENUE (Continued)**8. 分部資料及收益 (續)**

(a) *Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)*

(a) *可呈報分部及可呈報分部收益·損益·資產及負債之調節 (續)*

		2019 HK\$'000 千港元
Revenue	收益	
Reportable segment revenue and consolidated revenue	可呈報分部收益及綜合收益	108,455
Loss before income tax	除所得稅前虧損	
Reportable segment loss	可呈報分部虧損	(20,934)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	(108)
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之財務資產之虧損	(69)
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	(675)
Impairment loss recognised in respect of right-of-use assets	就使用權資產確認之減值虧損	(626)
Loss on write-off of plant and equipment	廠房及設備撇銷之虧損	(1)
Interest income	利息收入	87
Gain on deregistration of an associate	註銷一間聯營公司之收益	24
Miscellaneous income	雜項收入	407
Motor vehicle expenses	汽車支出	(161)
Staff costs (including directors' remunerations)	員工成本 (包括董事薪酬)	(6,184)
Rental expenses	租金開支	(365)
Corporate expenses	企業支出	(3,531)
Finance costs	融資成本	(605)
Consolidated loss before income tax	除所得稅前綜合虧損	(32,741)

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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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

8. 分部資料及收益 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

		2019 HK\$'000 千港元
Assets	資產	
Reportable segment assets	可呈報分部資產	63,819
Unallocated corporate assets	未分配企業資產	
– Financial assets at fair value through profit or loss	– 按公平值計入損益之財務資產	5,612
– Club memberships	– 會所會籍	874
– Cash and cash equivalents	– 現金及現金等價物	232
– Others (Note a)	– 其他 (附註a)	400
Consolidated total assets	綜合資產總值	70,937
Liabilities	負債	
Reportable segment liabilities	可呈報分部負債	51,138
Unallocated corporate liabilities	未分配企業負債	
– Tax payables	– 應付稅項	4,574
– Amount due to a related party, Mr. Lau	– 應付關連人士劉先生之款項	27,568
– Others (Note b)	– 其他 (附註b)	6,282
Consolidated total liabilities	綜合負債總額	89,562

Note a: The unallocated corporate assets mainly included deposits for the headquarter in Hong Kong.

附註a: 未分配企業資產主要包括用於香港總部之按金。

Note b: The unallocated corporate liabilities mainly included lease liabilities for the headquarter in Hong Kong, accrued salaries, professional fee and audit fee.

附註b: 未分配企業負債主要包括香港總部之租賃負債、應計薪金、專業費用及核數費。

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

8. SEGMENT INFORMATION AND REVENUE (Continued)**8. 分部資料及收益 (續)****(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)****(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)**

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Mobile phone business 移動 電話業務 HK\$'000 千港元	Mining business 採礦業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Reportable segment revenue from contracts with external customers within scope of HKFRS 15	香港財務報告準則第15號範圍內之來自外界客戶合約的可呈報分部收益	216,104	-	216,104
Reportable segment profit/(loss)	可呈報分部溢利/(虧損)	11,990	(3,238)	8,752
Depreciation of plant and equipment	廠房及設備折舊	199	-	199
Reversal of impairment loss recognised in respect of prepayment to a supplier	就向一家供應商之預付款項確認之減值虧損撥回	(363)	-	(363)
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	2	-	2
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	-	1,221	1,221
Recovery of bad debts	收回壞賬	(14,083)	-	(14,083)
Recovery of write down of inventories	存貨撇減撥回	(155)	-	(155)
Reportable segment assets	可呈報分部資產	72,083	3,643	75,726
Additions to non-current assets	非流動資產添置	5,808	-	5,808
Reportable segment liabilities	可呈報分部負債	(36,069)	(12,701)	(48,770)

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

8. 分部資料及收益 (續)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

		2018 HK\$'000 千港元
Revenue	收益	
Reportable segment revenue and consolidated revenue	可呈報分部收益及綜合收益	<u>216,104</u>
Profit before income tax	除所得稅前溢利	
Reportable segment profit	可呈報分部溢利	8,752
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	(519)
Impairment loss recognised in respect of other receivables	就其他應收賬款確認之減值虧損	(21)
Interest income	利息收入	45
Miscellaneous income	雜項收入	598
Write back of interest payables	應付利息撤回	11,922
Motor vehicle expenses	汽車支出	(116)
Staff costs (including directors' remunerations)	員工成本 (包括董事薪酬)	(5,641)
Rental expenses	租金開支	(634)
Corporate expenses	企業支出	(3,286)
Share of results of associates	分佔聯營公司之業績	<u>(647)</u>
Consolidated profit before income tax	除所得稅前綜合溢利	<u>10,453</u>
Assets	資產	
Reportable segment assets	可呈報分部資產	75,726
Unallocated corporate assets	未分配企業資產	
– Investments in associates	– 於聯營公司之投資	498
– Financial assets at fair value through profit or loss	– 按公平值計入損益之財務資產	5,886
– Club memberships	– 會所會籍	877
– Cash and cash equivalents	– 現金及現金等價物	1,704
– Others	– 其他	<u>554</u>
Consolidated total assets	綜合資產總值	<u>85,245</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(a) Reportable segments and reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

		2018 HK\$'000 千港元
Liabilities	負債	
Reportable segment liabilities	可呈報分部負債	48,770
Unallocated corporate liabilities	未分配企業負債	
– Tax payables	– 應付稅項	4,574
– Amount due to a related party, Mr. Lau	– 應付關連人士劉先生之款項	18,359
– Others	– 其他	6,106
		<hr/>
Consolidated total liabilities	綜合負債總額	77,809

(b) Geographical information

During the years ended 31 December 2019 and 2018, the Group's operations and non-current assets are situated in the People's Republic of China ("PRC") in which all of its revenue was derived.

(c) Information about major customers

Revenue from major customers, where each of them accounted for 10% or more of the Group's revenue, are set out below:

Customer A	客戶A
Customer B	客戶B
Customer C	客戶C
Customer D	客戶D
Customer E*	客戶E*
Customer F*	客戶F*

* The corresponding revenue in the year for this customer did not contribute over 10% of the total revenue of the Group.

8. 分部資料及收益 (續)

(a) 可呈報分部及可呈報分部收益、損益、資產及負債之調節 (續)

(b) 地域資料

於截至二零一九年及二零一八年十二月三十一日止年度，本集團之業務及非流動資產均位於中華人民共和國（「中國」），而全部收益均來自中國。

(c) 有關主要客戶之資料

來自主要客戶的收益（彼等各自佔本集團收益之10%或以上）載列如下：

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Customer A	20,537	N/A 不適用
Customer B	19,083	N/A 不適用
Customer C	15,494	N/A 不適用
Customer D	11,129	N/A 不適用
Customer E*	N/A 不適用	80,298
Customer F*	N/A 不適用	35,667

* 於本年度來自該客戶之相應收益對本集團總收益貢獻並不超過10%。

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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

8. SEGMENT INFORMATION AND REVENUE (Continued)

(d) Revenue

In the following table, revenue is disaggregated by primary geographical market, major products and service lines and timing of revenue recognition.

Disaggregation of revenue from contracts with customers

Primary geographical market	主要地區市場
PRC	中國
Major product	主要產品
Mobile phone	移動電話
Timing of revenue recognition	收益確認時間
At a point in time	於某一時間點

8. 分部資料及收益 (續)

(d) 收益

於下表內，收益按主要地區市場、主要產品及服務分類及收益確認時間分拆。

客戶合約收益分拆

Trading of mobile phone 買賣移動電話

2019 HK\$'000 千港元	2018 HK\$'000 千港元
108,455	216,104
108,455	216,104
108,455	216,104

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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

9. OTHER GAINS AND LOSSES

9. 其他收益及虧損

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Exchange loss	匯兌虧損	(1)	(2)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之財務資產之公平值虧損	(108)	(519)
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	(95)	(1,221)
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	(5,166)	-
Impairment loss recognised in respect of right-of-use assets	就使用權資產確認之減值虧損	(831)	-
Impairment loss on goodwill	商譽之減值虧損	(6,005)	-
Reversal of impairment loss recognised in respect of prepayment to a supplier	就向一家供應商之預付款項確認之減值虧損撥回	118	363
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	(4,256)	(23)
Write back of interest payables (Note 28)	應付利息撤回 (附註28)	-	11,922
Write back of trade payables	應付貿易賬款撤回	23	-
Loss on disposal of financial assets at fair value through profit or loss	出售按公平值計入損益之財務資產之虧損	(69)	-
Loss on write-off of plant and equipment	廠房及設備撇銷之虧損	(1)	-
Gain on deregistration of an associate	註銷一間聯營公司之收益	24	-
Recovery of bad debts (Note 28)	收回壞賬 (附註28)	-	14,083
Others	其他	-	(1,619)
		(16,367)	22,984

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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

10. FINANCE COSTS

10. 融資成本

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Interest on lease liabilities	租賃負債之利息	29	-
Imputed interest on loan from a related party	應付一名關連人士之貸款之估算利息	576	-
		605	-

11. (LOSS)/PROFIT BEFORE INCOME TAX

11. 除所得稅前(虧損)/溢利

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
(Loss)/profit before income tax is arriving at	除所得稅前(虧損)/溢利		
after charging:	已扣除:		
Auditor's remuneration	核數師酬金	1,016	1,134
Cost of inventories recognised as expenses	已確認為開支之存貨成本	107,444	213,966
Depreciation of plant and equipment	廠房及設備折舊	1,215	211
Depreciation of right-of-use assets	使用權資產折舊	533	-
Staff costs	員工成本		
- directors' emoluments (Note 13)	- 董事酬金(附註13)	3,594	3,631
- salaries and allowances for other staff	- 其他員工薪金及津貼	5,072	3,742
- retirement benefit scheme contribution (excluding directors)	- 退休福利計劃供款(不包括董事)	295	267
		8,961	7,640
and after crediting:	及已計入:		
Interest income	利息收入	87	45
Recovery of write down of inventories	存貨撇減撥回	370	155

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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

12. INCOME TAX EXPENSE

The amount of income tax expense in the consolidated statement of comprehensive income represents:

Current tax – PRC Enterprises Income Tax (“EIT”)
– tax for the year

即期稅項—中國企業所得稅
（「企業所得稅」）
—年度稅項

The Group’s major operations are being carried out through its subsidiaries established in the PRC and subject to the EIT rate of 25% (2018: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

The income tax expense for the year can be reconciled to the (loss)/profit before income tax per the consolidated statement of comprehensive income as follows:

12. 所得稅開支

綜合全面收入表內之所得稅開支金額指：

2019 HK\$’000 千港元	2018 HK\$’000 千港元
35	148

本集團透過其於中國成立之附屬公司進行主要業務，並須按25%（二零一八年：25%）之企業所得稅稅率納稅，惟優惠稅率適用於該等附屬公司所在城市則除外。

本年度之所得稅開支與綜合全面收入表之除所得稅前（虧損）／溢利對賬如下：

		2019 HK\$’000 千港元	2018 HK\$’000 千港元
(Loss)/profit before income tax	除所得稅前（虧損）／溢利	(32,741)	10,453
Income tax (credit)/expense at the domestic income tax rate of 25% (2018: 25%) (Note)	按本地所得稅稅率25%（二零一八年：25%）計算之所得稅（抵免）／開支（附註）	(8,185)	2,613
Tax effect of share of results of associates	分佔聯營公司之業績之稅務影響	-	107
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	3,378	1,053
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(198)	(5,415)
Tax effect of tax losses not recognised and utilisation of tax losses and deductible temporary differences	未確認稅項虧損及動用稅務虧損及可扣稅暫時差額之稅務影響	3,720	2,482
Effect of tax concession granted to a subsidiary	授予一間附屬公司稅務優惠之影響	(141)	(155)
Effect of different tax rates of group entities operating in other jurisdictions	於其他司法權區營運之集團實體不同稅率之影響	1,461	(537)
Income tax expense	所得稅開支	35	148

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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 EXPENSE (Continued)

At the end of reporting period, the Group had estimated unrecognised tax losses of approximately HK\$195,169,000 (2018: HK\$182,731,000) available for offsetting against future profits. The tax losses are subject to the final assessment by the tax authorities in the respective jurisdictions where the tax losses arising from. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$48,798,000 (2018: HK\$43,043,000) that may be carried forward for a period of five years from their respective year of origination. The remaining unrecognised tax losses may be carried forward indefinitely.

At the end of reporting period, the Group also had deductible temporary differences of approximately HK\$4,930,000 (2018: HK\$8,854,000). No deferred tax asset has been recognised in relation to these deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Note: The domestic income tax rate represents the EIT rate where the Group's operations are substantially based.

12. 所得稅開支 (續)

於報告期末，本集團估計可用作抵消未來溢利之尚未確認稅項虧損約為195,169,000港元（二零一八年：182,731,000港元）。稅項虧損須待產生稅項虧損的相關司法權區的稅務機關作最後評稅。由於無法預測未來溢利來源，故並無就所估計之尚未動用之稅項虧損確認遞延稅項資產。計入未確認稅項虧損之虧損約為48,798,000港元（二零一八年：43,043,000港元），可自產生各年度起結轉五年。剩下的未確認稅項虧損則可無限期結轉。

於報告期末，本集團亦有可扣稅暫時差額約4,930,000港元（二零一八年：8,854,000港元）。由於不大可能動用可扣稅暫時差額用以抵銷應課稅溢利，故並無就該等可扣稅暫時差額確認遞延稅項資產。

附註：本地所得稅稅率指本集團大部分業務適用之企業所得稅稅率。

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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

13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the seven (2018: eight) directors during the year were as follows:

13. 董事酬金

年內已付或應付予七位(二零一八年:八位)董事各自之酬金如下:

		Lau Siu Ying ("Mr. Lau") 劉小鷹 (「劉先生」)	Luo Xi Zhi 羅習之 (Note 1) (附註1)	Law Chun Kwan 羅振坤	Chang Wing Seng, Victor 鄭永勝 (Note 2) (附註2)	Wang Yu 王愚	Lam Man Kit 林文傑	Bao Kang Rong 鮑康榮 (Note 3) (附註3)	Lo Wai Shun 勞維信 (Note 4) (附註4)	Lo Gao Fei 高飛 (Note 5) (附註5)	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2019	二零一九年										
Fees	袍金	-	-	100	-	-	100	100	100	-	400
Salaries and allowances	薪金及津貼	2,707	-	-	-	445	-	-	-	4	3,156
Retirement benefit scheme contribution	退休福利計劃供款	3	-	-	-	35	-	-	-	-	38
Total emoluments	酬金總額	2,710	-	100	-	480	100	100	100	4	3,594
2018	二零一八年										
Fees	袍金	-	-	100	42	-	100	58	58	-	358
Salaries and allowances	薪金及津貼	2,769	-	-	-	464	-	-	-	-	3,233
Retirement benefit scheme contribution	退休福利計劃供款	3	-	-	-	37	-	-	-	-	40
Total emoluments	酬金總額	2,772	-	100	42	501	100	58	58	-	3,631

Notes:

- Mr. Luo Xi Zhi resigned as the executive director of the Company on 17 April 2018.
- Mr. Chang Wing Seng, Victor retired as the independent non-executive director of the Company on 1 June 2018.
- Mr. Bao Kang Rong was appointed as the non-executive director of the Company on 4 June 2018.
- Dr. Lo Wai Shun was appointed as the independent non-executive director of the Company on 4 June 2018.
- Mr. Gao Fei was appointed as the executive director of the Company on 27 December 2019, the acquisition date of Beijing Feiyang, of which he serves as a director.

附註:

- 羅習之先生於二零一八年四月十七日辭任本公司執行董事。
- 鄭永勝先生於二零一八年六月一日退任本公司獨立非執行董事。
- 鮑康榮先生於二零一八年六月四日獲委任為本公司非執行董事。
- 勞維信博士於二零一八年六月四日獲委任為本公司獨立非執行董事。
- 高飛先生於二零一九年十二月二十七日(即北京飛鷹的收購日期,而彼為該公司董事)獲委任為本公司執行董事。

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14. EMPLOYEES' EMOLUMENTS

Out of the five individuals with the highest emoluments in the Group, two (2018: two) were directors of the Company whose emoluments are included in Note 13 above. The emoluments of the remaining three (2018: three) individuals were as follows:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contribution	退休福利計劃供款

Their emoluments were within the following band:

Up to HK\$1,000,000	1,000,000港元以內
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None of the five highest paid individuals waived any emoluments in current and prior years.

During the years ended 31 December 2019 and 2018, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as compensation for loss of office.

14. 僱員酬金

本集團五位最高薪人士中，其中兩位（二零一八年：兩位）為本公司董事，其酬金載於上文附註13。餘下三位（二零一八年：三位）人士之酬金如下：

2019 HK\$'000 千港元	2018 HK\$'000 千港元
1,714	1,429
54	50
1,768	1,479

該等僱員之酬金介乎下列範圍：

2019 Number of employees 僱員數目	2018 Number of employees 僱員數目
3	3

於本年度及過往年度內，五位最高薪人士概無放棄收取任何酬金。

截至二零一九年及二零一八年十二月三十一日止年度，本集團概無向五位最高薪人士（包括董事）支付任何酬金，作為招攬彼等加入或在加入本集團時之酬金或作為離職補償。

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15. DIVIDEND

No dividend was paid or proposed during current and prior years, nor has any dividend been proposed since the end of reporting period (2018: Nil).

16. (LOSS)/EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of loss/earnings per share for the year is based on the loss for the year attributable to owners of the Company of HK\$26,093,000 (2018: profit of HK\$7,799,000) and the weighted average number of 917,779,442 (2018: 917,779,442) shares in issue during the year.

(b) Diluted (loss)/earnings per share

No diluted loss per share is presented as the effect of any potential ordinary shares is anti-dilutive for the year ended 31 December 2019.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive potential ordinary shares for the year ended 31 December 2018.

15. 股息

於本年度及過往年度內，概無派付或擬派股息，自報告期末以來亦無擬派任何股息（二零一八年：無）。

16. 每股（虧損）／盈利

(a) 每股基本（虧損）／盈利

年內每股虧損／盈利乃根據本公司擁有人應佔年內虧損26,093,000港元（二零一八年：溢利7,799,000港元）及年內已發行股份之加權平均數917,779,442股（二零一八年：917,779,442股）計算。

(b) 每股攤薄（虧損）／盈利

於截至二零一九年十二月三十一日止年度，由於任何潛在普通股具反攤薄效應，故未有呈列每股攤薄虧損。

由於本集團於截至二零一八年十二月三十一日止年度並無攤薄潛在普通股，故每股攤薄盈利與每股基本盈利相同。

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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

17. PLANT AND EQUIPMENT

17. 廠房及設備

		Leasehold improvements	Furniture, fixtures and equipment	Motor vehicles	Construction in progress	Total
		租賃裝修	傢俬、 裝置及設備	汽車	在建工程	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
COST	成本					
At 1 January 2018	於二零一八年一月一日	4,631	3,235	2,117	6,523	16,506
Exchange adjustments	匯兌調整	(155)	(101)	(25)	(326)	(607)
Additions	添加	5,807	13	-	-	5,820
Write-off	撇銷	-	(6)	-	-	(6)
At 31 December 2018	於二零一八年十二月三十一日	10,283	3,141	2,092	6,197	21,713
Exchange adjustments	匯兌調整	(171)	(33)	(8)	(109)	(321)
Additions	添加	535	158	-	-	693
Additions from business combination	來自業務合併之添加	-	61	-	-	61
Write-off	撇銷	(836)	(858)	-	-	(1,694)
At 31 December 2019	於二零一九年十二月三十一日	9,811	2,469	2,084	6,088	20,452
ACCUMULATED DEPRECIATION AND IMPAIRMENT	累計折舊及減值					
At 1 January 2018	於二零一八年一月一日	4,631	3,214	2,096	6,523	16,464
Exchange adjustments	匯兌調整	(213)	(102)	(24)	(326)	(665)
Provided for the year	年度撥備	198	13	-	-	211
Eliminated on write-off	撇銷時消除	-	(6)	-	-	(6)
At 31 December 2018	於二零一八年十二月三十一日	4,616	3,119	2,072	6,197	16,004
Exchange adjustments	匯兌調整	(172)	(33)	(8)	(109)	(322)
Provided for the year	年度撥備	1,192	23	-	-	1,215
Impairment loss	減值虧損	5,011	155	-	-	5,166
Eliminated on write-off	撇銷時消除	(836)	(857)	-	-	(1,693)
At 31 December 2019	於二零一九年十二月三十一日	9,811	2,407	2,064	6,088	20,370
CARRYING VALUE	賬面值					
At 31 December 2019	於二零一九年十二月三十一日	-	62	20	-	82
At 31 December 2018	於二零一八年十二月三十一日	5,667	22	20	-	5,709

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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

17. PLANT AND EQUIPMENT (Continued)

During the year, the leasehold improvements of the manufacturing plant in 重慶萬創終端實業有限公司 of HK\$4,491,000, allocated to the cash generating unit of Chongqing Manufacturing (“CQM CGU”) under mobile phone business segment, has been fully impaired and recognised as other gains and losses due to the suspension of production plan. The suspension was resulted from the change of development plan imposed by the local government.

In the impairment testing, the recoverable amount of CQM CGU is determined using the value-in-use calculation based on cash flow projections from financial budgets approved by management. The management does not anticipate that there will be any resumption of development plan in foreseeable future, and therefore, assume no revenue would be generated in the cash flow projections. As a result, the recoverable amount of CQM CGU was determined as nil.

By comparing the recoverable amount and the carrying amount of this CGU, a full impairment of the leasehold improvements of HK\$4,491,000 was recognised to the profit or loss.

17. 廠房及設備 (續)

年內，重慶萬創終端實業有限公司的製造廠的租賃改善4,491,000港元分配至移動手機業務分部項下重慶製造的現金產生單位（「重慶製造現金產生單位」），且因終止生產計劃而已悉數減值，並確認為其他收益及虧損。終止乃由於地方政府實施的發展計劃變化。

於減值測試時，重慶製造現金產生單位的可收回金額乃基於管理層批准的財務預算中現金流量預測使用使用價值計算釐定。管理層預期於可預見未來不會恢復發展計劃，因此，假設現金流量預測不會產生任何收益。因此，重慶製造現金產生單位的可收回金額釐定為零。

通過比較該現金產生單位的可收回金額及賬面值，於損益中確認租賃改善悉數減值4,491,000港元。

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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

18. MINING RIGHT

18. 採礦權

		HK\$'000 千港元
COST	成本	
At 1 January 2018	於二零一八年一月一日	441,600
Exchange adjustments	匯兌調整	<u>(22,080)</u>
At 31 December 2018	於二零一八年十二月三十一日	419,520
Exchange adjustments	匯兌調整	<u>(7,360)</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>412,160</u>
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值	
At 1 January 2018	於二零一八年一月一日	441,600
Exchange adjustments	匯兌調整	<u>(22,080)</u>
At 31 December 2018	於二零一八年十二月三十一日	419,520
Exchange adjustments	匯兌調整	<u>(7,360)</u>
At 31 December 2019	於二零一九年十二月三十一日	<u>412,160</u>
CARRYING VALUE	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	<u>-</u>
At 31 December 2018	於二零一八年十二月三十一日	<u>-</u>

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18. MINING RIGHT (Continued)

The mining right represents the right of Sifa Mining to conduct mining activities in Huangshi City, Hubei Province, the PRC.

Mining exploitation/operating permit

After the expiration of a 5-year mining exploitation permit on 25 September 2012, Sifa Mining renewed the mining operating permit for 2 years from the Ministry of Land and Resources of the PRC (中華人民共和國國土資源部) (“MLR”), under which Sifa Mining was allowed to carry out exploration activities only, but not exploitation activities. The latest 2-year mining operating permit was expired on 25 September 2016. Since then, the Group had been preparing for the application of renewal for the mining operating permit.

On 21 December 2017, the Department of Land and Resources of Hubei Province of the People’s Republic of China (the “DLR”) issued an announcement (the “DLR Announcement”) in respect of the deadline of application of renewal for the expired mining operating permit. The DLR instructed the owners of the expired mining operating permits as identified in the DLR Announcement had to furnish the application procedures for the renewal before 28 February 2018. If the owners fail to do so, they were required to de-register the mining operating permits before 31 March 2018 by themselves or the DLR will de-register their permits instead. The Group, through its lawyer, submitted a letter on 8 February 2018 to the DLR for the clarification of the Group’s situation on whether the Group was allowed to extend the renewal application deadline or submit a new application for the mining operating permit in future.

18. 採礦權 (續)

採礦權指錫發礦業於中國湖北省黃石市進行採礦活動的權利。

採礦許可證

五年期採礦許可證於二零一二年九月二十五日屆滿後，錫發礦業重續中華人民共和國國土資源部（「國土資源部」）授出為期兩年的採礦許可證，據此，錫發礦業僅獲准進行勘探活動而非開採活動。最新兩年期採礦許可證已於二零一六年九月二十五日屆滿。自此，本集團正準備申請重續採礦許可證。

於二零一七年十二月二十一日，中華人民共和國湖北省國土資源廳（「國土資源廳」）已就申請重續已屆滿採礦許可證之最後期限發出公佈（「國土資源廳公佈」）。國土資源廳指示，國土資源廳公佈指明之已屆滿採礦許可證之擁有人須於二零一八年二月二十八日前提出重續之申請程序。倘擁有人未能完成申請程序，則彼等須於二零一八年三月三十一日前自行註銷採礦許可證，否則國土資源廳將註銷其許可證。本集團於二零一八年二月八日透過其律師向國土資源廳提交一封函件，以就本集團是否獲准延長重續申請之最後期限或於日後提交新的採礦許可證申請澄清本集團之情況。

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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

18. MINING RIGHT (Continued)

Mining exploitation/operating permit (Continued)

Up to the date of the 2017 Annual Report, the Group had not received the reply from the DLR and was not able to furnish the application before the deadline. The directors were of the opinion that there was a material uncertainty on whether the Group would be successful in the future application for the mining operating permit because of the DLR Announcement. The directors had factored this into their assessment of the recoverable amount of the Group's mining right and related plant and equipment, and the carrying amount of the related deferred tax liability (the "mining activities related assets and liability") as at 31 December 2017, and on the assumption that the Group could not renew the permit, provided a full impairment of the mining right of HK\$174,589,000 and related plant and equipment of HK\$8,965,000 and derecognised the related deferred tax liability of HK\$41,116,000 in profit or loss during the year ended 31 December 2017.

During the year ended 31 December 2018, the Group, through its lawyer, has tried to approach DLR by telephone calls and resubmission of the letter sent in February 2018 for the clarification of the Group's situation. However, DLR did not make reply to the Group's enquiries. The directors were advised by the lawyer that, in accordance with the rules and regulations in the PRC, the Group has lost its mining right and no longer entitled to any benefit to be derived from the mining right.

18. 採礦權 (續)

採礦許可證 (續)

直至二零一七年年報日期，本集團並未收到國土資源廳之答覆，且未能於最後期限前提出申請。董事認為，本集團日後能否成功申請採礦許可證因國土資源廳公佈而存在重大不確定性。董事於評估本集團於二零一七年十二月三十一日之採礦權及相關廠房及設備可收回金額及相關遞延稅項負債賬面值（「採礦業務相關資產及負債」）時已計及此項因素，並假設本集團未能重續許可證，則就採礦權174,589,000港元及相關廠房及設備8,965,000港元計提全額減值撥備，並於截至二零一七年十二月三十一日止年度於損益中取消確認相關遞延稅項負債41,116,000港元。

截至二零一八年十二月三十一日止年度，本集團已透過其律師嘗試以電話及重新遞交於二零一八年二月發出之函件之方式接觸國土資源廳，以澄清本集團之情況。然而，國土資源廳並無回覆本集團之查詢。董事獲律師告知，根據中國之法規及規例，本集團已失去其採礦權及不再享有採礦權產生之任何利益。

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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

18. MINING RIGHT (Continued)

Mining exploitation/operating permit (Continued)

The directors had carefully reassessed and reviewed the recoverable amount of the cash-generating unit of the mining business (the “CGU”) to which the mining right is allocated. As at 31 December 2018 and 2019, the directors determined the recoverable amount of the CGU should be nil as the directors are of the opinion that the DLR is unlikely to grant the mining operating permit to the Company nor to other market participants, if any. The directors have also considered the fair value of the plant and equipment related to the mining business is minimal as most of them were the infrastructure that attached to the mining site which were not removable and not saleable.

19. RIGHT-OF-USE ASSETS

18. 採礦權 (續)

採礦許可證 (續)

董事已審慎重新評估及審閱獲分配採礦權之採礦業務現金產生單位(「現金產生單位」)之可收回金額。於二零一八年及二零一九年十二月三十一日，董事釐定現金產生單位之可收回金額應為零，原因為董事認為國土資源廳不大可能向本公司或其他市場參與者(如有)授出採礦許可證。董事亦認為採礦業務之相關廠房及設備之公平值極低，原因為大部分廠房及設備為礦場之附屬基礎設施，其不可拆除亦不可出售。

19. 使用權資產

		HK\$'000 千港元
At 1 January 2019 (Note 2(a))	於二零一九年一月一日(附註2(a))	93
Additions	添加	1,303
Additions from business combination	來自業務合併之添加	1,134
Depreciation	折舊	(533)
Impairment loss	減值虧損	(831)
Exchange adjustments	匯兌調整	10
		<hr/>
At 31 December 2019	於二零一九年十二月三十一日	1,176

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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

19. RIGHT-OF-USE ASSETS (Continued)

The assets underlying the net book value of right-of-use assets are:

Properties, carried at depreciated cost 按折舊成本列賬的物業

19. 使用權資產 (續)

與使用權資產賬面淨值相關的資產為：

31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元
1,176	93

20. INVESTMENTS IN ASSOCIATES

Cost of investments in unlisted associates	於非上市聯營公司之投資成本
Share of post-acquisition reserves	應佔收購後儲備
Exchange adjustments	匯兌調整

20. 於聯營公司之投資

2019 HK\$'000 千港元	2018 HK\$'000 千港元
-	4,912
-	(4,352)
-	(62)
-	498

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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

20. INVESTMENTS IN ASSOCIATES (Continued)

20. 於聯營公司之投資 (續)

Details of the Group's associates are as follows:

本集團聯營公司詳情如下：

Name of associate 聯營公司名稱	Form of business structure 業務結構形式	Place of incorporation/ operation 註冊成立/ 營運地點	Proportion of nominal value of issued capital held by the Group 本集團持有已發行的股本面值的百分比		Principal activities 主要業務
			2019	2018	
北京飛鷹暢遊科技有限公司 ("Beijing Feiying")	Incorporated	PRC	- (Note a)	33.5%	Trading in second-hand mobile phones and provision of marketing services
北京飛鷹暢遊科技有限公司 ([北京飛鷹])	註冊成立	中國	(附註a)		買賣二手移動電話及提供市場推廣服務
Ever Trillion Investments Limited ("Ever Trillion")	Incorporated	British Virgin Islands	- (Note b)	42.86%	Investment holding
Ever Trillion Investments Limited ([Ever Trillion])	註冊成立	英屬處女群島	(附註b)		投資控股

Notes:

附註：

- (a) Beijing Feiying has become a subsidiary of the Group on 27 December 2019. The Group continued to share the results of Beijing Feiying under the equity method during the period from 1 January 2019 to 27 December 2019.

- (a) 北京飛鷹於二零一九年十二月二十七日成為本集團的附屬公司。於二零一九年一月一日至二零一九年十二月二十七日期間，本集團繼續按權益法享有北京飛鷹的業績。

Details of the deemed step acquisition from associate to subsidiary is disclosed in Note 33(a).

視為從聯營公司到附屬公司的進一步收購之詳情於附註33(a)披露。

- (b) Ever Trillion was deregistered in January 2019.

- (b) Ever Trillion於二零一九年一月撤銷註冊。

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20. INVESTMENTS IN ASSOCIATES (Continued)

Beijing Feiyong

Since 2016, the Group discontinued the recognition of its share of losses of an associate, Beijing Feiyong, as summarised below:

		01.01.2019 – 27.12.2019 HK\$'000 千港元	2018 HK\$'000 千港元
Unrecognised share of (loss)/profit of associate for the period/year	未確認分佔聯營公司之期間／年內（虧損）／溢利	(8,031)	3,156
Accumulated unrecognised share of loss of associate	累計未確認分佔聯營公司之虧損	(11,697)	(3,666)

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
Non-current assets (note a)	非流動資產（附註a）		
Unlisted equity investments	非上市股權投資	222	1,619
Unlisted fund investment	非上市基金投資	4,469	3,731
		4,691	5,350
Current assets (note b)	流動資產（附註b）		
Listed equity investments in the PRC	中國上市股權投資	921	536

20. 於聯營公司之投資（續）

北京飛鷹

自二零一六年以來，本集團已終止確認其分佔聯營公司北京飛鷹之虧損，概述如下：

21. 按公平值計入損益之財務資產

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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

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

note a: These investments were reclassified as financial assets at fair value through profit or loss on 1 January 2018 under HKFRS 9. The directors of the Group intend to hold these investments for long term strategic purpose.

Unlisted investments are investments in couple of private entities incorporated in different jurisdictions that engaged in different businesses.

note b: The listed equity investments are classified within level 1 of the fair value hierarchy.

21. 按公平值計入損益之財務資產 (續)

附註a：於二零一八年一月一日，該等投資根據香港財務報告準則第9號被重新分類為按公平值計入損益之財務資產。本集團董事擬就長期策略性目的持有該等投資。

非上市投資為於若干於不同司法權區註冊成立及從事不同業務之私營實體之投資。

附註b：上市股權投資分類為公平值層級的第一級。

22. CLUB MEMBERSHIPS

22. 會所會籍

		HK\$'000 千港元
COST	成本	
At 1 January 2018	於二零一八年一月一日	1,384
Exchange adjustments	匯兌調整	(11)
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	1,373
Exchange adjustments	匯兌調整	(3)
		<hr/>
At 31 December 2019	於二零一九年十二月三十一日	1,370
		<hr/>
IMPAIRMENT	減值	
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日、 二零一八年十二月三十一日及 二零一九年十二月三十一日	496
		<hr/>
CARRYING AMOUNT	賬面值	
At 31 December 2019	於二零一九年十二月三十一日	874
		<hr/>
At 31 December 2018	於二零一八年十二月三十一日	877
		<hr/>

Club memberships are stated at cost less any identified impairment loss. For the purpose of impairment testing on club memberships, the recoverable amount has been determined based on fair value less costs to sell which represents the second-hand market price less cost of disposal.

會所會籍按成本減任何已識別減值虧損列賬。檢測會所會籍有否減值時，可收回金額按公平值減銷售成本釐定，亦即二手市場價減出售成本。

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23. INVENTORIES

Mobile phone business	移動電話業務
– finished goods	– 製成品

Included in the cost of sales recognised as expense for the year ended 31 December 2019 were recovery of write down of inventories of HK\$370,000 (2018: HK\$155,000) which was caused by the increase in the net realisable value.

23. 存貨

2019	2018
HK\$'000	HK\$'000
千港元	千港元
26	95

截至二零一九年十二月三十一日止年度之已確認為開支之銷售成本包括由於可變現淨值增加而產生之存貨撇減撥回370,000港元(二零一八年: 155,000港元)。

24. TRADE AND OTHER RECEIVABLES

Trade receivables	應收貿易賬款
Less: accumulated allowance	減: 累計撥備
Value-added-tax receivables	應收增值稅
Prepayments to suppliers	預付供應商之款項
Other receivables and deposits	其他應收賬款及按金
Less: accumulated allowance	減: 累計撥備
Trade and other receivables	應收貿易賬款及其他應收賬款

24. 應收貿易賬款及其他應收賬款

2019	2018
HK\$'000	HK\$'000
千港元	千港元
8,379	508
(3,250)	(52)
5,129	456
356	259
27,708	40,122
14,509	32,262
(31,199)	(30,917)
16,503	42,182

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24. TRADE AND OTHER RECEIVABLES (Continued)

- (a) The Group generally requests for full prepayment from its trade customers but it also allows credit period of 30 to 90 days for certain trade customers. The following is an aged analysis of trade receivables (net of allowance) presented based on the invoice date at the end of reporting period:

0 to 30 days	0至30日
31 to 90 days	31至90日
91 to 365 days	91至365日

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Limits attributed to customers are reviewed periodically. Majority of the trade receivables that are neither past due nor impaired have no default payment history.

The Group does not hold any collateral over its trade debts. The following is an aged analysis of the carrying amounts of trade debts that were past due at the end of reporting period but for which the Group has not provided for impairment loss because management are of the opinion that the fundamental credit quality of the customers has not deteriorated.

Less than 90 days past due	逾期少於90日
Over 90 days but less than 365 days past due	逾期超過90日但少於365日

24. 應收貿易賬款及其他應收賬款 (續)

- (a) 本集團一般要求貿易客戶預付全數款項，但亦給予若干貿易客戶三十至九十日之信貸期。於報告期末之應收貿易賬款（已扣除撥備）按發票日期呈列之賬齡分析如下：

2019 HK\$'000 千港元	2018 HK\$'000 千港元
5,023	—
25	—
81	456
5,129	456

接納任何新客戶前，本集團會評估潛在客戶之信貸質量，然後界定信貸限額，定期檢討授予客戶之限額。大部分既未逾期亦未減值之應收貿易賬款並無拖欠紀錄。

本集團並無就貿易債款持有任何抵押品。以下為於報告期末已逾期但因管理層認為客戶之基本信貸質素並未惡化而導致本集團並無作出減值虧損撥備之貿易債款之賬面值賬齡分析。

2019 HK\$'000 千港元	2018 HK\$'000 千港元
25	—
81	456
106	456

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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

24. TRADE AND OTHER RECEIVABLES (Continued)

(b) Included in the other receivables as at 31 December 2019 were advances of HK\$3,366,000 (2018: HK\$841,000) to Mr. Dai's mother ("Mrs. Dai"). Mr. Dai is a non-controlling shareholder of one of the Group's subsidiaries. The advances are unsecured, non-interest bearing and repayable on demand.

(c) Movement in the allowance for doubtful debts in respect of trade and other receivables

Balance at beginning of year	年初結餘
Exchange adjustments	匯兌調整
Impairment losses recognised during the year	年內確認之減值虧損
Reversal of impairment loss recognised	確認之減值虧損撥回
Written off of allowance as uncollectible	將撥備撤銷為不可收回
Balance at end of year	年終結餘

24. 應收貿易賬款及其他應收賬款 (續)

(b) 於二零一九年十二月三十一日之其他應收賬款包括向戴先生母親(「戴夫人」)墊款3,366,000港元(二零一八年: 841,000港元)。戴先生乃本集團附屬公司之非控制性股東。該等墊款為無抵押、不計息及須按要求償還。

(c) 有關應收貿易賬款及其他應收賬款呆賬撥備之變動

2019 HK\$'000 千港元	2018 HK\$'000 千港元
30,969	46,374
(557)	170
4,256	23
(118)	(14,446)
(101)	(1,152)
34,449	30,969

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24. TRADE AND OTHER RECEIVABLES (Continued)

(c) Movement in the allowance for doubtful debts in respect of trade and other receivables (Continued)

The Group recognised impairment loss on individual assessment based on the accounting policies stated in Note 4.

Included in the above allowance for doubtful debts in respect of trade and other receivables is a provision for individually impaired trade and other receivables of HK\$34,449,000 (2018: HK\$30,969,000) with a carrying amount before provision of HK\$50,952,000 (2018: HK\$73,151,000).

The individually impaired trade and other receivables relate to debtors that were in financial difficulties or were in default in both interest and/or principal payments and only a portion of the receivables is expected to be recovered.

25. AMOUNTS DUE FROM/TO NON-CONTROLLING SHAREHOLDERS OF SUBSIDIARIES

The balances are unsecured, non-interest bearing and repayable on demand.

26. CASH AND CASH EQUIVALENTS

The cash and cash equivalents of the Group are mainly denominated in RMB and HK\$, which are the functional currencies of the relevant entities of the Group. Included in cash and cash equivalents at 31 December 2019 are the amounts in RMB of approximately RMB15,978,000 (2018: RMB21,806,000) in form of cash on hand and at banks. RMB is not freely convertible into other currencies.

Cash at banks earns interest at floating bank deposit rates.

24. 應收貿易賬款及其他應收賬款 (續)

(c) 有關應收貿易賬款及其他應收賬款呆賬撥備之變動 (續)

本集團根據附註4所述之會計政策確認個別評估之減值虧損。

上述就應收貿易賬款及其他應收賬款之呆賬撥備包括就已個別減值之應收貿易賬款及其他應收賬款之撥備34,449,000港元(二零一八年: 30,969,000港元)·撥備前賬面值為50,952,000港元(二零一八年: 73,151,000港元)。

已個別減值之應收貿易賬款及其他應收賬款涉及陷入財務困難或拖欠利息及/或本金付款之債務人·預期僅可收回應收賬款之一部分。

25. 應收/應付附屬公司非控制性股東之款項

結餘為無抵押、不計息及須按要求償還。

26. 現金及現金等價物

本集團之現金及現金等價物主要以本集團有關實體之功能貨幣人民幣及港元計值。於二零一九年十二月三十一日·現金及現金等價物包括以人民幣計值之手頭及銀行現金約人民幣15,978,000元(二零一八年: 人民幣21,806,000元)。人民幣不得自由兌換為其他貨幣。

銀行現金按浮動銀行存款利率賺取利息。

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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

27. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of reporting period:

Trade payables:	應付貿易賬款：
0 to 90 days	0至90日
Over 90 days	超過90日
Value-added-tax payables	應付增值稅
Prepayments from customers	客戶預付款項
Other payables and accruals	其他應付賬款及應計費用

27. 應付貿易賬款及其他應付賬款

於報告期末之應付貿易賬款按發票日期呈列之賬齡分析如下：

2019 HK\$'000 千港元	2018 HK\$'000 千港元
1,269	–
349	42
1,618	42
18	18
1,033	143
28,019	38,836
30,688	39,039

28. BANK BORROWING

Secured bank borrowing	有抵押銀行借貸
– repayable within one year	– 須於一年內償還

The bank borrowing bears interest at 0.1% plus the prime rate of the People's Bank of China and are repayable by two instalments within one year.

The bank borrowing is secured by i) the personal guarantee given by Mr. Gao Fei and his spouse and ii) a property located in the PRC given by a former shareholder of Beijing Feiyang.

The first instalment of HK\$2,240,000 was overdue in June 2020. The Group is still under negotiation with the bank on renewing the borrowing up to date of this annual report.

28. 銀行借貸

2019 HK\$'000 千港元	2018 HK\$'000 千港元
4,480	–

銀行借貸乃按0.1%加中國人民銀行最優惠利率計息，並須於一年內分兩期償還。

銀行借貸以i)高飛先生及其配偶提供的個人擔保，以及ii)北京飛鷹的一名前股東提供位於中國的一處物業作抵押。

首筆2,240,000港元於二零二零年六月逾期。本集團仍然正與銀行磋商續期截至本年報日期的借款。

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28. BANK BORROWING (Continued)

During the year ended 31 December 2018, two subsidiaries of the Group and a lender of the borrowings amounted to HK\$14,878,000 entered into a waiver of debt assignments. The lender is also the debtor of one of the above subsidiaries of the Group with the outstanding trade receivables of HK\$14,083,000 being fully impaired in previous years. Under the waiver of debt assignments, all the parties agreed that the outstanding trade receivables would be fully set off with other borrowings. The interest payables of HK\$11,922,000 were also waived accordingly. Therefore, a recovery of bad debts of HK\$14,083,000 and write back of interest payables of HK\$11,922,000 were recognised in profit or loss in the year ended 31 December 2018.

29. SHARE CAPITAL

Ordinary shares of HK\$0.10 each 每股面值0.10港元之普通股

Authorised 法定股本

Issued and fully paid 已發行及繳足股款股本

28. 銀行借貸 (續)

截至二零一八年十二月三十一日止年度，本集團兩間附屬公司與借貸14,878,000港元之一名貸方訂立債務轉讓豁免。該名貸方亦為以上其中一間本集團附屬公司之債務人，有關尚未償還應收貿易賬款14,083,000港元已於過往年度完全減值。根據債務轉讓豁免，所有訂約方同意，尚未償還應收貿易賬款將悉數抵銷其他借貸。應付利息11,922,000港元亦已相應獲豁免。因此，收回壞賬14,083,000港元及應付利息撤回11,922,000港元已於截至二零一八年十二月三十一日止年度之損益內確認。

29. 股本

		Number of ordinary shares 普通股數目		Share capital 股本	
		2019 '000 千股	2018 '000 千股	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Authorised	法定股本	2,000,000	2,000,000	200,000	200,000
Issued and fully paid	已發行及繳足股款股本	917,779	917,779	91,778	91,778

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30. LEASE LIABILITIES

The Group adopted HKFRS 16 from 1 January 2019 without restatement of comparative figures. As explained in Note 2(a), the Group applied the transitional requirements as at 1 January 2019. The accounting policies applied subsequent to the date of initial application of 1 January 2019 are disclosed in Note 4.

Nature of leasing activities (in the capacity as lessee)

The Group leases its office premises and quarters for certain of its staff and directors. Leases are negotiated for an average term of two years and rentals are fixed over the relevant lease terms.

(a) HKFRS 16

Lease liabilities are due as follows:

Not later than one year	不遲於一年
Later than one year and not later than two years	遲於一年及不遲於兩年

30. 租賃負債

本集團自二零一九年一月一日起採納香港財務報告準則第16號，而並無重列比較數字。誠如附註2(a)所闡述，本集團於二零一九年一月一日應用過渡性規定。於二零一九年一月一日的初步應用日期之後應用的會計政策於附註4披露。

租賃活動的性質（以承租人的身份）

本集團為其員工及董事租賃辦公室物業及宿舍。租約按兩年之平均年期磋商，及租金於相關租約期限內釐定。

(a) 香港財務報告準則第16號

租賃負債到期如下：

Minimum lease payments	Interest	Lease liabilities (present value)
最低租賃付款	利息	租賃負債 (現值)
31 December 2019	31 December 2019	31 December 2019
二零一九年十二月三十一日	二零一九年十二月三十一日	二零一九年十二月三十一日
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元
1,367	60	1,307
710	3	707
2,077	63	2,014

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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

30. LEASE LIABILITIES (Continued)**(a) HKFRS 16 (Continued)**

	Minimum lease payments 最低租賃付款	Interest 利息	Lease liabilities (present value) 租賃負債(現值)
	1 January 2019 二零一九年 一月一日	1 January 2019 二零一九年 一月一日	1 January 2019 二零一九年 一月一日
	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元 (Note) (附註)
Not later than one year 不遲於一年	63	3	60
Later than one year and not later than two years 遲於一年及不遲於兩年	33	-	33
	96	3	93

Note: The Company initially applied HKFRS 16 using the cumulative effect approach to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Details of the transition are set out in Note 2(a).

The present value of lease liabilities are analysed as:

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元
Current liabilities 流動負債		1,307	60
Non-current liabilities 非流動負債		707	33
Lease liabilities 租賃負債		2,014	93

30. 租賃負債(續)**(a) 香港財務報告準則第16號(續)**

	Minimum lease payments 最低租賃付款	Interest 利息	Lease liabilities (present value) 租賃負債(現值)
	1 January 2019 二零一九年 一月一日	1 January 2019 二零一九年 一月一日	1 January 2019 二零一九年 一月一日
	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元 (Note) (附註)	HK\$'000 千港元 (Note) (附註)
Not later than one year 不遲於一年	63	3	60
Later than one year and not later than two years 遲於一年及不遲於兩年	33	-	33
	96	3	93

附註：本公司採用累積影響法初步應用香港財務報告準則第16號，確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關的租賃負債。過渡詳情載於附註2(a)。

租賃負債的現值分析如下：

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30. LEASE LIABILITIES (Continued)

(a) HKFRS 16 (Continued)

Short term lease expense 短期租賃開支

Extension option is included in a staff quarter and is exercisable only by the Group but not the lessor.

(b) HKAS 17

Minimum lease payments paid under operating leases

At 31 December 2018, the Group had total outstanding minimum commitments under non-cancellable operating leases, which fell due as follows:

Within one year
In the second to fifth years inclusive

短期租賃開支

延期選擇權載入員工宿舍，並僅可由本集團但並非出租人行使。

(b) 香港會計準則第17號

根據經營租賃支付的最低租賃付款

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃於下列期限到期的最低未償還承擔總額如下：

一年內
第二年至第五年（包括首尾兩年）

2019
HK\$'000
千港元

593

2018
HK\$'000
千港元

1,459

2018
HK\$'000
千港元

684

39

723

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31. SHARE-BASED PAYMENT TRANSACTIONS

The Company adopted a share option scheme on 28 May 2014 which was effective at the same day and will expire on 28 May 2024. The primary purpose of the Scheme is to provide incentives to directors, eligible employees and other qualified persons who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole.

Under the Scheme, the directors of the Company may, subject to certain conditions, grant to any directors, employees, suppliers, agents, customers, distributors, business associates or partners, professionals or other advisors of, or consultants or contractors to, any members of the Group or any associated companies who in the opinion of the board of directors has made or will make contributions which are or may be beneficial to the Group as a whole, options to subscribe for shares in the Company at any price but not less than the higher of (i) nominal value of a share, (ii) the closing price of the shares on the Stock Exchange on the day of grant, and (iii) the average of the closing prices of the shares on the Stock Exchange on the five trading days immediately preceding the date of grant of the options, subject to a maximum of 10% of the issued share capital of the Company from time to time.

Without prior approval from the Company's shareholders, (i) the total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, and (ii) the number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

Options granted must be taken up within the time period set out in the offer letter and upon payment of HK\$1 for each lot of share option granted.

At 31 December 2018 and 2019, there were no outstanding shares in respect of which options had been granted.

31. 以股份為基礎付款之交易

本公司於二零一四年五月二十八日採納一項購股權計劃，該計劃於同日生效，並將於二零二四年五月二十八日屆滿。計劃之主要目的為向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻之董事、合資格僱員及其他合資格人士給予獎勵。

根據計劃，在若干條件之限制下，本公司董事可向董事會認為對本集團整體利益曾作出或將作出屬於或可能屬於貢獻之本集團任何成員公司或任何聯營公司之任何董事、僱員、供應商、代理、客戶、分銷商、業務聯繫人或夥伴、專業顧問或其他顧問或諮詢人或承辦商授予可按任何價格認購本公司股份之購股權，惟認購價格不得少於(i)股份面值、(ii)股份於授出日期在聯交所之收市價及(iii)股份於緊接購股權授出日期前五個交易日在聯交所之平均收市價之較高者，而授出之購股權可認購之股份數目最多以本公司不時已發行股本之10%為限。

未經本公司股東事先批准，(i)根據計劃可能授出購股權之相關股份總數，不得超出本公司任何時間已發行股份之10%，及(ii)向任何個人於任何十二個月期間內已授出及將授出購股權之相關已發行及將發行股份數目，不得超出本公司任何時間已發行股份之1%。

購股權須於要約函件內所列之期間內予以接納，並須於接納時就授出之購股權每手支付1港元之費用。

於二零一八年及二零一九年十二月三十一日，並無已授出購股權之相關已發行股份。

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32. GOVERNMENT GRANT

A government grant of HK\$5,600,000 (equivalent to RMB5,000,000) was awarded to a subsidiary of the Group by the PRC local government agencies as an incentive primarily to encourage and support its business development in local district. Under the terms of this government grant, the grant would be recalled if the subsidiary could not meet certain level of accumulated Value-added-tax ("VAT") and EIT payment during a period of three years up to 2021.

33. BUSINESS COMBINATION

(a) *Deemed step acquisition from associate to subsidiary in 2019*

During the year, Beijing Feiying has become a subsidiary of the Group by a deemed step acquisition.

On 27 December 2019, Mr. Gao Fei who holds 33.5% equity interest of Beijing Feiying committed to follow the voting direction of the Group by virtue of a signed Acting-in-Concert Agreement entered into between a subsidiary of the Group and Mr. Gao Fei with no consideration. Since then, the Group has obtained the control of Beijing Feiying in both of its shareholders' and directors' meetings.

32. 政府補助

本集團之一間附屬公司獲中國當地政府機構授出政府補助5,600,000港元（相當於人民幣5,000,000元）作為獎勵，主要為鼓勵及支持其於當地之業務發展。根據該政府補助之條款，倘該附屬公司於截至二零二一年之三年期間內無法達成若干累計增值稅（「增值稅」）及企業所得稅付款水平，則補助金將被收回。

33. 業務合併

(a) *於二零一九年視為從聯營公司到附屬公司的進一步收購*

年內，北京飛鷹已通過進一步收購成為本集團的附屬公司。

於二零一九年十二月二十七日，高飛先生持有北京飛鷹33.5%股權，承諾根據本集團一間附屬公司與高飛先生訂立的已簽署一致行動協議無代價地遵循本集團投票指示。自彼時起，本集團取得北京飛鷹股東及董事會議的控制權。

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33. BUSINESS COMBINATION (Continued)

33. 業務合併 (續)

(a) Deemed step acquisition from associate to subsidiary in 2019 (Continued)

(a) 於二零一九年視為從聯營公司到附屬公司的進一步收購 (續)

The fair value of identifiable assets and liabilities of Beijing Feiyang as at the date of acquisition were:

於收購日期北京飛鷹的可識別資產及負債公平值為：

		2019 Fair value 公平值 HK\$'000 千港元
Plant and equipment	廠房及設備	61
Right-of-use assets	使用權資產	1,134
Inventories	存貨	26
Trade and other receivables	應收貿易賬款及其他應收賬款	9,014
Amount due from a related party	應收一名關連人士之款項	14,513
Amount due from a non-controlling shareholder of a subsidiary	應收一間附屬公司 一名非控制性股東之款項	261
Cash and cash equivalents	現金及現金等價物	282
Trade and other payables	應付貿易賬款及其他應付賬款	(13,741)
Lease liabilities	租賃負債	(1,134)
Amounts due to related parties	應付關連人士之款項	(5,217)
Bank borrowing	銀行借貸	(4,440)
Net identifiable assets acquired	所收購的可識別資產淨值	759
Goodwill arising on acquisition:	收購產生的商譽：	
Consideration for acquisition	收購代價	-
Add: Non-controlling interests	加：非控制性權益	6,764
Less: Net identifiable assets acquired	減：所收購的可識別資產淨值	(759)
Goodwill	商譽	6,005
		HK\$'000 千港元
Net cash inflow in arising on acquisition	於收購中產生的現金流入淨額	
– Cash and cash equivalents	– 現金及現金等價物	282

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33. BUSINESS COMBINATION (Continued)

(a) Deemed step acquisition from associate to subsidiary in 2019 (Continued)

Impairment testing

The goodwill of HK\$6,005,000 arose from the deemed step acquisition, is allocated to the cash generating unit ("CGU") of Beijing Feiyong together with the right-of-use assets of HK\$1,144,000, for the impairment testing conducted by management as at 31 December 2019 according to HKAS 36 "Impairment of assets".

The recoverable amount of Beijing Feiyong CGU is determined using the value-in-use calculation based on cash flow projections from financial budgets approved by the management covering a four-year period. The key assumptions for the value-in-use calculation are those regarding the discount rate, operating margin and growth rates during the period as below.

Discount rate	20%
Operating margin	-7% to 6%
Growth rates within the four-year period	20% drop in first year and 5% growth thereon

The discount rate used is pre-tax and reflects specific risks relating to this CGU. The operating margin and growth rates are determined based on the past experience.

Under the value-in-use calculation, the recoverable amount of the Beijing Feiyong CGU as at 31 December 2019 is determined at approximately HK\$1,200,000 which is less than the carrying amount of the CGU by approximately HK\$6,005,000. Impairment loss of HK\$6,005,000 was allocated to reduce the carrying amount of the goodwill allocated to the Beijing Feiyong CGU in the profit or loss during the year.

As a result of the above deemed step acquisition, goodwill of HK\$6,005,000 arose, being the difference between the consideration and the fair values of identifiable net assets acquired less the non-controlling interests. However, management considered that such goodwill is not expected to generate any economic benefit or cash inflow in the future. Therefore, the recoverable amount of this CGU is less than the carrying amount which led to the recognition of goodwill impairment.

33. 業務合併 (續)

(a) 於二零一九年視為從聯營公司到附屬公司的進一步收購 (續)

減值測試

就於二零一九年十二月三十一日管理層根據香港會計準則第36號「資產減值」進行的減值測試而言，視為進一步收購產生的商譽4,588,000港元連同使用權資產1,144,000港元被分配至北京飛鷹的現金產生單位（「現金產生單位」）。

現金產生單位北京飛鷹的可收回金額乃使用基於管理層批准的涵蓋四年期的財務預算所得現金流量預測的使用價值計算釐定。使用價值計算的關鍵假設乃與期內貼現率、經營溢利率、增長率有關的假設，如下文所述。

貼現率	20%
經營溢利率	-7%至6%
四年期內的增長率	首年下降20%及其後增長5%

所有貼現率是除稅前的，並反映與該現金產生單位有關的特定風險。經營溢利率及增長率乃根據過往經驗釐定。

根據使用價值計算，北京飛鷹現金產生單位於二零一九年十二月三十一日的可收回金額釐定為約1,200,000港元，較現金產生單位的賬面值低約6,005,000港元。已於年內損益分配減值虧損6,005,000港元以減少分配至北京飛鷹現金產生單位的商譽賬面值。

由於上述視為進一步收購，產生商譽6,005,000港元，即代價與被收購可識別資產淨值減非控股權益之公平值之差額。然而，管理層認為，預期有關商譽日後不會產生任何經濟利益或現金流入。因此，本現金產生單位的可收回金額低於賬面值，導致確認商譽減值。

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33. BUSINESS COMBINATION (Continued)

(b) Acquisition of a subsidiary in 2018

On 18 November 2018, the Group acquired 100% of the equity instruments of 重慶萬創終端實業有限公司 (“Wanchuang”), a company whose principal activity is manufacture and sales of electronic equipment. The acquisition was made with the aims to expand the Group’s existing scale of operation and enlarge the Group’s market presences.

Wanchuang has not commenced business up to 31 December 2019.

The fair value of identifiable assets and liabilities of Wanchuang as at the date of acquisition were:

33. 業務合併 (續)

(b) 於二零一八年收購一間附屬公司

於二零一八年十一月十八日，本集團收購重慶萬創終端實業有限公司（「萬創」）之100%股本工具，萬創之主要業務為製造及銷售電子設備。進行收購事項旨在擴充本集團之現有營運規模，並擴大本集團之市場佔有率。

直至二零一九年十二月三十一日，萬創尚未展開業務。

於收購日期，萬創之可識別資產及負債之公平值為：

		2018 Fair value 公平值 HK\$'000 千港元
Leasehold improvements	租賃裝修	5,807
Other receivables	其他應收賬款	114
Cash and cash equivalents	現金及現金等價物	283
Government grant	政府補助	(5,650)
Other payables	其他應付賬款	(531)
		<hr/>
Net identifiable assets acquired	所收購之可識別資產淨值	23
		<hr/>
Consideration for acquisition	收購事項代價	23
		<hr/>
		HK\$'000 千港元
Consideration satisfied by	代價由以下方式償付	
– Cash	– 現金	23
		<hr/>
Net cash flow arising on acquisition	收購事項產生之現金流量淨額	
– Cash consideration	– 現金代價	(23)
– Cash and cash equivalents	– 現金及現金等價物	283
		<hr/>
		260

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34. CONTINGENT LIABILITIES

At 31 December 2019 and 2018, the Group had no contingent liabilities.

35. CAPITAL COMMITMENTS

Capital commitments outstanding as at 31 December 2019 and 2018 not provided for in the consolidated financial statements were as below:

Contracted, but not provided for – leasehold improvements	已訂約，但未計提撥備 – 租賃裝修
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36. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the “Scheme”) for all its qualifying employees in Hong Kong. The assets of the Scheme are held separately from those of the Group and in funds under the control of trustees. Under the rules of the Scheme, the employer and its employees are required to make contributions to the Scheme at rates specified in the rules. The only obligation of the Group with respect to the Scheme is to make the required contributions under the Scheme.

The employees of the Group’s subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the PRC government. The subsidiaries are required to contribute a fixed rate of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

34. 或然負債

於二零一九年及二零一八年十二月三十一日，本集團並無任何或然負債。

35. 資本承擔

於二零一九年及二零一八年十二月三十一日並未於綜合財務報表計提撥備之未償付資本承擔如下：

The Group 本集團	
2019 HK\$'000 千港元	2018 HK\$'000 千港元
202	205

36. 退休福利計劃

本集團為所有香港合資格僱員管理強制性公積金計劃（「計劃」）。計劃之資產由受託人控制之基金與本集團資產分開持有。根據計劃之規則，僱主及其僱員須按規則指定之比率向計劃供款。本集團對計劃之唯一責任為根據計劃作出規定供款。

本集團在中國之附屬公司僱員均為中國政府管理之國家管理退休福利計劃成員。該等附屬公司須按薪金成本之固定比率向該退休福利計劃供款，為各項福利提供資金。本集團對該退休福利計劃之唯一責任為作出指定供款。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. RELATED PARTIES DISCLOSURES

37. 關連人士之披露

(a) Amounts due from related parties

Current Assets	流動資產
– An entity controlled by Mr. Dai, a non-controlling shareholder of a subsidiary	– 一間附屬公司非控股股東戴先生控制的實體
– Mr. Gao Fei	– 高飛先生

(a) 應收關連人士之款項

2019	2018
HK\$'000	HK\$'000
千港元	千港元
8,960	–
15,889	–
24,849	–

Note: The balances are unsecured, non-interest bearing and repayable on demand.

附註：結餘為無抵押、不計息及須按要求償還。

(b) Amounts due to related parties

Current Liabilities	流動負債
– Entities controlled by a non-controlling shareholder of a subsidiary (Note i)	– 一間附屬公司非控股股東控制的實體 (附註i)
– Mr. Lau Siu Ying (“Mr. Lau”) (Note i)	– 劉小鷹先生(「劉先生」) (附註i)
– Ms. Xiao (Notes i and ii)	– 蕭女士(附註i及ii)

(b) 應付關連人士之款項

2019	2018
HK\$'000	HK\$'000
千港元	千港元
4,412	4,808
15,344	6,493
5,040	–
24,796	11,301
12,224	11,866
37,020	23,167

Non-current Liability	非流動負債
– Mr. Lau (Note iii)	– 劉先生(附註iii)

Notes:

- The balances are unsecured, non-interest bearing and repayable on demand.
- Ms. Xiao is considered as a related party, because she is Mr. Lau's spouse.

附註：

- 結餘為無抵押、不計息及須按要求償還。
- 蕭女士因彼為劉先生之配偶而被視為一名關連人士。

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

37. RELATED PARTIES DISCLOSURES (Continued)

(b) Amounts due to related parties (Continued)

Notes: (Continued)

- iii) On 31 December 2018, Mr. Lau advanced HK\$13,680,000 (equivalent to RMB12,000,000) to the Group which is due on 31 December 2021. The borrowing is carried at amortised cost using an imputed interest rate of 4.75% per annum. The imputed interest portion of HK\$1,814,000 was credited to other reserve under the equity attributable to owners of the Company.

(c) Related party transactions

Purchase from an entity controlled by non-controlling shareholder	向一名非控制性股東控制之實體採購
Commission income received from an entity controlled by non-controlling shareholder	自一名非控制性股東控制之實體收取之佣金收入

(d) Compensation of key management personnel

The remuneration of directors and other members of the key management during the year was as follows:

Short-term benefits	短期福利
Post-employment benefits	離職後福利

37. 關連人士之披露 (續)

(b) 應付關連人士之款項 (續)

附註：(續)

- iii) 於二零一八年十二月三十一日，劉先生向本集團墊付13,680,000港元（相當於人民幣12,000,000元），其於二零二一年十二月三十一日到期。借貸使用估算利率每年4.75%按攤銷成本入賬。估算利息部份1,814,000港元計入本公司擁有人應佔權益之其他儲備。

(c) 關連人士交易

2019 HK\$'000 千港元	2018 HK\$'000 千港元
-	395
-	272

(d) 主要管理人員之薪酬

年內董事及其他主要管理人員成員之酬金如下：

2019 HK\$'000 千港元	2018 HK\$'000 千港元
4,243	4,046
56	54
4,299	4,100

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

38. NOTES SUPPORTING CONSOLIDATION STATEMENTS OF CASH FLOWS

38. 說明綜合現金流量表之附註

Reconciliation of liabilities arising from financing activities:

自融資活動產生之負債對賬：

		Amounts due to related parties 應付關連人士之款項 HK\$'000 千港元	Bank borrowing 銀行借貸 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	23,167	-	93	23,260
Changes from cash flows:	現金流量變動：				
Repayment of lease liabilities	償還租賃負債	-	-	(551)	(551)
Advance from a related party	來自一名關連人士之墊款	11,401	-	-	11,401
Repayment to a related party	償還一名關連人士之款項	(2,757)	-	-	(2,757)
Total changes from financing cash flows:	融資現金流量變動總額：	8,644	-	(551)	8,093
Other changes:	其他變動：				
Addition of lease liabilities	新增租賃負債	-	-	1,303	1,303
Interest expense on lease liabilities	租賃負債之利息開支	-	-	29	29
Imputed interest on loan from a related party	來自一名關連人士之貸款之估算利息	576	-	-	576
Business combination	業務合併	4,995	4,440	1,134	10,569
Exchange adjustments	匯兌調整	(362)	40	6	(316)
Total other changes	其他變動總額	5,209	4,480	2,472	12,161
At 31 December 2019	於二零一九年十二月三十一日	37,020	4,480	2,014	43,514

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

38. NOTES SUPPORTING CONSOLIDATION STATEMENTS OF CASH FLOWS (Continued)

38. 說明綜合現金流量表之附註 (續)

Reconciliation of liabilities arising from financing activities:
(Continued)

自融資活動產生之負債對賬：(續)

		Amounts due to related parties 應付 關連人士之款項 HK\$'000 千港元	Other borrowings 其他借貸 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2018	於二零一八年 一月一日	165	14,878	15,043
Changes from cash flows:	現金流量變動：			
Advances from related parties	來自關連人士之 墊款	45,270	—	45,270
Repayments to related parties	償還關連人士 之款項	(20,608)	—	(20,608)
Total changes from financing cash flows:	融資現金流量變動 總額：	24,662	—	24,662
Other changes:	其他變動：			
Offsetting arrangement	抵銷安排	—	(14,134)	(14,134)
Imputed interest (Note 37(b)(iii))	估算利息 (附註37(b)(iii))	(1,814)	—	(1,814)
Exchange adjustments	匯兌調整	154	(744)	(590)
Total other changes	其他變動總額	(1,660)	(14,878)	(16,538)
At 31 December 2018	於二零一八年 十二月三十一日	23,167	—	23,167

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

39. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

39. 控股公司於二零一九年十二月三十一日的財務狀況表

		Notes 附註	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Non-current Asset	非流動資產			
Investments in subsidiaries	於附屬公司之投資		26,726	27,413
Current Assets	流動資產			
Other receivables	其他應收賬款		213	292
Amount due from a subsidiary	應收一間附屬公司之款項		20,279	20,641
Cash and cash equivalents	現金及現金等價物		13	12
			20,505	20,945
Current Liabilities	流動負債			
Other payables	其他應付賬款		2,346	2,458
Amounts due to subsidiaries	應付附屬公司之款項		53,061	52,010
			55,407	54,468
Net Current Liabilities	流動負債淨額		(34,902)	(33,523)
Total Assets less Current Liabilities	總資產減流動負債		(8,176)	(6,110)
Capital and Reserves	資本及儲備			
Share capital	股本	29	91,778	91,778
Reserves	儲備	40	(99,954)	(97,888)
			(8,176)	(6,110)

On behalf of the Board

代表董事會

Mr. Lau Siu Ying
劉小鷹先生
CHAIRMAN
主席

Mr. Wang Yu
王愚先生
DIRECTOR
董事

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

40. RESERVES OF THE COMPANY

40. 本公司儲備

		Share premium	Contributed surplus	Translation reserve	Share option reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	換算儲備	購股權儲備	累計虧損	總額
		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
		(Note i)	(Note ii)	(Note iii)	(Note iv)		
		(附註i)	(附註ii)	(附註iii)	(附註iv)		
At 1 January 2018	於二零一八年一月一日	417,391	40,948	36,900	991	(594,336)	(98,106)
Loss for the year	年度虧損	-	-	-	-	(2,170)	(2,170)
Lapse of share options	購股權失效	-	-	-	(991)	991	-
Exchange differences arising on translation	因換算而產生之匯兌差異	-	-	2,388	-	-	2,388
At 31 December 2018	於二零一八年十二月三十一日	417,391	40,948	39,288	-	(595,515)	(97,888)
Loss for the year	年度虧損	-	-	-	-	(2,469)	(2,469)
Exchange differences arising on translation	因換算而產生之匯兌差異	-	-	403	-	-	403
At 31 December 2019	於二零一九年十二月三十一日	417,391	40,948	39,691	-	(597,984)	(99,954)

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

40. RESERVES OF THE COMPANY (Continued)

Notes:

- (i) The share premium represents the amount subscribed for share capital in excess of nominal value.
- (ii) The contributed surplus represents the difference between the consolidated shareholder's funds of the subsidiaries at the date on which they were acquired by the Company, and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation less the amount applied to pay up the 1,000,000 nil paid shares at the time of the group reorganisation.
- (iii) The translation reserve represents gains/losses arising on retranslating the Company's financial statement into presentation currency.
- (iv) The share option reserve comprises the fair value of share options granted which were all lapsed during the year 2018, as further explained in the accounting policy for share-based payment transaction in Note 4 to the consolidated financial statements.

40. 本公司儲備 (續)

附註：

- (i) 股份溢價指認購股本金額超出面值之款項。
- (ii) 實繳盈餘為有關附屬公司被本公司收購當日之綜合股東資金與本公司於集團重組時就上述收購而發行股份之面值減用以繳足於集團重組時發行1,000,000股未繳股本股份股款之款項兩者之差額。
- (iii) 換算儲備指因本公司財務報表重新換算為呈列貨幣而產生之收益／虧損。
- (iv) 購股權儲備包括已授出並於二零一八年全部失效之購股權之公平值，詳情於綜合財務報表附註4就以股份為基礎付款之交易之會計政策進一步闡述。

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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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries, all are incorporated with limited liability as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment 註冊成立／成立地點	Issued and fully paid share capital/ registered capital 已發行及繳足股本／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本面值／註冊資本之比例		Principal activity 主要業務
			2019	2018	
Express Fortune Holdings Limited	British Virgin Islands 英屬處女群島	Ordinary US\$100 普通股100美元	100%	100%	Investment holding 投資控股
Express Fortune Limited 長遠有限公司	Hong Kong 香港	Ordinary HK\$10 Non-voting deferred HK\$5,000,000 (Note a) 普通股10港元 無投票權遞延股份 5,000,000港元 (附註a)	100%	100%	Provision of management services 提供管理服務
Fortune (Shanghai) International Trading Co., Ltd. 長遠(上海)國際貿易有限公司	Wholly foreign owned enterprise established in the PRC 於中國成立的外商獨資企業	US\$28,100,000 28,100,000美元	100%	100%	Trading in mobile phones 買賣移動電話
Sifa Mining 錫發礦業	Sino-foreign equity joint ventures established in the PRC 於中國成立的中外合資經營企業	RMB1,000,000 人民幣1,000,000元	50.8%	50.8%	Exploration and extraction of mining resources 勘探及開採礦產資源

41. 主要的附屬公司資料

本公司主要附屬公司(均為註冊成立之有限公司)詳情如下:

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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES*(Continued)***41. 主要的附屬公司資料 (續)**

Name of subsidiary	Place of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Proportion of nominal value of issued share capital/ registered capital held by the Company		Principal activity
附屬公司名稱	註冊成立/ 成立地點	已發行及繳足股本/ 註冊資本	本公司所持已發行股本面值/ 註冊資本之比例		主要業務
			2019	2018	
Eagles Fund Technology Investment Limited 老鷹基金科技投資有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100%	100%	Investment holding 投資控股
Zhuhai Reminda 珠海雷鳴達	Sino-foreign equity joint ventures established in the PRC 於中國成立的中外合資經營企業	RMB10,000,000 人民幣10,000,000元	51%	51%	Trading in mobile phones 買賣移動電話
Zhejiang Aoying 浙江澳英	Sino-foreign equity joint ventures established in the PRC 於中國成立的中外合資經營企業	RMB10,000,000 人民幣10,000,000元	70%	70%	Trading in mobile phones 買賣移動電話
Chongqing Yuanjia 重慶遠嘉	Sino-foreign equity joint ventures established in the PRC 於中國成立的中外合資經營企業	RMB20,000,000 人民幣20,000,000元	51%	51%	Trading in mobile phones 買賣移動電話
Beijing Feiyang 北京飛鷹	Sino-foreign equity joint ventures established in the PRC 於中國成立的中外合資經營企業	RMB40,000,000 人民幣40,000,000元	33.5% (Note b)	-	Trading in second-hand mobile phones and provision of marketing services 買賣二手移動電話及提供市場推廣服務
			(附註b)		

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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

41. PARTICULARS OF PRINCIPAL SUBSIDIARIES

(Continued)

Notes:

- (a) The deferred shares carry practically no rights to dividends or to receive notice of or to attend or vote at any general meeting of the respective company or to participate in any distribution on winding up.
- (b) The directors of the Company assessed that the Group has the ability to direct the relevant activities of Beijing Feiyang as one shareholder of Beijing Feiyang undertaken to vote in concert with the wholly owned subsidiary of the Company since 27 December 2019. It enables the Group to control the additional 33.5% voting rights in the shares of Beijing Feiyang (67% voting rights in aggregated).

The Company directly holds the interest in Express Fortune Holdings Limited. All other interests shown above are indirectly held by the Company.

The principal activities are carried out in the place of incorporation/establishment except for Express Fortune Holdings Limited which mainly carries out its business in Hong Kong.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

41. 主要的附屬公司資料 (續)

附註：

- (a) 遞延股份實際上不附帶可收取有關公司之股息或收取有關公司任何股東大會通告或出席股東大會或於會上投票或於清盤時參與分派之權利。
- (b) 本公司董事評估，本集團有能力主導北京飛鷹的相關業務，原因為北京飛鷹的一名股東承諾與本公司的該全資附屬公司自二零一九年十二月二十七日起一致投票。此情況令本集團控制北京飛鷹股份中額外33.5%的投票權（合計67%的投票權）。

本公司直接持有Express Fortune Holdings Limited權益，而上文所示之所有其他權益均由本公司間接持有。

除Express Fortune Holdings Limited主要在香港從事業務外，上述主要業務均於註冊成立／成立地點經營。

各附屬公司於年終或年內任何時間均無任何債務證券。

上表所列者乃董事認為對本集團之業績或資產淨值有重大影響之本公司附屬公司。董事認為，載列其他附屬公司之詳情會令有關資料過於冗長。

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綜合財務報表附註

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

42. MATERIAL INTEREST OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except as disclosed in Note 37 to the consolidated financial statement, there is no other transactions, arrangements or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, were entered into or subsisted during the financial year.

43. NON-CONTROLLING INTERESTS

黃石鋸發礦業有限公司 ("Sifa Mining"), a 50.8% owned subsidiary, 珠海市雷鳴達通訊設備有限公司 ("Zhuhai Reminda"), a 51% owned subsidiary, 浙江澳英信息科技有限公司 ("Zhejiang Aoying"), a 70% owned subsidiary, 重慶遠嘉通信設備有限公司 ("Chongqing Yuanjia"), a 51% owned subsidiary of the Company, 北京飛鷹暢遊科技有限公司 ("Beijing Feiyang"), a 33.5% owned subsidiary and Telefortune Group Holdings Limited ("Telefortune Group"), a 51% owned subsidiary of the Company, have material non-controlling interests ("NCI"). Summarised financial information in relation to the NCI of Sifa Mining, Zhuhai Reminda, Zhejiang Aoying, Chongqing Yuanjia, Beijing Feiyang and Telefortune Group, before intra-group eliminations, are presented below:

42. 董事於交易、安排或合約之重大權益

除綜合財務報表附註37所披露者外，於本財政年度概無就本公司業務已訂立或存續之本公司為其中訂約方且本公司董事於其中擁有重大權益（不論直接或間接）之其他重大交易、安排或合約。

43. 非控制性權益

本公司擁有50.8%權益之附屬公司黃石鋸發礦業有限公司（「鋸發礦業」）、擁有51%權益之附屬公司珠海市雷鳴達通訊設備有限公司（「珠海雷鳴達」）、擁有70%權益之附屬公司浙江澳英信息科技有限公司（「浙江澳英」）、擁有51%權益之附屬公司重慶遠嘉通信設備有限公司（「重慶遠嘉」）、擁有33.5%權益之附屬公司北京飛鷹暢遊科技有限公司（「北京飛鷹」）及擁有51%權益之附屬公司長嘉集團控股有限公司（「長嘉集團」）擁有重大非控制性權益（「非控制性權益」）。有關鋸發礦業、珠海雷鳴達、浙江澳英、重慶遠嘉、北京飛鷹及長嘉集團非控制性權益於進行集團內公司間對銷前之財務資料概要呈列如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. NON-CONTROLLING INTERESTS (Continued)

Sifa Mining

For the year ended 31 December 截至十二月三十一日止年度

Revenue 收益

(Loss)/profit for the year 年度(虧損)/溢利

Total comprehensive income 全面總收入

(Loss)/profit allocated to NCI 分配至非控制性權益之
(虧損)/溢利

Dividends paid to NCI 向非控制性權益支付之股息

For the year ended 31 December 截至十二月三十一日止年度

Cash (used in)/generated from operating activities 經營活動(所用)
/所得現金

As at 31 December 於十二月三十一日

Current assets 流動資產

Current liabilities 流動負債

Net liabilities 負債淨額

Accumulated non-controlling interests 累計非控制性權益

43. 非控制性權益 (續)

銀發礦業

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
Revenue	-	-
(Loss)/profit for the year	(5,786)	4,740
Total comprehensive income	(4,805)	8,216
(Loss)/profit allocated to NCI	(2,847)	2,332
Dividends paid to NCI	-	-
Cash (used in)/generated from operating activities	(325)	79
Current assets	3,678	3,643
Current liabilities	(72,715)	(67,875)
Net liabilities	(69,037)	(64,232)
Accumulated non-controlling interests	(33,965)	(31,602)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. NON-CONTROLLING INTERESTS (Continued)**43. 非控制性權益 (續)****Zhuhai Reminda****珠海雷鳴達**

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	17	60
Loss for the year	年度虧損	(1,076)	(101)
Total comprehensive income	全面總收入	(994)	88
Loss allocated to NCI	分配至非控制性權益之虧損	(527)	(50)
Dividends paid to NCI	向非控制性權益支付之股息	-	-
For the year ended 31 December	截至十二月三十一日止年度		
Cash used in operating activities	經營活動所用現金	(29)	(152)
As at 31 December	於十二月三十一日		
Current assets	流動資產	74	1,022
Non-current assets	非流動資產	213	217
Current liabilities	流動負債	(4,901)	(4,859)
Net liabilities	負債淨額	(4,614)	(3,620)
Accumulated non-controlling interests	累計非控制性權益	(2,261)	(1,773)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. NON-CONTROLLING INTERESTS (Continued)

Zhejiang Aoying

43. 非控制性權益 (續)

浙江澳英

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	103,437	133,752
Profit for the year	年度溢利	668	926
Total comprehensive income	全面總收入	601	807
Profit allocated to NCI	分配至非控制性權益之溢利	200	278
Dividends paid to NCI	向非控制性權益支付之股息	-	-
For the year ended 31 December	截至十二月三十一日止年度		
Cash generated from operating activities	經營活動所得現金	148	131
Cash used in investing activities	投資活動所用現金	(92)	(2)
Cash generated from financing activities	融資活動所得現金	3	-
Net cash inflows	現金流入淨額	59	129
As at 31 December	於十二月三十一日		
Current assets	流動資產	4,032	3,470
Non-current assets	非流動資產	33	2
Current liabilities	流動負債	(294)	(302)
Net assets	資產淨值	3,771	3,170
Accumulated non-controlling interests	累計非控制性權益	423	243

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. NON-CONTROLLING INTERESTS (Continued)**43. 非控制性權益 (續)****Chongqing Yuanjia****重慶遠嘉**

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
For the year ended 31 December	截至十二月三十一日止年度		
Revenue	收益	6	410
Loss for the year	年度虧損	(7,127)	(111)
Total comprehensive income	全面總收入	(7,239)	(38)
Loss allocated to NCI	分配至非控制性權益之虧損	(3,492)	(54)
Dividends paid to NCI	向非控制性權益支付之股息	-	-
For the year ended 31 December	截至十二月三十一日止年度		
Cash used in operating activities	經營活動所用現金	(5,676)	(10,320)
Cash generated from investing activities	投資活動所得現金	2,240	8,170
Cash generated from financing activities	融資活動所得現金	-	5,700
Net cash (outflows)/inflows	現金(流出)/流入淨額	(3,436)	3,550
As at 31 December	於十二月三十一日		
Current assets	流動資產	13,205	35,692
Non-current assets	非流動資產	-	5,666
Current liabilities	流動負債	(4,632)	(27,786)
Non-current liabilities	非流動負債	(5,600)	(5,700)
Net assets	資產淨值	2,973	7,872
Accumulated non-controlling interests	累計非控制性權益	(3,565)	(19)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. NON-CONTROLLING INTERESTS (Continued)

Beijing Feiyang

For the period from 27
to 31 December

Revenue

Loss for the year

Total comprehensive income

Loss allocated to NCI

Dividends paid to NCI

As at 31 December

Current assets

Non-current assets

Current liabilities

Non-current liabilities

Net assets

Accumulated non-controlling interests

由十二月二十七日至三十一日
期間

收益

年度虧損

全面總收入

分配至非控制性權益之虧損

向非控制性權益支付之股息

於十二月三十一日

流動資產

非流動資產

流動負債

非流動負債

資產淨值

累計非控制性權益

43. 非控制性權益 (續)

北京飛鷹

	2019 HK\$'000 千港元	2018 HK\$'000 千港元
	-	N/A 不適用
	(10)	N/A 不適用
	35	N/A 不適用
	(6)	N/A 不適用
	-	N/A 不適用
	24,307	N/A 不適用
	1,206	N/A 不適用
	(24,287)	N/A 不適用
	(469)	N/A 不適用
	757	N/A 不適用
	6,762	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

43. NON-CONTROLLING INTERESTS (Continued)**43. 非控制性權益 (續)***Telefortune Group**長嘉集團*

		2019 HK\$'000 千港元	2018 HK\$'000 千港元
For the period from 28 January 2019 (date of incorporation) to 31 December 2019	由二零一九年一月二十八日 (註冊成立日期) 至二零一九年十二月三十一日期間		
Revenue	收益	-	N/A 不適用
Loss for the year	年度虧損	(22)	N/A 不適用
Total comprehensive income	全面總收入	(22)	N/A 不適用
Loss allocated to NCI	分配至非控制性權益之虧損	(11)	N/A 不適用
Dividends paid to NCI	向非控制性權益支付之股息	-	N/A 不適用
For the period from 28 January 2019 (date of incorporation) to 31 December 2019	由二零一九年一月二十八日 (註冊成立日期) 至二零一九年十二月三十一日期間		
Cash generated from operating activities	經營活動所得現金流量	40	N/A 不適用
Cash generated from investing activities	投資活動所得現金流量	10	N/A 不適用
Net cash inflows	現金流入淨額	50	N/A 不適用
As at 31 December	於十二月三十一日		
Current assets	流動資產	55	N/A 不適用
Current liabilities	流動負債	(67)	N/A 不適用
Net liabilities	負債淨額	(12)	N/A 不適用
Accumulated non-controlling interests	累計非控制性權益	(11)	N/A 不適用

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

44. EVENT AFTER THE REPORTING DATE

The assessment of the impact of the Coronavirus Disease 2019 ("COVID-19")

After the COVID-19 outbreak in January 2020, a series of precautionary and control measures have been and continued to be implemented across the country. It has delayed the negotiation between Beijing Feiyong and its major customer, Tencent, for the renewal of a service agreement ("Agreement") expired in April 2020. Notwithstanding the expiration of the Agreement, Beijing Feiyong and Tencent are in discussion for a renewal, and Beijing Feiyong is still providing the relevant services as stipulated in the Agreement to Tencent up to the date of this report. However, there is no assurance that Beijing Feiyong and Tencent will be able to conclude on the renewal of a new agreement. Tencent can stop procuring the services of Beijing Feiyong at any time. The termination of the services provided by Beijing Feiyong to Tencent may lead to the decrease in revenue of the Group.

Other than the aforesaid, the outbreak of the COVID-19 is developing the pessimistic sentiment regarding the macroeconomic on the worldwide wholesale and retail environment, which would foreseeably have an adverse impact on the Group's business. It has been intensifying and spreading across the PRC. It also has been weighing on the PRC wholesale and retail markets. There is an ongoing concerns regarding the development of mobile phone markets, which hinders customers making sales order. Moreover, in view of the weakening wholesale and retail markets, customers would tend to make orders with lower average selling price, which would possibly lower the Group's gross profit margin. The directors of the Company will pay close attention to the latest development and evaluate its impact on the financial position and operating results of the Group.

45. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 17 July 2020.

44. 報告期後事件

對二零一九年冠狀病毒病 ("COVID-19") 的影響評估

COVID-19疫情於二零二零年一月爆發之後，一系列預防及控制措施已經並繼續在全國實施。北京飛鷹與其主要客戶騰訊已推遲磋商重續於二零二零年四月屆滿的服務協議（「該協議」）。儘管該協議已屆滿，北京飛鷹與騰訊正在磋商予以重續，且直至本報告日期，北京飛鷹仍根據該協議規定向騰訊提供相關服務。然而，概不保證北京飛鷹與騰訊將能夠決定重續新協議。騰訊或會隨時停止採購北京飛鷹的服務。倘若北京飛鷹向騰訊提供的服務被終止，則可能導致本集團的收益減少。

除上述者外，COVID-19的爆發令宏觀經濟及全球批發及零售環境的悲觀情緒正在生成，於可預見未來將對本集團的業務造成不利影響。此等局面正在中國範圍內加劇蔓延，亦對中國批發及零售市場造成壓力。對移動電話市場發展存在持續擔憂，從而阻礙客戶下達銷售訂單。此外，鑑於批發及零售市場疲軟，客戶將傾向向下達平均售價更低的訂單，這或會降低本集團毛利率。本公司董事將密切關注最新發展並評估其對本集團財務狀況及經營業績之影響。

45. 批准綜合財務報表

綜合財務報表已於二零二零年七月十七日獲董事會批准及授權刊發。

Financial Summary

財務概要

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2015	2016	2017	2018	2019
		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
Revenue	收益	157,903	110,638	7,436	216,104	108,455
Cost of sales	銷售成本	(152,509)	(108,801)	(7,147)	(213,966)	(107,444)
Gross profit	毛利	5,394	1,837	289	2,138	1,011
Other income, gains and losses	其他收入、收益及虧損	3,071	2,257	903	(1,223)	350
Selling and distribution costs	銷售及分銷成本	(6,592)	(2,645)	(400)	(11)	(20)
Administrative expenses	行政費用	(18,231)	(15,242)	(14,718)	(14,928)	(17,266)
Share of results of associates	分佔聯營公司之業績	(1,986)	(905)	(6)	(647)	-
Write back of interest payables	應付利息撤回	-	-	-	11,922	-
Recovery of bad debts	收回壞賬	-	-	-	14,083	-
Impairment loss recognised in respect of inventories	就存貨確認之減值虧損	-	-	-	(1,221)	(95)
Impairment loss recognised in respect of available-for-sale investments	就可供出售投資確認之減值虧損	(6,234)	(6,340)	(2,614)	-	-
Impairment loss recognised in respect of mining right	就採礦權確認之減值虧損	-	(84,240)	(174,589)	-	-
Impairment loss recognised in respect of plant and equipment	就廠房及設備確認之減值虧損	-	-	(8,965)	-	(5,166)
Impairment loss recognised in respect of right-of-use assets	就使用權資產確認之減值虧損	-	-	-	-	(831)
Impairment loss recognised in respect of prepayments paid to suppliers	就向供應商支付之預付款項確認之減值虧損	-	-	(24,903)	-	-
Impairment loss on goodwill	商譽減值之虧損	-	-	-	-	(6,005)
Reversal of impairment loss recognised in respect of prepayment to a supplier	就向一家供應商之預付款項確認之減值虧損撥回	-	-	-	363	118
Impairment loss recognised in respect of trade and other receivables	就應收貿易賬款及其他應收賬款確認之減值虧損	(2,767)	(798)	(1,627)	(23)	(4,256)
Gain on deregistration of an associate	註銷一間聯營公司之收益	-	-	-	-	24
Finance costs	融資成本	(1,302)	(1,278)	(1,208)	-	(605)
(Loss)/profit before income tax	除所得稅前(虧損)/溢利	(28,647)	(107,354)	(227,838)	10,453	(32,741)
Income tax credit/(expense)	所得稅抵免/(開支)	-	21,059	41,116	(148)	(35)
(Loss)/profit for the year	年度(虧損)/溢利	(28,647)	(86,295)	(186,722)	10,305	(32,776)
Attributable to:	應佔:					
Owners of the Company	本公司擁有人	(23,118)	(49,807)	(111,714)	7,799	(26,093)
Non-controlling interests	非控制性權益	(5,529)	(36,488)	(75,008)	2,506	(6,683)
		(28,647)	(86,295)	(186,722)	10,305	(32,776)

Financial Summary

財務概要

ASSETS AND LIABILITIES

資產及負債

		At 31 December				
		於十二月三十一日				
		2015	2016	2017	2018	2019
		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
Total assets	資產總值	354,834	246,543	44,876	85,245	70,937
Total liabilities	負債總額	(111,880)	(102,131)	(50,927)	(77,809)	(89,562)
		242,954	144,412	(6,051)	7,436	(18,625)
Equity attributable to owners of the Company	本公司擁有人應佔權益	165,373	106,663	31,409	40,587	13,992
Non-controlling interests	非控制性權益	77,581	37,749	(37,460)	(33,151)	(32,617)
		242,954	144,412	(6,051)	7,436	(18,625)



中國長遠控股有限公司
China Fortune Holdings Limited