



National United Resources Holdings Limited
國家聯合資源控股有限公司

(Incorporated in Hong Kong with limited liability)

(於香港註冊成立的有限公司)

Stock Code 股份代號 : 254

2019
Annual Report
年報

Contents

目錄

	<i>Page</i>
	<i>頁次</i>
Contents	1
Corporate Information	2
Management Discussion and Analysis	4
Directors' Biographies	13
Directors' Report	16
Corporate Governance Report	28
Independent Auditor's Report	48
Consolidated Statement of Profit or Loss	52
Consolidated Statement of Comprehensive Income	53
Consolidated Statement of Financial Position	54
Consolidated Statement of Changes in Equity	55
Consolidated Statement of Cash Flows	56
Notes to the Consolidated Financial Statements	58
Five-Year Financial Summary	120
目錄	1
公司資料	2
管理層討論與分析	4
董事履歷	13
董事會報告	16
企業管治報告	28
獨立核數師報告	48
綜合損益表	52
綜合全面收入表	53
綜合財務狀況表	54
綜合權益變動表	55
綜合現金流量表	56
綜合財務報表附註	58
五年財務概要	120

Corporate Information

公司資料

DIRECTORS

Executive Directors

Mr. Ji Kaiping (*Chairman*)
Mr. Guo Peiyuan

Non-executive Director

Mr. An Jingwen

Independent Non-executive Directors

Mr. Li Wen
Mr. Qiu Ke
Ms. Chen Yen Yung

AUDIT COMMITTEE

Mr. Li Wen – *Chairman*
Mr. An Jingwen
Mr. Qiu Ke
Ms. Chen Yen Yung

REMUNERATION COMMITTEE

Mr. Qiu Ke – *Chairman*
Mr. An Jingwen
Mr. Li Wen
Ms. Chen Yen Yung

NOMINATION COMMITTEE

Mr. Ji Kaiping – *Chairman*
Mr. Li Wen
Mr. Qiu Ke
Ms. Chen Yen Yung

COMPANY SECRETARY

Ms. Chan Pui Shan, Bessie

AUTHORISED REPRESENTATIVES

Mr. Ji Kaiping
Ms. Chan Pui Shan, Bessie

LEGAL ADVISOR

Baker & McKenzie

董事

執行董事

紀開平先生 (*主席*)
郭培遠先生

非執行董事

安景文先生

獨立非執行董事

李文先生
邱克先生
陳燕雲女士

審核委員會

李文先生 – *主席*
安景文先生
邱克先生
陳燕雲女士

薪酬委員會

邱克先生 – *主席*
安景文先生
李文先生
陳燕雲女士

提名委員會

紀開平先生 – *主席*
李文先生
邱克先生
陳燕雲女士

公司秘書

陳佩珊女士

授權代表

紀開平先生
陳佩珊女士

法律顧問

貝克•麥堅時律師事務所

Corporate Information

公司資料

INDEPENDENT AUDITOR

ZHONGHUI ANDA CPA Limited

PRINCIPAL BANKER

Industrial and Commercial Bank of China (Asia) Limited

REGISTERED OFFICE

Unit 2806, 28th Floor, Wu Chung House,
213 Queen's Road East,
Wanchai, Hong Kong

SHARE REGISTRAR AND TRANSFER OFFICE

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

COMPANY WEBSITE

www.nur.com.hk

STOCK CODE

254

獨立核數師

中匯安達會計師事務所有限公司

主要往來銀行

中國工商銀行(亞洲)有限公司

註冊辦事處

香港灣仔
皇后大道東213號
胡忠大廈28樓2806室

股份過戶登記處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心54樓

公司網站

www.nur.com.hk

股份代號

254

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

For the year ended 31 December 2019, National United Resources Holdings Limited (the “Company”, together with its subsidiaries, collectively the “Group”) has engaged in car rental service business as core business based in the People’s Republic of China (“PRC”). It is the main source of revenue of the Group.

Car rental service

The Group engages in car rental services and tour bus rental services in the industry of commuter bus leasing market in the PRC. The car rental services includes (i) shuttle bus services for employees/students of institutional customers between the working places/schools to different residential communities by conventional energy vehicles and/or electric buses; (ii) car rental services without chauffeured service; and (iii) car rental services for different business and leisure purpose such as pick-up services requested by the institutional or individual customers. The total revenue was increased for the year ended 31 December 2019 due to the consecutive increment in the number of buses leased. The Group currently operates its car rental services and tour bus rental services through the TMTC Group (as hereinafter defined), which were merged into the Group by acquisition of all equity interest of Gear World Development Limited in the year 2016. The business contributed source of revenue of the Group since September 2016. It is apparently significant in operation scale. Customers include prominent corporations such as Tencent, Alibaba, Baidu, Mercedes-Benz, DHL, BMC, governmental department and international schools, such as Yiuchong International Schools.

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS HELD

Consolidation of TMTC Travel

北京天馬通馳汽車租賃有限公司 (Beijing Tian Ma Tong Chi Car Rental Co., Ltd*) (“TMTC Rental”) became an indirect wholly-owned subsidiary of the Company in 2016. It held 49% equity interest in 北京天馬通馳旅遊客運有限公司 (Beijing Tian Ma Tong Chi Travel Transportation Co., Ltd*) (“TMTC Travel”, together with TMTC Rental, the “TMTC Group”). TMTC Group engaged in bus transportation services, passenger operating and car rental services.

On 1 September 2019, TMTC Rental and 北京鼎岩盛世科技發展有限公司 (Beijing Dingyan Shengshi Technology Development Co., Ltd.*) (“Beijing Dingyan”), which owns 51% equity interest in TMTC Travel, entered into an agreement (the “Shareholder Control Agreement”), pursuant to which Beijing Dingyan irrevocably delegated its management rights over TMTC Travel to TMTC Rental.

To reflect the management control over TMTC Travel by TMTC Rental through the Shareholder Control Agreement, the articles of TMTC Travel have been amended to that effect and the financial results of TMTC Travel has been consolidated into TMTC Rental’s account pursuant to HKFRS 10 commencing from 1 September 2019.

業務回顧

截至二零一九年十二月三十一日止年度，國家聯合資源控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」）於中華人民共和國（「中國」）從事汽車租賃服務業務（作為核心業務），其為本集團之主要收益來源。

汽車租賃服務

本集團於中國通勤巴士租賃市場行業從事汽車租賃服務及旅遊巴士租賃服務。汽車租賃服務包括(i)為機構客戶僱員／學生提供穿梭巴士服務，以傳統能源汽車及／或電動巴士行走辦公地方／學校與不同的住宅社區之間；(ii)提供不附私人司機服務的汽車租賃服務；及(iii)提供各種商務及休閒用途的汽車租賃服務，例如按機構或個人客戶要求提供接送服務。截至二零一九年十二月三十一日止年度之總收益增加乃由於租賃巴士數目持續增加所致。本集團目前透過天馬通馳集團（如下文所定義）（其於二零一六年透過Gear World Development Limited之所有股權收購併入本集團）經營其汽車租賃服務及旅遊巴士租賃服務。該業務自二零一六年九月起為本集團貢獻收益來源。顯然，其營運規模頗大。客戶包括騰訊、阿里巴巴、百度、梅賽德斯－奔馳、DHL、BMC等知名企業，政府部門及Yiuchong International Schools等國際學校。

所持重大收購、出售及重大投資

合併天馬通馳旅遊

北京天馬通馳汽車租賃有限公司（「天馬通馳租賃」）於二零一六年成為本公司間接全資附屬公司。其持有北京天馬通馳旅遊客運有限公司（「天馬通馳旅遊」，連同天馬通馳租賃統稱「天馬通馳集團」）49%股權。天馬通馳集團從事巴士運輸服務、客運及汽車租賃服務。

於二零一九年九月一日，天馬通馳租賃與擁有天馬通馳旅遊51%股權之北京鼎岩盛世科技發展有限公司（「北京鼎岩」）訂立協議（「股東控制協議」），據此，北京鼎岩不可撤銷地將其對天馬通馳旅遊之管理權授予天馬通馳租賃。

為反映天馬通馳租賃透過股東控制協議所擁有天馬通馳旅遊之管理控制權，天馬通馳旅遊之章程細則已就此予以修訂，且天馬通馳旅遊之財務業績自二零一九年九月一日起已根據香港財務報告準則第10號於天馬通馳租賃之賬目中合併入賬。

Management Discussion and Analysis

管理層討論與分析

MATERIAL ACQUISITION, DISPOSAL AND SIGNIFICANT INVESTMENTS HELD (cont'd)

Disposal of Subsidiaries

On 24 July 2019, (i) Billions Achieve Limited, a wholly-owned subsidiary of the Company, as vendor entered into a sale and purchase agreement ("Sale and Purchase Agreement I") with, among others, Forever Nice Corporation Limited ("Purchaser I"), an independent third party, as purchaser in respect of the entire issued share capital of Placid Expression Limited, a wholly owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement I, at consideration of HK\$1; and (ii) the Company, NUR Enterprise Limited, NUR Industry (Hong Kong) Company Limited and NUR Clean Energy Investment Limited, the wholly-owned subsidiaries of the Company, as vendors entered into a sale and purchase agreement ("Sale and Purchase Agreement II") with the Purchaser I as purchaser in respect of the entire issued share capital of five wholly-owned subsidiaries of the Company immediately prior to the Sale and Purchase Agreement II, namely, Guoheyuan Finance Leasing Company Limited* (國合源融資租賃有限公司), Beijing Kaida Junbo Technology Company Limited* (北京凱大駿博科技有限公司), Yunhan (Shanghai) Investment Management Company Limited* (蘊翰(上海)投資管理有限公司), Shandong Yaoqi Economic and Trade Company Limited* (山東耀齊經貿有限公司), Xiaxing (Shanghai) Investment Management Company Limited* (遐興(上海)投資管理有限公司), at consideration of RMB1.

On the even date, Ideal Honour Limited, a wholly-owned subsidiary of the Company, as vendor entered into a sale and purchase agreement ("Sale and Purchase Agreement III") with, among others, Weihong International Energy Technology (Beijing) Company Limited* (緯泓國際能源科技(北京)有限公司), an independent third party, as purchaser in respect of 95% issued share capital of iFrontier LLC, a 95% owned subsidiary of the Company immediately prior to the Sale and Purchase Agreement III, at consideration of RMB7 million.

Completion of the above disposals took place immediately after the execution of the Sale and Purchase Agreement I, the Sale and Purchase Agreement II and the Sale and Purchase Agreement III, being 24 July 2019.

Please refer to the Company's announcement dated 26 July 2019 for details of the above disposals.

所持重大收購、出售及重大投資(續)

出售附屬公司

於二零一九年七月二十四日，(i)本公司全資附屬公司航億有限公司(作為賣方)與(其中包括)獨立第三方恒益有限公司(「買方一」，作為買方)就Placid Expression Limited之全部已發行股本訂立買賣協議(「買賣協議一」)(Placid Expression Limited於緊接訂立買賣協議一前為本公司全資附屬公司)，代價為1港元；及(ii)本公司、國家聯合資源企業有限公司、國家聯合資源實業(香港)有限公司及國家聯合資源清潔能源投資有限公司(均為本公司全資附屬公司，作為賣方)與買方一(作為買方)就國合源融資租賃有限公司、北京凱大駿博科技有限公司、蘊翰(上海)投資管理有限公司、山東耀齊經貿有限公司及遐興(上海)投資管理有限公司之全部已發行股本訂立買賣協議(「買賣協議二」)(該五家公司於緊接訂立買賣協議二前均為本公司全資附屬公司)，代價為人民幣1元。

於同日，本公司之全資附屬公司伸通有限公司(作為賣方)與(其中包括)獨立第三方緯泓國際能源科技(北京)有限公司(作為買方)就iFrontier LLC之95%已發行股本訂立買賣協議(「買賣協議三」)(該公司於緊接訂立買賣協議三前為本公司擁有95%權益之附屬公司)，代價為人民幣7,000,000元。

上述出售於緊隨簽立買賣協議一、買賣協議二及買賣協議三(即二零一九年七月二十四日)後完成。

有關上述出售之詳情，請參閱本公司日期為二零一九年七月二十六日之公佈。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Revenue

The Group's revenue all from car rental business amounted to HK\$97,767,000 for the year ended 31 December 2019, representing an increase of approximately HK\$43,070,000 or 78.7% compared to the year ended 31 December 2018.

Cost of sales

The Group's cost of sales for the year ended 31 December 2019 and 2018 were approximately HK\$44,955,000 and HK\$12,369,000 respectively, representing an increase of approximately HK\$32,586,000 or 263.4% compared to the year ended 31 December 2018. The increase in cost of sales due to an associate of the Group, TMTC Travel, turned into wholly owned subsidiary of the Group by change of management controlling power in August 2019. The books of accounts of the subsidiary has been consolidated to the Group since September 2019.

Gross profit

The car rental business generated gross profit with 54.0% and 77.4% for the year ended 31 December 2019 and 2018 respectively. The changes of gross margin results from consolidating TMTC Travel which has borne lower margin but relatively massive gross income.

Other income

Other income of the Group for the year ended 2019 and 2018 were approximately HK\$500,000 and HK\$15,619,000 respectively, representing a decrease of approximately HK\$15,119,000 or 96.8% compared to the year ended 31 December 2018. The decrease was mainly due to gain on derecognition of other payables of approximately HK\$15,133,000 recorded in the year 2018 only.

Administrative and other operating expenses

Administrative and other operating expenses for the year 2019 and 2018 were approximately HK\$42,961,000 and HK\$22,841,000 respectively, representing an increase of HK\$20,120,000 or 88.1%. The increase in administrative and other operating expenses was attributed to the increase in staff costs, vehicles repair and maintenances, legal and professional fees and other operating expenses by consolidated TMTC Travel's accounts.

Finance cost

Finance cost of the Group for the current year amounted to approximately HK\$38,299,000, represented a decrease of 26.0% compared to the corresponding period in 2018, including banking charges, interest charged on borrowings, convertible bonds, non-convertible bonds, finance lease and lease liabilities. Interest charged on convertible bonds was most significant finance cost for the current, amounted to approximately HK\$21,251,000 and HK\$33,631,000 for the year ended 2019 and 2018.

財務回顧

收益

截至二零一九年十二月三十一日止年度，本集團汽車租賃業務的全部收益為97,767,000港元，較截至二零一八年十二月三十一日止年度增加約43,070,000港元或78.7%。

銷售成本

截至二零一九年及二零一八年十二月三十一日止年度，本集團的銷售成本分別約為44,955,000港元及12,369,000港元，較截至二零一八年十二月三十一日止年度增加約32,586,000港元或263.4%。銷售成本增加乃由於本集團聯營公司天馬通馳旅遊於二零一九年八月透過變更管理層控制權而成為本集團的全資附屬公司所致。該附屬公司的賬簿已自二零一九年九月起併入本集團。

毛利

汽車租賃業務於截至二零一九年及二零一八年十二月三十一日止年度分別產生毛利54.0%及77.4%。毛利率變動乃由於綜合入賬天馬通馳旅遊，而天馬通馳旅遊之利潤率較低但毛收入相對龐大。

其他收入

本集團截至二零一九年及二零一八年止年度的其他收入分別約為500,000港元及15,619,000港元，較截至二零一八年十二月三十一日止年度減少約15,119,000港元或96.8%。減少乃主要由於僅於二零一八年錄得終止確認其他應付款項收益約15,133,000港元。

行政及其他經營開支

二零一九年及二零一八年的行政及其他經營開支分別約為42,961,000港元及22,841,000港元，增加20,120,000港元或88.1%。行政及其他經營開支增加乃由於透過合併天馬通馳旅遊的賬目導致員工成本、汽車維修及保養、法律及專業費用以及其他經營開支增加所致。

融資成本

本集團於本年度的融資成本約為38,299,000港元，較二零一八年同期減少26.0%，包括銀行費用、借貸、可換股債券、不可換股債券、融資租賃及租賃負債收取的利息。可換股債券收取的利息為本年度內最大額的融資成本，截至二零一九年及二零一八年止年度分別約為21,251,000港元及33,631,000港元。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (cont'd)

Profit or Loss attributable to the owners of the Company

As the loss for the year 2018 turning to profit for the year 2019, the TMTC Travel contributes most to the Group. The profit attributable to the owners of the Company and the profit for the year 2019 were approximately HK\$61,556,000 and HK\$69,365,000 respectively. The loss attributable to the owners of the Company and loss for the year 2018 were approximately HK\$14,673,000 and HK\$15,308,000 respectively.

Non-current assets

As at 31 December 2019, the non-current assets were increased by HK\$84,374,000 from HK\$168,491,000 as at 31 December of 2018 to HK\$252,865,000 as at 31 December 2019. The increase in non-current assets was mainly attributable to the consolidation of TMTC Travel, which brought property, plant and equipment of approximately HK\$37,911,000, right-of-use assets of approximately HK\$460,000, deferred tax asset of approximately HK\$8,286,000, intangible assets of approximately HK\$329,000 and goodwill of approximately HK\$33,607,000.

Current assets

The current assets of the Group decreased from approximately HK\$196,795,000 as at 31 December 2018 to approximately HK\$129,085,000 as at 31 December 2019 although TMTC Travel contribute the trade receivable and bank and cash balances to the Group. The decrease of current asset is mainly due to the decrease in paid in advance of TMTC Rental.

Liabilities

The total of non-current and current liabilities of the Group decreased from approximately HK\$964,674,000 as at 31 December 2018 to approximately HK\$945,724,000 as at 31 December 2019 which was mainly due to the decrease in trade payable, finance lease payable and tax payable by repayment during the year of 2019.

Net liabilities

As consequences, the Group recorded an increase in net current liabilities from approximately HK\$682,256,000 as at 31 December 2018 to approximately HK\$774,831,000 as at 31 December 2019, and a decrease in net liabilities from approximately HK\$599,388,000 as at 31 December 2018 to approximately HK\$563,774,000 as at 31 December 2019. The consolidation of TMTC Travel does improve the financial performance and financial position of the Group.

財務回顧 (續)

本公司擁有人應佔損益

本集團由二零一八年的虧損轉至二零一九年的溢利，其中天馬通馳旅遊的貢獻最大。本公司擁有人應佔溢利及二零一九年溢利分別約為61,556,000港元及69,365,000港元。本公司擁有人應佔虧損及二零一八年的虧損分別約為14,673,000港元及15,308,000港元。

非流動資產

於二零一九年十二月三十一日，非流動資產由二零一八年十二月三十一日的168,491,000港元增加84,374,000港元至252,865,000港元。非流動資產增加乃主要由於合併天馬通馳旅遊所致，其貢獻物業、廠房及設備約37,911,000港元、使用權資產約460,000港元、遞延稅項資產約8,286,000港元、無形資產約329,000港元及商譽約33,607,000港元。

流動資產

儘管天馬通馳旅遊向本集團貢獻應收貿易款及銀行及現金結存，本集團流動資產由二零一八年十二月三十一日的約196,795,000港元減少至二零一九年十二月三十一日的約129,085,000港元。流動資產減少乃主要由於天馬通馳租賃的預付款項減少。

負債

本集團非流動及流動負債總額由二零一八年十二月三十一日的約964,674,000港元減少至二零一九年十二月三十一日的約945,724,000港元，乃主要由於二零一九年因還款導致應付貿易款、應付融資租賃款項及應付稅項減少所致。

負債淨額

因此，本集團的流動負債淨額由二零一八年十二月三十一日的約682,256,000港元增加至二零一九年十二月三十一日的約774,831,000港元，及負債淨額由二零一八年十二月三十一日的約599,388,000港元減少至二零一九年十二月三十一日的約563,774,000港元。合併天馬通馳旅遊確有改善本集團的財務表現及財務狀況。

Management Discussion and Analysis

管理層討論與分析

CAPITAL STRUCTURE

As at 31 December 2019, the issued share capital of the Company was HK\$3,178,754,000 divided into 6,411,770,500 shares. During the year ended 31 December 2019, the Group financed its operations by cash flow from operating activities. As at 31 December 2019, the cash and bank balances of the Group amounted to approximately HK\$3,309,000 (31 December 2018: HK\$1,119,000).

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, The Group had current assets of approximately HK\$129,085,000 (2018: HK\$196,795,000), while its current liabilities were approximately HK\$903,916,000 (2018: HK\$879,051,000). The current ratio of the Group was approximately 0.1 times (2018: 0.2 times) and gearing ratio (debts/total assets) was 184.61% (2018: 182.22%). As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$3,309,000 (31 December 2018: HK\$1,119,000).

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2019, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 31 December 2019, the management of the Company was of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 31 December 2019. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

EMPLOYEE INFORMATION

As at 31 December 2019, the Group had 697 employees (including directors (the "Directors") of the Company) in Hong Kong and the PRC (31 December 2018: 779 employees). The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the financial results of the Group. Remuneration to staff will be revised from time to time when warranted considering the performances of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also adopted a share option scheme whereby qualified participants may be granted options to acquire shares of the Company (the "Shares"). There has been no major change in staff utilized policies during the year ended 31 December 2019.

資本架構

於二零一九年十二月三十一日，本公司已發行股本為3,178,754,000港元，分為6,411,770,500股股份。於截至二零一九年十二月三十一日止年度，本集團以經營活動所得現金流量為其營運提供資金。於二零一九年十二月三十一日，本集團的現金及銀行結餘約為3,309,000港元（二零一八年十二月三十一日：1,119,000港元）。

流動資金及財務資源

於二零一九年十二月三十一日，本集團持有流動資產約為129,085,000港元（二零一八年：196,795,000港元），而流動負債約為903,916,000港元（二零一八年：879,051,000港元）。本集團之流動比率約為0.1倍（二零一八年：0.2倍），而資產負債比率（即債務除以資產總值）則為184.61%（二零一八年：182.22%）。於二零一九年十二月三十一日，本集團持有現金及現金等價物約3,309,000港元（二零一八年十二月三十一日：1,119,000港元）。

外匯風險

於截至二零一九年十二月三十一日止年度，本集團大部分收入及開支均以人民幣及港元計值。截至二零一九年十二月三十一日，本公司管理層認為本集團面臨的外匯風險並不重大。因此，於截至二零一九年十二月三十一日止年度，本集團並未使用任何金融工具對沖外匯波動。然而，本公司管理層將密切監控及不時重新評估本集團的外匯風險，並於必要時進行非投機性對沖安排。

僱員資料

於二零一九年十二月三十一日，本集團於香港及中國擁有697名僱員（包括本公司董事（「董事」））（二零一八年十二月三十一日：779名僱員）。本集團繼續根據市場慣例、僱員經驗及其表現向僱員提供薪酬待遇。薪酬政策一般參考個人表現及本集團財務業績釐定。僱員薪酬將於有需要時因應員工表現不時作出調整。其他福利包括醫療保險計劃及為僱員繳交法定強制性公積金供款。本集團亦採納購股權計劃，合資格參與者可據此獲授購股權以認購本公司股份（「股份」）。於截至二零一九年十二月三十一日止年度，僱員薪酬政策並無重大變動。

Management Discussion and Analysis

管理層討論與分析

BORROWINGS

As at 31 December 2019, the Group recorded borrowings of approximately HK\$166,367,000 (31 December 2018: HK\$159,035,000), in which of HK\$9,498,000 is loan from bank and bear interest rate 5.15% per annum with motor vehicles amounted to approximately HK\$11,869,000 being pledged. Other loans included in borrowings amounted to HK\$156,869,000, being unsecured and interest free. All borrowings are repayable on demand or within the year.

CAPITAL COMMITMENTS

The Group had no significant capital commitments outstanding as at 31 December 2019.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group had contingent liabilities as possible claims arising from indemnity related to a former subsidiary of approximately HK\$6,817,000 being equivalent to RMB6,100,000 (31 December 2018: HK\$6,920,000 being equivalent to RMB6,100,000). In the opinion of management of the Company, it is not necessary for recording any provisions for the above contingent liabilities as at 31 December 2019.

EVENTS AFTER THE REPORTING PERIOD

Trading in the Shares has been suspended since mid-2016. The Company fully devoted in its resumption process since 2018. The Company submitted its first resumption proposal to The Stock Exchange of Hong Kong Limited (the "Stock Exchange") in June 2019, and a supplemental resumption proposal in July 2019.

Despite the fulfilment by the Company of the resumption conditions set by the Stock Exchange, as set out in the aforesaid resumption proposals, the listing department of the Stock Exchange still recommended the listing committee of the Stock Exchange to cancel the listing of the securities of the Company, and the listing committee concurred on 29 August 2019. As such, the Company decided to request for a review of such delisting decision by the listing review committee of the Stock Exchange (the "Listing Review Committee").

The Listing Review Committee conducted a hearing with the Company on 15 January 2020. Afterwards, the Listing Review Committee requested the Company to provide further information to the Listing Review Committee by making a further submission, and invited the Company for a further hearing. The Company had submitted a further submission to the Listing Review Committee as requested. Owing to the outbreak of Coronavirus (COVID-19) pandemic, the further hearing was postponed. The Company shall publish announcement for any update on the development of resumption progress as and when appropriate.

借貸

於二零一九年十二月三十一日，本集團錄得借貸約166,367,000港元（二零一八年十二月三十一日：159,035,000港元），其中9,498,000港元為銀行貸款，年利率為5.15%，而為數約11,869,000港元之汽車已質押。其他貸款（計入借貸）約為156,869,000港元，為無抵押及免息。所有借貸須按要求或於一年內償還。

資本承擔

於二零一九年十二月三十一日，本集團並無重大資本承擔。

或然負債

於二零一九年十二月三十一日，本集團因可能與前附屬公司有關彌償事項而產生或然負債約6,817,000港元（相當於人民幣6,100,000元）（二零一八年十二月三十一日：6,920,000港元（相當於人民幣6,100,000元））。本公司管理層認為，並無必要就上述或然負債於二零一九年十二月三十一日記錄任何撥備。

報告期後事項

股份已自二零一六年年中起暫停買賣。本公司自二零一八年起全面致力於開展復牌流程。本公司已於二零一九年六月首次向香港聯合交易所有限公司（「聯交所」）提交其復牌建議並於二零一九年七月提交補充復牌建議。

儘管本公司已達成聯交所設定之復牌條件，惟誠如上述復牌建議所載，聯交所上市部依然建議聯交所上市委員會取消本公司證券上市地位，而上市委員會於二零一九年八月二十九日表示同意此建議。因此，本公司決定要求聯交所上市覆核委員會（「上市覆核委員會」）對有關除牌決定進行覆核。

上市覆核委員會已於二零二零年一月十五日舉行聆訊。此後，上市覆核委員會要求本公司透過提交進一步陳詞向上市覆核委員會提供進一步資料，並邀請本公司出席進一步聆訊。本公司已按要求向上市覆核委員會提交進一步陳詞。由於爆發新型冠狀病毒肺炎(COVID-19)疫情，進一步聆訊已獲延期。本公司將於適當時候就復牌進展之任何最新發展情況刊發公佈。

Management Discussion and Analysis

管理層討論與分析

OUTLOOK

The senior management of the Group believe challenges bringing opportunities. Leading to overcome every difficulty is mission of each brilliant decision maker in the Group. They are not for compliment but for the best interests of every stakeholders, existing and potential investors of the Group.

Since the outbreak of COVID-19 pandemic, it is expected to have a significant adverse impact on the global economy. Up to the date of this report, the actual consequences to the Group's business has not yet been concluded. However, the financial position of the Group are not vitally hit by the pandemic.

The Group consecutively and exclusively focuses on car rental business. As commuter bus leasing market (the "Market") in the PRC with a steady growth in the past few years, the board (the "Board") of Directors expects the Market would become stable after the pandemic and quarantine, especially the Market located in Beijing and its suburban without mass transit alternatives.

As at the date of this report, the Group and all its personnel are stand fast and remain at their post. Meanwhile everyone is ready to overcome and solving the problems in the foreseeable future and even looking forward to move in the opposite of worldwide economic downturn.

Actions taken by the Company to address relevant disclaimer of opinion

The auditors of the Company, ZHONGHUI ANDA CPA Limited ("Auditor"), had disclaimed their opinion on the consolidated financial statements of the Group for the years ended 31 December 2019. The Company has taken actions to address the relevant audit qualifications. Actions taken by the Company to address relevant disclaimer of opinion in the consolidated financial statements of the Group for the year ended 31 December 2019 are set out below:

a. *Certain opening balances and corresponding figures*

The Auditor's opinion on the consolidated financial statements of the Group for the year ended 31 December 2018 (the "2018 Financial Statements"), which forms the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of the audit and the material uncertainty in relation to going concern, which relates to restatement of loss of the fuel oil transactions in the year ended 31 December 2015, and was calculated based on cash inflow and outflow of the transaction. Accordingly, the Auditor was unable to form an opinion on the 2018 Financial Statements.

前景

本集團高級管理層相信，市場危中有機。領導本集團渡過每個難關，是本集團每個精明決策者的重任。彼等心繫本集團每名持份者以及現有及潛在投資者的最佳利益，而非顧及自身功績。

自COVID-19疫情爆發以來，預期環球經濟深受重大不利衝擊。截至本報告日期，本集團業務承受之實際影響仍未見頂。然而，本集團之財務狀況並未受到疫情嚴重打擊。

本集團一直僅專注於汽車租賃業務。由於中國的通勤巴士租賃市場（「市場」）過往數年穩步增長，董事會（「董事會」）預期市場在疫情及檢疫措施過後將恢復穩定，特別是北京及其並無公共交通替代選擇的郊區市場。

於本報告日期，本集團上下緊守崗位，克盡己任。同時，每名員工已作充分準備，共同渡過於可見未來浮現的難關，化解危機，迎接全球經濟步入下行的軌跡轉向。

本公司為處理相關不發表意見而採取之行動

本公司核數師中匯安達會計師事務所有限公司（「核數師」）已就本集團截至二零一九年十二月三十一日止年度之綜合財務報表不發表意見。本公司已採取行動處理相關審核保留意見。本公司為處理本集團截至二零一九年十二月三十一日止年度之綜合財務報表內的相關不發表意見而採取之行動載列如下：

a. *若干期初結餘及相應數據*

核數師就本集團截至二零一八年十二月三十一日止年度之綜合財務報表（「二零一八年財務報表」）的意見構成呈列於本年度綜合財務報表之相應數據的基準，乃因限制對審核範圍的可能影響屬重大及與重列截至二零一五年十二月三十一日止年度之燃油交易虧損有關且根據交易現金流入及流出計算之持續經營的重大不確定性而不發表。因此，核數師無法就二零一八年財務報表發表意見。

Management Discussion and Analysis

管理層討論與分析

OUTLOOK (cont'd)

Actions taken by the Company to address relevant disclaimer of opinion (cont'd)

a. Certain opening balances and corresponding figures (cont'd)

This audit disclaimer will be removed in the year ending 31 December 2021 with opening and closing balances properly audited without limitation of scope.

b. Limited accounting books and records of two subsidiaries – First Concept Industrial Group Limited (“First Concept”) and iFrontier LLC (“iFrontier”)

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of First Concept and iFrontier for the years ended 31 December 2018 and 2019, the Auditor was unable to carry out audit procedures to satisfy itself as to whether the certain income and expenses for the years ended 31 December 2018 and 2019 and the assets and liabilities as at 31 December 2018 and 2019, and the segment information and other related disclosure notes in relation to the Group, which included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements.

Pursuant to the announcement of the Company dated 26 July 2019, First Concept and iFrontier have been disposed to independent third parties of the Company. As such, this disclaimer will be removed in the year ending 31 December 2021.

c. Loss on deconsolidation of the subsidiaries

As explained in note 2 of the consolidated financial statements of the Group for the year ended 31 December 2019, certain subsidiaries of the Company have been deconsolidated from the Group since 1 January 2016. No sufficient evidence has been provided to satisfy the Auditor as to whether the Company had lost control of the aforesaid certain subsidiaries on 1 January 2016 and throughout the years ended 31 December 2018 and 2019. Accordingly, the Auditor was unable to satisfy itself as to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the years ended 31 December 2018 and 2019 and the Group's financial position as at 31 December 2018.

Pursuant to the announcement of the Company dated 26 July 2019, these subsidiaries with limited books and records have been disposed to independent third parties of the Company. As such this disclaimer will be removed in the year ending 31 December 2021.

前景 (續)

本公司為處理相關不發表意見而採取之行動 (續)

a. 若干期初結餘及相應數據 (續)

此審核不發表意見將於截至二零二一年十二月三十一日止年度移除，並在不限範圍的情況下對期初及期末結餘進行適當審核。

b. 兩間附屬公司之有限會計賬簿及記錄 – 創先實業集團有限公司 (「創先」) 及 iFrontier LLC (「iFrontier」)

由於有關創先及 iFrontier 截至二零一八年及二零一九年十二月三十一日止年度之會計賬簿及記錄之證明文件及解釋不充足，核數師未能執行審核程序以令其信納若干截至二零一八年及二零一九年十二月三十一日止年度之收入及開支及於二零一八年及二零一九年十二月三十一日之資產及負債，以及分部資料及其他與本集團有關之相關披露附註 (本集團綜合財務報表所載者) 是否已於綜合財務報表準確記錄及妥為入賬。

根據本公司日期為二零一九年七月二十六日的公佈，創先及 iFrontier 已出售予本公司的獨立第三方。因此，此不發表意見將於截至二零二一年十二月三十一日止年度移除。

c. 終止合併附屬公司的虧損

誠如本集團截至二零一九年十二月三十一日止年度的綜合財務報表附註2所述，本公司若干附屬公司已自二零一六年一月一日起終止於本集團合併。並無提供足夠證據以使核數師信納本公司於二零一六年一月一日以及截至二零一八年及二零一九年十二月三十一日止整個年度是否失去對上述若干附屬公司的控制。因此，就本集團截至二零一八年及二零一九年十二月三十一日止年度的交易完整性及本集團於二零一八年十二月三十一日的財務狀況而言，核數師未能信納終止合併該等附屬公司。

根據本公司日期為二零一九年七月二十六日的公佈，該等賬簿及記錄有限的附屬公司已出售予本公司的獨立第三方。因此，此不發表意見將於截至二零二一年十二月三十一日止年度移除。

Management Discussion and Analysis

管理層討論與分析

OUTLOOK (cont'd)

Actions taken by the Company to address relevant disclaimer of opinion (cont'd)

d. Borrowings

There was no sufficient evidence provided to satisfy the Auditor, in relation to the existence, rights and obligations and valuation of the borrowings of approximately HK\$40,025,000 and HK\$40,535,000 as at 31 December 2019 and 2018 respectively.

The Company will use proceeds from proposed subscription and proposed open offer to repay such debt after debt obligation is verified. This disclaimer will be removed upon repayment is made.

e. Going Concern

As at 31 December 2019, the Group had net current liabilities and net liabilities of approximately HK\$774,831,000 and HK\$563,774,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The consolidated financial statements for the year ended 31 December 2019 have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future.

The Company will undergo (i) proposed subscription; (ii) proposed open offer; and (iii) proposed debt restructuring, to reduce debt and raise capital for expansion and for working capital. Upon completion of the forgoing transactions, the disclaimer on going concern will be removed.

* *For identification purpose only*

前景 (續)

本公司為處理相關不發表意見而採取之行動 (續)

d. 借貸

核數師並無獲提供充分證據令其信納於二零一九年及二零一八年十二月三十一日分別約40,025,000港元及40,535,000港元借貸的存在、權利及責任以及估值。

於核實債務責任後，本公司將使用建議認購事項及建議公開發售的所得款項償還有關債務。此不發表意見將於作出還款後移除。

e. 持續經營

於二零一九年十二月三十一日，本集團之流動負債淨額及負債淨額分別約為774,831,000港元及563,774,000港元。該等情況顯示存在重大不明朗因素，可能對本集團持續經營能力構成重大疑問。

截至二零一九年十二月三十一日止年度之綜合財務報表已按持續經營基準編製，並假設本公司建議重組將順利完成，於重組後，本集團將繼續悉數完成其在可預見未來到期的財務責任。

本公司將進行(i)建議認購事項；(ii)建議公開發售；及(iii)建議債務重組，以減少債務並籌集資金用於擴張及用作營運資金。完成上述交易後，將移除有關持續經營的不發表意見。

Directors' Biographies

董事履歷

EXECUTIVE DIRECTORS

Mr. Ji Kaiping ("Mr. Ji"), aged 57, has been appointed as an executive Director with effect from 29 August 2017 and appointed as the Chairman of the Board with effect from 29 November 2018. He is also an authorised representative of the Company pursuant to Rule 3.05 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, the chairman of the nomination committee of the Company (the "Nomination Committee") and director of various subsidiaries of the Group. He completed the course of master's degree in business administration at International Business Administration School of the University of International Business and Economics in China from October 2003 to November 2005. He founded TMTC Rental in 2006 and serves as its chairman. TMTC Rental has become an indirect wholly-owned subsidiary of the Company since August 2016 and Mr. Ji is responsible for the overall management of the actual operation of TMTC Rental. Mr. Ji has extensive experience in management.

Mr. Guo Peiyuan ("Mr. Guo"), aged 49, has been appointed as an executive Director with effect from 4 April 2018. He has almost 20 years' experience in passenger transport management. From 1999 to 2004, he worked in 北京青年旅行社有限公司 as department manager, mainly responsible for scheduling of sightseeing buses, business development and customer relationship etc. From 2004 to 2006, Mr. Guo worked in 北京天馬旅遊汽車公司 as deputy team leader, mainly responsible for fleet management, business development and customer relationship etc. In 2006, he founded TMTC Rental and currently serves as its general manager. In 2008, he acquired 北京市民運旅行社 and changed its name to TMTC Travel. Currently, Mr. Guo participates in management of TMTC Travel but does not hold any interest in such company. TMTC Rental has become an indirect wholly-owned subsidiary of the Company since August 2016. TMTC Travel, whose equity interest was owned as to 49% by TMTC Rental, has become a subsidiary of the Group since 1 September 2019.

NON-EXECUTIVE DIRECTOR

Mr. An Jingwen ("Mr. An"), aged 64, has been appointed as a non-executive Director with effect from 3 December 2018. He is also a member of each of the audit committee (the "Audit Committee") and the remuneration committee (the "Remuneration Committee") of the Company. He obtained a Doctor's degree in Management Science and Engineering from China University of Mining and Technology (Beijing) in 2010 and the qualification certificate of independent director issued by the Shanghai Stock Exchange in May 2012.

執行董事

紀開平先生(「紀先生」)，57歲，自二零一七年八月二十九日起獲委任為執行董事，並自二零一八年十一月二十九日起獲委任為董事會主席。彼亦為聯交所證券上市規則(「上市規則」)第3.05條項下的本公司授權代表、本公司提名委員會(「提名委員會」)主席及本集團若干附屬公司之董事。彼於二零零三年十月至二零零五年十一月期間完成中國對外經濟貿易大學國際商學院企業管理專業研究生課程。彼於二零零六年創立北京天馬通馳租賃，並出任董事長。天馬通馳租賃自二零一六年八月起成為本公司的一家間接全資附屬公司，並由紀先生全面負責天馬通馳租賃實際經營管理。紀先生擁有豐富的管理經驗。

郭培遠先生(「郭先生」)，49歲，自二零一八年四月四日起獲委任為執行董事。彼於客運管理擁有接近二十年經驗。彼於一九九九年至二零零四年期間就職於北京青年旅行社有限公司，任部門經理，主要職能為旅遊客車的調度安排、業務開發、客戶維護等。於二零零四年至二零零六年期間，郭先生就職於北京天馬旅遊汽車公司，任副隊長職務，主要職能為管理車隊運營、業務開發、客戶維護等。彼於二零零六年創立天馬通馳租賃，目前任職其總經理。於二零零八年，彼收購北京市民運旅行社，並更名為天馬通馳旅遊。目前，郭先生參與管理天馬通馳旅遊，但並無持有該公司的任何權益。天馬通馳租賃自二零一六年八月起成為本公司的一家間接全資附屬公司。天馬通馳旅遊(其49%股本權益由天馬通馳租賃持有)自二零一九年九月一日起成為本集團的一家附屬公司。

非執行董事

安景文先生(「安先生」)，64歲，自二零一八年十二月三日起獲委任為非執行董事。彼亦為本公司審核委員會(「審核委員會」)及薪酬委員會(「薪酬委員會」)成員。彼於二零一零年取得中國礦業大學(北京)管理科學與工程博士學位，並於二零一二年五月取得上海證券交易所頒發的獨立董事資格證書。

Directors' Biographies

董事履歷

NON-EXECUTIVE DIRECTOR (cont'd)

Mr. An is professor of school of management of China University of Mining & Technology (Beijing) and tutor of postgraduate candidates. Mr. An has over 30 years' experience in teaching and research work and has extensive experience in the coal industry and corporate training, as well as in the areas of standardization and quality management. Mr. An is currently a member of each of 中國煤炭工業協會煤炭工業技術委員會 (Coal Industry Technology Committee of China National Coal Association) and 中國標準化研究院第五屆科學技術委員會 (the Fifth Science and Technology Committee of China National Institute of Standardization).

Mr. An served as an independent director of Pingdingshan Tianan Coal Mining Co., Ltd. (stock code: 601666) from May 2013 to November 2019 and an independent director of Liaoning Hongyang Energy Investment Co., Ltd. from April 2014 to January 2016 (stock code: 600758), the shares of both companies are listed on the Shanghai Stock Exchange.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Wen ("Mr. Li"), aged 64, has been appointed as an independent non-executive Director with effect from 4 April 2018. He is also the chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee. He obtained bachelor of laws from China University of Political Science and Law in 1983 and master of laws from Graduate School of Chinese Academy of Social Sciences in 1986. In 1986, he passed the Chinese National Lawyer's Qualification examination in Beijing and obtained legal professional qualification. From August 1986 to December 1992, Mr. Li served as lawyer in 中國法律事務中心 and practiced in law firms in Hong Kong, London and Los Angeles during the period from June 1988 to January 1991. From December 1992 to June 1994, he founded Beijing Zhong Lun Law Firm and served as principal. From June 1994 to July 2007, Mr. Li founded Beijing Li Wen & Partners and served as principal. Beijing Li Wen & Partners principally engaged in corporate, international trading, real estate and finance. From July 2007 to January 2018, subsequent to the change of name from Beijing Li Wen & Partners to 北京信和律師事務所, through merger with Beijing Hao Tian Law Office, Beijing Hylands Law Firm had been established, and Mr. Li served as partner. From January 2018, Beijing Hylands Law Firm, Beijing Anli Partners and Guangzhou Kunlun Law Firm merged into 北京浩天安理律師事務所 and Mr. Li became partner of 北京浩天安理律師事務所.

非執行董事(續)

安先生任職中國礦業大學(北京)管理學院教授、博士生導師。安先生擁有逾三十年教學與研究工作的經驗，在煤炭行業和企業培訓工作，以及標準化和品質管理領域擁有豐富的經驗。安先生目前為中國煤炭工業協會煤炭工業技術委員會委員及中國標準化研究院第五屆科學技術委員會委員。

安先生分別於二零一三年五月至二零一九年十一月期間擔任平頂山天安煤業股份有限公司(股份代號: 601666)之獨立董事及於二零一四年四月至二零一六年一月期間擔任遼寧紅陽能源投資股份有限公司(股份代號: 600758)之獨立董事，該等公司之股份於上海證券交易所上市。

獨立非執行董事

李文先生(「李先生」)，64歲，自二零一八年四月四日起獲委任為獨立非執行董事。彼亦為審核委員會主席，及薪酬委員會及提名委員會成員。彼於一九八三年於中國政法大學取得法學學士學位及於一九八六年於中國社會科學研究生院取得法學碩士學位。彼於一九八六年在北京通過全國律師資格考試，取得職業律師資格。李先生於一九八六年八月至一九九二年十二月期間擔任中國法律事務中心律師，並在一九八八年六月至一九九一年一月期間先後前往香港、倫敦、洛杉磯等地的律師事務所實習。於一九九二年十二月至一九九四年六月期間，彼創立北京中倫律師事務所，任主任律師。於一九九四年六月至二零零七年七月期間，李先生創立了北京李文律師事務所，擔任主任律師。北京李文律師事務所之主要業務領域為公司、國際貿易、房地產及金融。於二零零七年七月至二零一八年一月期間，北京李文律師事務所更名為北京信和律師事務所後，與北京浩天律師事務所合併為北京浩天信和律師事務所，李先生為其合夥人。自二零一八年一月，北京浩天信和律師事務所、北京安理律師事務所、廣州東方昆侖律師事務所合併為北京浩天安理律師事務所，李先生成為北京浩天安理律師事務所之合夥人。

Directors' Biographies 董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (cont'd)

Mr. Qiu Ke ("Mr. Qiu"), aged 49, has been appointed as an independent non-executive Director with effect from 1 June 2018. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. He obtained a Bachelor's degree in economics from Capital University of Economics and Business (formerly known as Beijing College of Economics) in 1994, and obtained a Master's degree in business administration from Renmin University of China in 2003. He also obtained a vocational education diploma in accounting studies in Canada in 2004.

From 1995 to 2005, Mr. Qiu served as assistant analyst in credit card department of Beijing Branch of China Construction Bank and has in-depth knowledge and extensive experience in financial industry and products. Thereafter, he has involved in works of accounting in Canada and has a profound theoretical knowledge and extensive practical experience in all aspects of international trading, management in accounting industry, various types of financial statements, letter of credit and telegraphic transfer.

Ms. Chen Yen Yung ("Ms. Chen"), aged 48, has been appointed as an independent non-executive Director with effect from 17 April 2019. She is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. She has over 20 years' experience in the accounting and finance field. She is a member of the CPA Australia and an associate member of the Hong Kong Society of Accountants (currently known as the Hong Kong Institute of Certified Public Accountants). Ms. Chen studied in The Hong Kong Polytechnic University for higher certificate in accountancy and holds a bachelor's degree in commerce (accounting) from the Curtin University of Technology, Western Australia. From February 1995 to February 2001, she was employed by K.L. Lee & Partners CPA Limited (subsequently known as KLL Associates CPA Ltd. and merged with BDO Limited in 2005), a certified practicing accountancy firm in Hong Kong, with her last position as an assistant manager. From February 2001 to June 2002, she was employed by B&M Consultants Limited (currently known as BMI Consultants Limited), a business consultancy company in Hong Kong, with her last position as director. Ms. Chen is currently the company secretary of 浙江永安融通控股股份有限公司 (Zhejiang Yongan Rongtong Holdings Co., Ltd*) (stock code: 8211), a joint stock limited company incorporated in the PRC, whose H shares are listed on GEM of the Stock Exchange. During the period from September 2018 to June 2019, she served as the independent non-executive director of Mayer Holdings Limited (stock code: 1116), whose shares are listed on the Main Board of the Stock Exchange.

* for identification purpose only

獨立非執行董事 (續)

邱克先生 (「邱先生」)，49歲，自二零一八年六月一日起獲委任為獨立非執行董事。彼亦為薪酬委員會主席，及審核委員會及提名委員會成員。彼於一九九四年獲首都經濟貿易大學 (前稱北京經濟學院) 經濟學學士學位，並於二零零三年畢業於中國人民大學企業管理研究生課程。彼亦於二零零四年取得加拿大會計學職業培訓證書。

邱先生於一九九五年至二零零五年期間在中國建設銀行北京市分行信用卡部任職助理統計師，對金融行業及產品有著深入的瞭解和豐富的經驗。其後，彼在加拿大從事會計工作，對國際貿易的各個環節、會計行業的日常管理、各類財務報表、信用證及電匯付款等有著深厚的理論和實踐經驗。

陳燕雲女士 (「陳女士」)，48歲，自二零一九年四月十七日起獲委任為獨立非執行董事。彼亦為審核委員會、薪酬委員會及提名委員會成員。彼於會計及金融領域擁有逾20年經驗。彼為澳洲會計師公會會員及香港會計師公會 (現時稱為香港會計師公會) 會員。陳女士於香港理工大學修讀會計高級證書課程，並於西澳大利亞科廷科技大學取得商學 (會計學) 學士學位。自一九九五年二月至二零零一年二月期間，彼受僱於李家樑合夥會計師事務所有限公司 (後稱華融會計師事務所有限公司，並於二零零五年與香港立信德豪會計師事務所有限公司合併)，該公司為香港一間認可執業會計師事務所，其最後職位為助理經理。自二零零一年二月至二零零二年六月期間，彼受僱於香港邦盟顧問有限公司 (香港一間商業顧問公司，現稱邦盟匯駿顧問有限公司)，其最後職位為董事。陳女士目前為浙江永安融通控股股份有限公司 (一間於中國註冊成立之股份有限公司，且其H股於聯交所GEM上市，股份代號：8211) 之公司秘書。自二零一八年九月至二零一九年六月期間，彼於美亞控股有限公司擔任獨立非執行董事，該公司股份於聯交所主板上市 (股份代號：1116)。

Directors' Report

董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2019:

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 19 to the financial statements.

A detailed review on the Group's business performance and the material factors underlying its financial position, as well as the development and likely future prospects of the Group's business are provided throughout this annual report and in particular under the following separate sections:

- (a) review of the Company's business and financial position, a discussion of the principal risks and uncertainties facing the Group and an indication of likely future developments in the Group's business are shown in the section headed "Management Discussion and Analysis" of this annual report and note 36 to the financial statements;
- (b) details of key performance indicators are shown in the sub-section headed "Liquidity and Financial Resources" under the section headed "Management Discussion and Analysis" of this annual report;
- (c) the Group's environmental policies and performance are shown in the sub-section headed "Environmental Policies" below;
- (d) the Group's key relationships with employees, customers and suppliers are shown in the sub-section headed "Key Relationships" below; and
- (e) the Group's compliance with the relevant laws and regulations are shown in the sub-section headed "Compliance with Laws and Regulations" below.

The discussions referred to in the above form part of this Directors' Report.

Subsequent to the year ended 31 December 2019, there are certain updates in respect of the status of suspension of trading in Shares, further details of which are shown in the sub-section headed "Events after the Reporting Period" under the section headed "Management Discussion and Analysis" of this annual report.

董事提呈其報告及本集團截至二零一九年十二月三十一日止年度之經審核財務報表。

主要活動及業務回顧

本公司為投資控股公司。其附屬公司的主要活動載於財務報表附註19。

有關本集團之業務表現及其財務狀況所涉及之重大因素以及本集團業務之發展及未來可能前景之詳細回顧載列於本年報各節，尤其是以下各章節：

- (a) 本公司之業務及財務狀況回顧，有關本集團面臨之主要風險及不確定因素之討論，以及本集團業務未來可能發展之跡象載於本年報「管理層討論與分析」一節及財務報表附註36；
- (b) 主要表現指標之詳情載於本年報「管理層討論與分析」一節「流動資金及財務資源」分節；
- (c) 本集團之環境政策及表現載於下文「環境政策」分節；
- (d) 本集團與僱員、客戶及供應商的主要關係載於下文「主要關係」分節；及
- (e) 本集團遵守相關法律及法規的情況載於下文「遵守法律及法規」分節。

上文所述的討論為本董事會報告之組成部分。

自截至二零一九年十二月三十一日止年度起，有關股份停牌情況的若干更新之進一步詳情載於本年報「管理層討論與分析」一節「報告期後事項」分節。

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (cont'd)

Key Relationships

a) Employees

Human resources are one of the greatest assets of the Group and the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational health and safety.

b) Customers

The Group cherishes the mutually beneficial relationships with its customers. The Group will provide the best services to its clients to establish and consolidate the Group's reputation in the industry.

c) Suppliers

The Group is also dedicated to develop good relationship with its suppliers as long-term business partners to ensure stability of the Group's business. The Group reinforces business partnerships with its suppliers by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

Environmental Policies

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. By speeding up the transformation of development mode, adhering to safe, green and efficient resources for greater quality, the Group aims to achieve green, circular and low-carbon development.

The Group strives to minimize the environmental impact by saving electricity and encouraging recycle of office supplies and other materials. In addition, the Group actively advocated a paperless office and encouraged the employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

Compliance with laws and regulations

The Company has been listed on the main board of the Stock Exchange and therefore the Company is subject to the governance of the Listing Rules including the disclosure requirements, the corporate governance provisions set out in Appendix 14 and the "comply and explain" provisions set out in Appendix 27 therein. Under the Securities and Futures Ordinance ("SFO"), the Company is required to maintain a register of substantial shareholders' and other persons' interests in Shares and underlying shares of the Company and a register of Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations and is obliged to disclose price sensitive or inside information as soon as reasonably practicable.

主要活動及業務回顧(續)

主要關係

a) 僱員

人力資源乃本集團的一項最大資產，本集團確保全體員工均獲得合理薪酬，亦繼續改善及定期檢討及更新其薪酬及福利政策、培訓、職業健康及安全。

b) 客戶

本集團珍惜與其客戶的互助互益關係。本集團將為其客戶提供最佳服務，以建立及鞏固本集團於行內的聲譽。

c) 供應商

本集團亦致力與其供應商建立良好的長期業務夥伴關係，確保本集團業務的穩定性。本集團繼續透過積極及有效的溝通，加強與其供應商的業務合夥關係，藉此確保質量和及時交貨。

環境政策

本集團矢志建立環保企業，密切關注保護天然資源。透過加快發展模式轉型，緊守安全、環保及具有能源效益的宗旨，本集團旨在實現綠色、循環及低碳發展。

本集團致力透過節省電力及鼓勵辦公室供應品及其他材料循環再用，盡量減低對環境的影響。此外，本集團積極提倡無紙辦公室，並鼓勵僱員培養良好習慣，節約資源及能源，以建立環保及舒適的工作環境。

遵守法律及法規

本公司乃於聯交所主板上市，因此本公司須遵守上市規則的管治規定，包括當中附錄14所載的披露規定及企業管治條文以及附錄27所載的「不遵守就解釋」條文。根據證券及期貨條例（「證券及期貨條例」），本公司須存置一份主要股東及其他人士於本公司股份及相關股份之權益名冊，以及董事及高級行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉名冊，並須在合理地切實可行的範圍內盡快披露價格敏感資料或內幕消息。

Directors' Report

董事會報告

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW (cont'd)

Compliance with laws and regulations (cont'd)

As the Company is incorporated in Hong Kong, it is subject to various laws and regulations including Companies Ordinance (Cap. 622 of the laws of Hong Kong) (the "Companies Ordinance"), Business Registration Ordinance (Cap. 310 of the laws of Hong Kong), Inland Revenue Ordinance (Cap. 112 of the laws of Hong Kong) and Employment Ordinance (Cap. 57 of the laws of Hong Kong).

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC. Our establishment and operations accordingly shall comply with all PRC laws and applicable laws in the jurisdictions where we have operations. To the best of Directors' knowledge, information and belief, during the year ended 31 December 2019 and up to the date of this annual report, the Group complied with all the relevant laws and regulations in the PRC and Hong Kong.

PERMITTED INDEMNITY PROVISION

Pursuant to the articles of association of the Company ("Articles") and subject to the provisions of the Companies Ordinance, every Director or other officer of the Company shall be indemnified out of the assets of the Company against all liabilities which he may incur in or about the execution and discharge of the duties of his office or otherwise in relation thereto, provided that such Article shall only have effect in so far as its provisions are not avoided by the Companies Ordinance. The Company did not arrange appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

DIRECTORS OF SUBSIDIARIES

The name of all the directors who have served on the subsidiaries of the Company during the year ended 31 December 2019 and up to the date of this annual report are available on the website of the Company.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss on page 52. The Board does not recommend the payment of a final dividend for the year ended 31 December 2019.

主要活動及業務回顧 (續)

遵守法律及法規 (續)

由於本公司乃於香港註冊成立，其受包括公司條例（香港法例第622章）（「公司條例」）、商業登記條例（香港法例第310章）、稅務條例（香港法例第112章）及僱傭條例（香港法例第57章）等多項法律及法規約束。

本集團之業務主要由本公司於中國的附屬公司進行。因此本集團的建設及營運須遵守所有中國法律及我們營運所在的司法權區的適用法律。據董事所知、所悉及所信，於截至二零一九年十二月三十一日止年度及直至本年報日期，本集團已遵守中國及香港的所有相關法律及法規。

獲准許彌償條文

根據本公司之組織章程細則（「章程細則」）及受公司條例之條文所規限，對於本公司各董事或其他高級人員在執行或履行職務時或於相關的其他情況下而可能招致或產生相關的所有責任，均可從本公司資產中獲得彌償，惟有關章程細則僅在條文未因公司條例而致無效的情況下方為有效。本公司於年內概無就其董事及高級管理人員可能面對因企業活動產生之法律訴訟作出適當的董事及高級職員投保安排。

管理合約

於截至二零一九年十二月三十一日止年度，概無訂立或存有關於本公司全部或主要部分業務的管理及行政的合約。

附屬公司之董事

於截至二零一九年十二月三十一日止年度及截至本年報日期，於本公司附屬公司任職的所有董事的姓名可於本公司網站查閱。

業績及股息

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第52頁之綜合損益表。董事會不建議派付截至二零一九年十二月三十一日止年度之末期股息。

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 120.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group during the year ended 31 December 2019 are set out in note 15 to the financial statements.

SHARE CAPITAL

As at 31 December 2019, the issued share capital of the Company was HK\$3,178,754,000 divided into 6,411,770,500 shares. There was no change in the Group's capital structure during the year ended 31 December 2019.

CONVERTIBLE BONDS AND NON-CONVERTIBLE BONDS

Details of the convertible bonds and non-convertible bonds issued by the Company are set out in notes 26 and 27 to the financial statements respectively.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of Hong Kong.

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

There was no purchase, sale or redemption by the Company or its subsidiaries, of the Company's listed securities during the year ended 31 December 2019.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2019 are set out in note 30(b) to the financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVE

As at 31 December 2019, the Company did not have any distributable reserve.

財務概要

本集團過往五個財政年度之業績以及資產及負債概要載於第120頁。

物業、廠房及設備

本集團於截至二零一九年十二月三十一日止年度之物業、廠房及設備之變動載於財務報表附註15。

股本

於二零一九年十二月三十一日，本公司已發行股本為3,178,754,000港元，分為6,411,770,500股股份。於截至二零一九年十二月三十一日止年度，本集團之資本架構概無變動。

可換股債券及不可換股債券

本公司所發行之可換股債券及不可換股債券詳情分別載於財務報表附註26及27。

優先購買權

章程細則或香港法例概無有關優先購買權之條文。

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內，本公司或其附屬公司概無購買、出售或贖回本公司上市證券。

儲備

截至二零一九年十二月三十一日止年度本公司及本集團儲備變動之詳情分別載於財務報表附註30(b)及綜合權益變動表。

可供分派儲備

於二零一九年十二月三十一日，本公司並無任何可供分派儲備。

Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, sales to the Group's five largest customers accounted for approximately 54% of the total sales and sales to the largest customer included therein accounted for approximately 26%. Suppliers of goods and services of car rental business which are freely available from a range of suppliers, gasoline stations, at similar prices and which are freely available. Therefore the disclosure of the top five suppliers are excluded.

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

DIRECTORS

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

Executive Directors

Mr. Ji Kaiping (*Chairman*)

Mr. Guo Peiyuan

Non-executive Director

Mr. An Jingwen

Independent Non-executive Directors

Mr. Li Wen

Mr. Qiu Ke

Ms. Chen Yen Yung (appointed on 17 April 2019)

主要客戶及供應商

於截至二零一九年十二月三十一日止年度，本集團向五大客戶進行之銷售佔銷售總額約54%，而向最大客戶進行之銷售額約佔26%。汽車租賃業務的貨品及服務供應可按相若價格自由地從一系列的供應商、汽油站獲得。因此，五大供應商的披露並不包括在內。

概無董事或彼等任何緊密聯繫人或本公司任何股東（就董事所知，彼等持有超過5%本公司已發行股份）於本集團五大客戶中持有任何實益權益。

董事

年內及截至本報告日期，董事如下：

執行董事

紀開平先生 (*主席*)

郭培遠先生

非執行董事

安景文先生

獨立非執行董事

李文先生

邱克先生

陳燕雲女士

(於二零一九年
四月十七日獲委任)

Directors' Report

董事會報告

DIRECTORS (cont'd)

In accordance with Article 71 of the Articles, the Board may, at any time, and from time to time, appoint any person to be a Director, either to fill a casual vacancy or by way of addition to their number. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-appointment.

Mr. Ji Kaiping, Mr. Guo Peiyuan, Mr. An Jingwen, Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "2020 AGM").

None of the Directors who are proposed for re-election at the 2020 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors nor their respective associates were interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the year ended 31 December 2019 and up to the date of this annual report.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors are set out on pages 13 to 15 to this annual report.

DIRECTORS' INTERESTS IN CONTRACTS

No transaction, arrangements or contract of significance to which the Company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2019.

董事 (續)

根據章程細則第71條，董事會可隨時及不時委任任何人士為董事，以填補臨時空缺或增加董事人數。任何就此獲董事會委任的董事的任期僅至本公司下屆股東週年大會為止，屆時將合資格重選連任。

紀開平先生、郭培遠先生、安景文先生、李文先生、邱克先生及陳燕雲女士將於本公司即將舉行的股東週年大會（「二零二零年股東週年大會」）上退任及符合資格重選連任。

概無擬於二零二零年股東週年大會重選之董事與本公司訂有不得於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

董事於競爭業務之權益

截至二零一九年十二月三十一日止年度及截至本年報日期，概無董事或彼等各自之聯繫人於任何與本集團業務構成直接或間接競爭或可能構成競爭之業務中擁有權益。

董事履歷

董事之履歷詳情載於本年報第13頁至第15頁。

董事於合約之權益

概無本公司或其任何附屬公司或同系附屬公司為訂約方且董事或董事之關連實體擁有重大權益（不論直接或間接）之交易、安排或合約於截至二零一九年十二月三十一日止年度仍然生效。

Directors' Report

董事會報告

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

As at 31 December 2019, the interests and short positions of the Directors and chief executive of the Company in the shares, and underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code, were as follows:

Long Position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares	Approximate percentage of interest in the Company 佔本公司權益之概約百分比
董事姓名	身份／權益性質	股份數目	
Ji Kaiping 紀開平	Beneficial owner 實益擁有人	11,000,000,000 (Note 1) (附註1)	171.56%
Guo Peiyuan 郭培遠	Beneficial owner 實益擁有人	10,000,000,000 (Note 2) (附註2)	155.96%

Notes:

- As at 31 December 2019, the subscription of 11,000,000,000 Shares pursuant to the legally binding agreement in respect of the subscription of new Shares by Mr. Ji Kaiping has not yet been completed. Please refer to the Company's announcement dated 31 July 2019 for details of the said share subscription.
- As at 31 December 2019, the subscription of 10,000,000,000 Shares pursuant to the legally binding agreement in respect of the subscription of new Shares by Mr. Guo Peiyuan has not yet been completed. Please refer to the Company's announcement dated 31 July 2019 for details of the said share subscription.

董事及主要行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，董事及本公司主要行政人員於本公司或其相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債券中擁有已記入本公司根據證券及期貨條例第352條須存置的登記冊，或根據標準守則所載之上市發行人董事進行證券交易之標準守則知會本公司及聯交所之權益及淡倉如下：

於股份之好倉

附註：

- 於二零一九年十二月三十一日，尚未完成根據有關紀開平先生認購新股份之具法律約束力之協議認購11,000,000,000股股份。上述股份認購詳情請參閱本公司日期為二零一九年七月三十一日之公佈。
- 於二零一九年十二月三十一日，尚未完成根據有關郭培遠先生認購新股份之具法律約束力之協議認購10,000,000,000股股份。上述股份認購詳情請參閱本公司日期為二零一九年七月三十一日之公佈。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (cont'd)

Save as disclosed above, as at 31 December 2019, none of the Directors and/or chief executive of the Company nor their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year ended 31 December 2019 were rights to acquire benefits by means of the acquisition of Shares in or debenture of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an extraordinary general meeting of the Company held on 14 December 2012, a share option scheme of the Company (the "Share Option Scheme") was adopted by the Company. The Share Option Scheme, subject to earlier termination by the Company in general meeting, will remain in force for a period of ten years from its effective date and will expire on 13 December 2022.

董事及主要行政人員於本公司或其相聯法團之股份、相關股份及債券之權益及淡倉(續)

除上文所披露者外，於二零一九年十二月三十一日，概無董事及／或本公司主要行政人員或彼等之聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）股份、相關股份及債券中擁有或被視為擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所（包括根據證券及期貨條例彼等各自被當作或視為擁有之權益及淡倉），或根據證券及期貨條例第352條須記入當中所須存置之登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

董事購買股份或債券的權利

於截至二零一九年十二月三十一日止年度內，概無董事或彼等各自的配偶或未滿18歲子女獲授權藉收購本公司的股份或債券而獲益，或彼等亦無行使任何該等權利；或本公司或其任何附屬公司並無參與任何安排致使董事收購於任何其他法團的該等權利。

購股權計劃

根據本公司於二零一二年十二月十四日舉行之股東特別大會上通過之一項普通決議案，本公司採納一項本公司之購股權計劃（「購股權計劃」）。購股權計劃自其生效日期起十年內將繼續有效，並將於二零二二年十二月十三日屆滿，惟可由本公司於股東大會上提早終止。

Directors' Report

董事會報告

SHARE OPTION SCHEME (cont'd)

The purpose of the Share Option Scheme is to provide incentive or reward to eligible participants for their contribution, and continuing efforts to promote the interests of the Company. The Board considers that the Share Option Scheme is in the interests of the Company and the shareholders of the Company as a whole as it provides the Company with more flexibility in providing incentives to those eligible participants by way of granting of options. Pursuant to the Share Option Scheme, the Board may grant options to any eligible participants who has contributed or may contribute to the development and growth of the Group or any entity in which the Group holds an equity interest to subscribe for the Shares at any price which shall be not less than the higher of (i) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the date on which an offer for the grant of the options; and (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the date on which an offer for the grant of the options. The options may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each grantee as being the period during which options may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular option is granted in accordance with the Share Option Scheme.

An offer for the grant of options must be accepted within twenty business days from the offer date. The amount payable by the grantee in respect of the acceptance of the offer is HK\$10. The total number of Shares issued and to be issued upon exercise of the options granted to each eligible person under the Share Option Scheme in any twelve months period must not exceed 1% of the Shares in issue at the date of such grant unless approved by the shareholders in general meeting.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the Shares in issue as at its adoption date or the date of approval by the shareholders in general meeting where the limit is refreshed. At the annual general meeting of the Company held on 1 June 2015 (the "2015 AGM"), an ordinary resolution approving the refreshment of the scheme limit and authorizing the Directors to grant share options under the Share Option Scheme up to the refreshed limit (i.e. 372,096,700 Shares, representing 10% of the total number of Shares in issue as at the date of 2015 AGM) was passed. As such, the total number of Shares available for issue under the Share Option Scheme was 372,096,700 Shares, representing approximately 5.8% of the Shares in issue as at the date of this annual report.

No option was granted, exercised, cancelled or lapsed during the year ended 31 December 2019. The Company had no share options outstanding at the beginning and end of the year.

購股權計劃(續)

購股權計劃的目的是就合資格參與人的貢獻及就推進本公司的利益持續付出的努力向彼等提供獎勵或回報。董事會認為購股權計劃符合本公司及本公司股東之整體利益，原因為其給予本公司更大靈活度，可透過授出購股權向該等合資格參與人提供獎勵。根據購股權計劃，董事會可向已對或可能對本集團之發展及增長作出貢獻之合資格參與人或本集團持有股權之任何實體授出購股權，以認購股份，惟認購價格不得少於以下較高者：(i)股份於授出購股權要約當日在聯交所每日報價表所示之收市價；及(ii)股份於緊接授出購股權要約當日前五個交易日在聯交所每日報價表所示之平均收市價。購股權可於董事會絕對酌情決定並由董事會通知各承授人作為購股權行使期的期間內任何時間，根據購股權計劃條款行使，惟無論如何，行使期不得超過任何特定購股權根據購股權計劃授出當日起計10年。

授出購股權的要約須於要約日期起計二十個營業日內接納。承授人於接納要約時應付款項為10港元。除經股東於股東大會批准外，於任何十二個月內，因授予各合資格人士的購股權獲行使而已發行及將予發行之股份總數，不得超過授出當日已發行股份之1%。

根據購股權計劃可授出購股權所涉及之股份數目上限不得超過其獲採納當日或股東批准更新有關限額之股東大會之日已發行股份之10%。於二零一五年六月一日舉行的本公司股東週年大會上（「二零一五年股東週年大會」），一項普通決議案獲通過，內容有關批准更新計劃限額及授權董事根據購股權計劃授出購股權至更新限額上限（即372,096,700股股份，相當於二零一五年股東週年大會當日已發行股份總數之10%）。因此，根據購股權計劃可供發行的股份總數為372,096,700股，佔本年報日期已發行股份約5.8%。

截至二零一九年十二月三十一日止年度，概無購股權獲授出、行使、註銷或失效。本公司於年初及年末並無尚未行使購股權。

Directors' Report

董事會報告

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

At 31 December 2019, the interests or short positions of every person, other than a Director or chief executive of the Company, in the Shares and underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO, were as follows:

主要股東及其他人士於股份及相關股份之權益

於二零一九年十二月三十一日，如根據證券及期貨條例第336條須由本公司存置的登記冊所記錄，除董事或本公司主要行政人員外，每名人士於股份及相關股份中的權益或淡倉如下：

Name	Capacity and Nature of interest	Long position/ short position	Number of Shares held	Number of underlying shares held	Approximately percentage of total number of Shares in issue 佔已發行股份總數之概約百分比
姓名／名稱	身份及權益性質	好倉／淡倉	所持股份數目	所持相關股份數目	
Nation Spirit Limited (Note 1) Nation Spirit Limited (附註1)	Beneficial Owner 實益擁有人	Long position 好倉	-	933,333,333	14.56%
Gu Baorong (Note 1) 顧寶榮 (附註1)	Interest of a controlled corporation 受控制法團的權益	Long position 好倉	-	933,333,333	14.56%
Yang Fan 楊凡	Beneficial Owner 實益擁有人	Long position 好倉	810,759,648	-	12.64%
Upper Target Limited (Note 2) 尚成有限公司 (附註2)	Beneficial Owner 實益擁有人	Long position 好倉	596,900,000	-	9.31%
Liu Zidong (Note 2) 劉子棟 (附註2)	Interest of a controlled corporation 受控制法團的權益	Long position 好倉	596,900,000	-	9.31%
	Beneficial Owner 實益擁有人	Long position 好倉	8,150,000	-	0.13%
Elite Fortune Global Limited (Note 3) 秀運環球有限公司 (附註3)	Beneficial Owner 實益擁有人	Long position 好倉	585,533,845	-	9.13%
Wang Yi (Note 3) 王毅 (附註3)	Interest of a controlled corporation 受控制法團的權益	Long position 好倉	585,533,845	-	9.13%

Directors' Report

董事會報告

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES (cont'd)

Notes:

1. These interests represent the number of underlying shares of the Company held includes the maximum number of conversion shares to be issued upon full exercise of the conversion rights attaching to (i) convertible bonds in the principal amount of HK\$140 million issued by the Company; and (ii) convertible bonds in an aggregate principal amount of HK\$420 million (the "CB") to be issued by the Company to the vendors as partial settlement of the consideration pursuant to the sale and purchase agreement dated 15 January 2016 ("S&P Agreement").

Based on the notice of disclosure of interest of Nation Spirit Limited and Gu Baorong each filed with the Stock Exchange on 13 May 2016, these underlying shares are held by Nation Spirit Limited, which is wholly-owned by Gu Baorong. Under Part XV of the SFO, Gu Baorong is interested in these 933,333,333 underlying shares in which Nation Spirit Limited is interested.

As stated in the announcement of the Company dated 23 July 2019, no CB was issued pursuant to the terms of the S&P Agreement. Accordingly, both Nation Spirit Limited and Gu Baorong had ceased to be interested in 700,000,000 underlying shares to be issued upon conversion of the CB.

Please refer to the Company's announcements dated 15 January 2016, 30 March 2016, 31 May 2016, 24 June 2016, 18 July 2016, 31 August 2016, 14 February 2017, 22 February 2017 and 23 July 2019, and the Company's circular dated 30 June 2016.

2. Based on the notice of disclosure of interest of Upper Target Limited and Liu Zidong each filed with the Stock Exchange on 12 May 2016, these Shares are held by Upper Target Limited, which is wholly-owned by Liu Zidong. Under Part XV of the SFO, Liu Zidong is interested in these 596,900,000 Shares in which Upper Target Limited is interested.
3. Based on the notice of disclosure of interest of Elite Fortune Global Limited and Wang Yi each filed with the Stock Exchange on 10 March 2016, these Shares are held by Elite Fortune Global Limited, which is wholly-owned by Wang Yi. Under Part XV of the SFO, Wang Yi is interested in these 585,533,845 Shares in which Elite Fortune Global Limited is interested.

Save as disclosed above, as at 31 December 2019, no person had registered an interest or short position in the Shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

DIRECTORS' EMOLUMENTS

Details of the Directors' emoluments are set out in note 12 to the financial statements. The Directors' remunerations, bonuses and other compensation are recommended by the Remuneration Committee and determined by the Board with reference to the Directors' duties, responsibilities and the Group's performance and results.

主要股東及其他人士於股份及相關股份之權益(續)

附註:

1. 該等權益指持有的本公司相關股份數目包括於悉數行使本公司根據日期為二零一六年一月十五日的買賣協議(「買賣協議」)向賣方(i)發行的本金額為140,000,000港元的可換股債券;及(ii)將發行的本金總額為420,000,000港元的可換股債券(「該可換股債券」)附帶的換股權時將予發行的最大轉換股份數目,作為代價的部分結算。

根據Nation Spirit Limited及顧寶榮各自於二零一六年五月十三日向聯交所遞交的權益披露通知,該等相關股份由Nation Spirit Limited(由顧寶榮全資擁有)持有。根據證券及期貨條例第XV部,顧寶榮於Nation Spirit Limited擁有權益的該等933,333,333股相關股份中擁有權益。

誠如本公司日期為二零一九年七月二十三日的公佈所述,概無根據買賣協議的條款發行該可換股債券。因此,Nation Spirit Limited及顧寶榮不再於轉換該可換股債券時將予發行的700,000,000股相關股份中擁有權益。

請參閱本公司日期為二零一六年一月十五日、二零一六年三月三十日、二零一六年五月三十一日、二零一六年六月二十四日、二零一六年七月十八日、二零一六年八月三十一日、二零一七年二月十四日、二零一七年二月二十二日及二零一九年七月二十三日的公佈,以及本公司日期為二零一六年六月三十日的通函。

2. 根據尚成有限公司及劉子棟各自於二零一六年五月十二日向聯交所遞交的權益披露通知,該等股份由尚成有限公司(由劉子棟全資擁有)持有。根據證券及期貨條例第XV部,劉子棟於尚成有限公司擁有權益的該等596,900,000股股份中擁有權益。
3. 根據秀運環球有限公司及王毅各自於二零一六年三月十日向聯交所遞交的權益披露通知,該等股份由秀運環球有限公司(由王毅全資擁有)持有。根據證券及期貨條例第XV部,王毅於秀運環球有限公司擁有權益的該等585,533,845股股份中擁有權益。

除上文披露者外,於二零一九年十二月三十一日,概無人士於本公司股份或相關股份中登記持有須根據證券及期貨條例第336條記錄之權益或淡倉。

董事酬金

董事酬金詳情載於財務報表附註12。董事酬金、花紅及其他賠償乃由薪酬委員會推薦及由董事會經參考董事之職務、責任及本集團之表現及業績釐定。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2019, the Group had not entered into any transactions which constituted non-exempt connected transactions or non-exempt continuing connected transactions under the Listing Rules.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2019, the Group had entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards but these transactions were not regarded as connected transactions or continuing connected transactions under the Listing Rules or were exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules. Details of these related party transactions are set out in note 34 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, throughout the year of 2019 and as at the date of this annual report, there is sufficient public float by not less than 25% of the Company's issued Shares as required under the Listing Rules.

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the Corporate Governance Code ("CG Code") as set out in Appendix 14 to the Listing Rules. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Li Wen (as the chairman of the Audit Committee), Mr. Qiu Ke and Ms. Chen Yen Yung, and one non-executive Director, namely Mr. An Jingwen.

The principal duties of the Audit Committee include the review and supervision of the Group's financial reporting process, risk management and internal control systems, and review of the Group's financial information. The Group's consolidated financial statements for the year ended 31 December 2019 have been reviewed by the Audit Committee.

AUDITOR

There was no change in auditor during the preceding three years from the date of this report. A resolution will be submitted to the 2020 AGM to appoint ZHONGHUI ANDA CPA Limited as auditor of the Company.

On behalf of the Board

Ji Kaiping

Chairman and Executive Director

Hong Kong, 13 July 2020

關連交易及持續關連交易

於截至二零一九年十二月三十一日止年度，本集團並無進行構成上市規則下非豁免關連交易或非豁免持續關連交易的任何交易。

關聯方交易

於截至二零一九年十二月三十一日止年度，本集團與適用會計準則下被認為「關聯方」的人士進行了若干交易，但根據上市規則此等交易不被視為關連交易或持續關連交易，亦或可豁免遵守上市規則下的申報、公佈及股東批准規定。此等關聯方交易的詳情載於財務報表附註34。

足夠公眾持股量

根據本公司所得的公開資料並據董事所知，於二零一九年全年及截至本年報日期，本公司具足夠公眾持股量，不少於上市規則所規定本公司已發行股份之25%。

審核委員會

本公司已成立審核委員會，並遵照上市規則附錄14所載之企業管治守則（「企業管治守則」）制訂書面職權範圍。審核委員會現時包括三名獨立非執行董事李文先生（作為審核委員會主席）、邱克先生及陳燕雲女士以及一名非執行董事安景文先生。

審核委員會之主要職責為審閱及監督本集團之財務報告程序、風險管理及內部監控系統以及審閱本集團之財務資料。本集團截至二零一九年十二月三十一日止年度之綜合財務報表已經審核委員會審閱。

核數師

於本報告日期過去三年間並無更換核數師。一項有關續聘中匯安達會計師事務所有限公司為本公司核數師之決議案將於二零二零年股東週年大會提呈。

代表董事會

紀開平

主席兼執行董事

香港，二零二零年七月十三日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board and the management are committed to maintaining and ensuring high standards of corporate governance as good corporate governance can safeguard the interests of all shareholders and enhance corporate value. The Company has adopted the CG Code as its own code of corporate governance. During the year ended 31 December 2019, the Company was in compliance with the relevant code provisions set out in the CG Code except for the deviations explained below.

企業管治常規

董事會及管理層矢志維持並確保高質素之企業管治水平，原因為良好企業管治能維護全體股東之利益及提升企業價值。本公司已採納企業管治守則作為其本身之企業管治守則。截至二零一九年十二月三十一日止年度，本公司已遵守企業管治守則所載之相關守則條文，惟下文所述之偏離情況除外。

The code provisions 守則條文

Reasons for the non-compliance and improvement actions took or to be taken 不合規原因及已經或將會採取之改善行動

- | | |
|-------|---|
| A.1.8 | <p>As it took time for the Company to solicit a suitable insurer at reasonable commercial terms and conditions, the Company did not arrange appropriate insurance cover in respect of legal action against its Directors for the year ended 31 December 2019.</p> <p>由於本公司需要時間以合理的商業條款和條件徵求合適的保險公司，因此截至二零一九年十二月三十一日止年度，本公司未就其董事的法律訴訟安排適當的保險。</p> |
| A.2.1 | <p>The Company has not appointed a chief executive officer and role and functions of chief executive officer have been performed by all the executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.</p> <p>本公司並無委任行政總裁一職及行政總裁之角色及職能由全體執行董事共同履行。董事會相信，此安排使本公司能夠迅速作出並執行決策，從而有效及高效地實現本公司的目標，以應對不斷變化的環境。董事會將持續評估是否需要作出任何變動。</p> |

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Board is responsible for overseeing the Group's strategic planning and development, and for determining the objectives, strategic and policies of the Group while delegating day-to-day operations of the Group to management. Besides, each member of the Board is expected to make a full and active contribution to the Board's affairs and ensure that the Board acts in the best interests of the Company and its shareholders as a whole.

As at the date of this annual report, the Board currently comprises six members including, Mr. Ji Kaiping (Chairman) and Mr. Guo Peiyuan as executive Directors, Mr. An Jingwen as non-executive Director and Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung as independent non-executive Directors. One of the three independent non-executive Directors possesses appropriate professional accounting qualifications and financial management expertise, which complies with the requirement of the Listing Rules. Details of their respective experiences and qualifications are included in the "Directors' Biographies" section of this annual report.

The Board has adopted a board diversity policy (the "Board Diversity Policy") on 28 March 2014 which sets out the approach to achieve diversity on the Board. The Company recognizes that increasing diversity at the Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board delegated certain duties under the Board Diversity Policy to the Nomination Committee. The Nomination Committee will discuss and adopt the above measurements when it reviewed the composition of the Board. After assessing the suitability of the Directors' skills and experience to the Company's business, the Nomination Committee considered that the existing Board were suitably qualified with professional backgrounds and/or equipped with extensive expertise for the purposes of providing direction to and oversight of the Group's strategic and business in achieving its objectives.

董事會

董事會負責監管本集團的策略規劃及發展，並制定本集團的目標、策略及方針，同時委派管理層負責本集團的日常營運。此外，各董事會成員乃預期全力投入董事會事務，並確保董事會行事符合本公司及其股東整體的最佳利益。

於本年報日期，董事會現時由六名成員組成，包括執行董事紀開平先生（主席）及郭培遠先生、非執行董事安景文先生，以及獨立非執行董事李文先生、邱克先生及陳燕雲女士。該三位獨立非執行董事中有一位具備符合上市規則規定之適當之專業會計資格及財務管理專長。彼等各自的經驗及資格詳情載於本年報「董事履歷」一節。

董事會已於二零一四年三月二十八日採納董事會成員多元化政策（「董事會成員多元化政策」），其載列達致董事會成員多元化之方法。本公司知悉董事會層面日益多元化將有助達成本公司策略目標及可持續發展。本公司藉考慮多項因素，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、知識及服務年期，務求達致董事會成員多元化。本公司亦於釐定董事會的最佳組成時，將不時考慮其本身業務模式及具體需要。

董事會已根據董事會成員多元化政策向提名委員會委派若干職責。提名委員會將於檢討董事會之組成時討論及採納上述計量。經評估董事技能及經驗對本公司業務之適用程度後，提名委員會認為現有董事會已具備適當資格之專業背景及／或擁有豐富專業知識，以為本集團達致目標提供策略及業務方針和監管。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (cont'd)

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

As disclosed in the paragraph headed "Corporate Governance Practices" above, the Company did not arrange appropriate directors' and officers' liabilities insurance coverage for the Directors and officers of the Company for the year ended 31 December 2019.

The independent non-executive Directors ensure the Board accounts for the interests of all shareholders and that all issues are considered in an objective manner. The Company has received annual confirmation from each of the independent non-executive Directors as regards their independence pursuant to Rule 3.13 of the Listing Rules. The Board has assessed their independence and concluded 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 relationships among the members of the Board. All of them are free to exercise their individual judgment.

NON-COMPLIANCE WITH RULES 3.10(1), 3.10(2) AND 3.21 OF THE LISTING RULES

Following the resignation of Mr. Zhou Guangguo as independent non-executive Director on 29 August 2017, the Company only had two independent non-executive Directors and two members of the Audit Committee, thus the number of which falls below the minimum number required under Rules 3.10(1) and 3.21 of the Listing Rules.

Following the resignation of Ms. Zhou Zhan as independent non-executive Director on 20 October 2017, the Company failed to comply with Rule 3.10(2) of the Listing Rules with regard to at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise.

Upon the appointment of Ms. Chen Yen Yung, who has appropriate professional qualifications or accounting or related financial management expertise, as independent non-executive Director on 17 April 2019, the number of independent non-executive Directors had satisfied the minimum number required under Rule 3.10(1) of the Listing Rules. The Company also met the requirement set out in Rule 3.10(2) of the Listing Rules with regard to at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company had complied with the requirements set out under Rule 3.21 of the Listing Rules with regard to the composition of the Audit Committee.

董事會 (續)

提名委員會將在適當情況下檢討董事會成員多元化政策，不時確保其持續有效。

誠如上文「企業管治常規」一段所披露，截至二零一九年十二月三十一日止年度，本公司並無為董事及本公司高級人員安排適當的董事及高級職員責任保險。

獨立非執行董事確保董事會為所有股東的利益負責及以客觀態度考慮所有事宜。本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的年度獨立性確認書。董事會已評估其獨立性，並認為所有獨立非執行董事均屬獨立人士。

據本公司所深知，董事會成員之間概無財務、業務、家族或其他重大／相關關係。彼等全部均可自由行使其個人判斷。

違反上市規則第3.10(1)、3.10(2)及3.21條

周光國先生於二零一七年八月二十九日辭任獨立非執行董事之後，本公司僅有兩名獨立非執行董事及兩名審核委員會成員，故有關人數低於上市規則第3.10(1)條及3.21條所規定的最低人數。

周展女士於二零一七年十月二十日辭任獨立非執行董事後，本公司未有遵守上市規則第3.10(2)條有關至少一名獨立非執行董事須具備適當的專業資格或會計或相關財務管理專長的規定。

陳燕雲女士（彼具備適當的專業資格或會計或相關財務管理專長）於二零一九年四月十七日獲委任為獨立非執行董事後，獨立非執行董事的人數已達到上市規則第3.10(1)條所規定的最低人數。本公司亦符合上市規則第3.10(2)條有關至少一名獨立非執行董事須具備適當的專業資格或會計或相關財務管理專長的規定。此外，本公司已遵守上市規則第3.21條所載有關審核委員會組成的規定。

Corporate Governance Report

企業管治報告

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to code provision A.6.5 of the CG Code, the Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. All Directors are encouraged to attend relevant training courses to ensure that they are fully aware of the responsibilities and obligations of directors under the Listing Rules and relevant regulatory requirements.

All Directors have participated in continuous professional development and provided a record of training they received for the year ended 31 December 2019 to the Company. The Company has also continuously updated Directors on the latest developments regarding the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Training record of each Directors received for the year ended 31 December 2019 is summarised below:

董事持續專業發展

根據企業管治守則之守則條文第A.6.5條，董事應參與適當持續專業發展，發展並更新其知識及技能，以確保各董事在知情情況下對董事會作出切合需要的貢獻。本公司鼓勵所有董事參加相關培訓課程，以確保彼等充分明白上市規則規定董事須承擔的責任及義務及相關的監管規定。

所有董事已參與持續專業發展並向本公司提供彼等於截至二零一九年十二月三十一日止年度接受培訓的記錄。本公司亦不斷更新董事有關上市規則及其他適用監管規定之最新發展，確保符合規定及提高彼等對良好企業管治常規的意識。各董事於截至二零一九年十二月三十一日止年度接受的培訓記錄概述如下：

		Training Received
		接受培訓
		Notes
		附註
Executive Directors		
執行董事		
Mr. Ji Kaiping (<i>Chairman</i>)	紀開平先生 (主席)	(1)
Mr. Guo Peiyuan	郭培遠先生	(1)
Non-Executive Director		
非執行董事		
Mr. An Jingwen	安景文先生	(1)
Independent Non-Executive Directors		
獨立非執行董事		
Mr. Li Wen	李文先生	(1)
Mr. Qiu Ke	邱克先生	(1)
Ms. Chen Yen Yung	陳燕雲女士	(2)

Notes:

- (1) Reading articles, training materials and updates as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties.
- (2) Attending training courses/seminars/conferences on topics relating to directors' duties and the Listing Rules.

附註：

- (1) 有關董事履行職責的法律及監管變動及相關事宜的閱讀文章、培訓材料及最新情況。
- (2) 參加有關董事職責及上市規則議題的培訓課程／研討會／會議。

Corporate Governance Report

企業管治報告

BOARD MEETINGS AND GENERAL MEETING

During the year ended 31 December 2019, the Board has held 8 meetings. The Board also passed resolutions by way of written resolutions. The attendance of the Directors to these Board meetings is set out in the below section headed "Attendance at Board and Board Committee Meetings".

The company secretary of the Company assists the chairman of each meeting in preparing the agenda for meetings and ensures that all applicable rules and regulations are followed. The company secretary of the Company also keeps detailed minutes of each meeting, which are available to all the Directors for inspection. Draft of Board minutes are circulated to all Directors for their comments and approved as soon as practicable after the Board meetings.

All Directors have access to relevant and timely information, and they can ask for further information or retain independent professional advisors if necessary. They also have unrestricted access to the advice and service of the company secretary of the Company, who is responsible for providing the Directors with board papers and related materials and ensuring that board procedures are followed.

During the year ended 31 December 2019, the Company did not hold any general meeting.

Should a potential conflict of interest involving a substantial shareholder of the Company or Director arise, the matter will be discussed in a physical meeting, as opposed to being dealt with by written resolutions. Independent non-executive Directors with no conflict of interest should present at meeting dealing with conflict issues. Board committees of the Company, including the Audit Committee, Remuneration Committee and Nomination Committee, all follow the applicable practices and procedures used in Board meetings for committee meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has not appointed a chief executive officer and role and functions of chief executive officer have been performed by all the executive Directors collectively. The Board believes that this arrangement enables the Company to make and implement decisions promptly, and thus achieve the Company's objectives effectively and efficiently in response to the changing environment. The Board will continuously assess whether any changes are necessary.

董事會會議及股東大會

截至二零一九年十二月三十一日止年度，董事會已舉行8次會議。董事會亦通過書面決議案批准決議。董事出席該等董事會會議的情況載於下文「董事會及董事委員會會議出席情況」一節。

本公司公司秘書協助每次會議之主席準備會議議程，並確保遵守一切適用規則及規例。本公司公司秘書亦負責保存每次會議的詳細記錄，可供全體董事查閱。於每次董事會會議舉行之後，董事會會議記錄的草擬本會於切實可行範圍內盡早向全體董事傳閱，以供彼等表達意見及批准。

全體董事均可查閱相關及最新資料，如有需要亦可要求查閱更多資料或聘請獨立專業顧問，亦可不受限制要求本公司公司秘書提供意見及服務，而公司秘書亦負責為董事提供董事會會議文件及相關資料，確保符合會議程序。

截至二零一九年十二月三十一日止年度，本公司並無舉行任何股東大會。

倘有涉及本公司主要股東或董事的潛在利益衝突情況，有關事宜將於現場會議上討論，而非通過書面決議案處理。無利益衝突的獨立非執行董事須出席會議，處理利益衝突事宜。本公司董事委員會包括審核委員會、薪酬委員會及提名委員會，全部委員會會議均採取董事會會議的適用常規及程序。

主席及行政總裁

根據企業管治守則之守則條文第A.2.1條，主席及行政總裁的角色應予區分，且不應由同一人士擔當。本公司並無委任行政總裁一職及行政總裁之角色及職能由全體執行董事共同履行。董事會相信，此安排使本公司能夠迅速作出並執行決策，從而有效及高效地實現本公司的目標，以應對不斷變化的環境。董事會將持續評估是否需要作出任何變動。

Corporate Governance Report

企業管治報告

DIRECTORS' TERM OF APPOINTMENT AND RE-ELECTION

In accordance with Article 72(1) of the Articles, the Directors shall be elected or replaced by the Company in general meeting and shall serve a term of office of three years. A Director may serve consecutive terms if re-elected by the Company in general meeting upon the expiration of his term. Article 71 of the Articles provides that Directors appointed either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-appointment.

The non-executive Director and all independent non-executive Directors are appointed for an initial term of one year, which is automatically renewable for successive term of one year each commencing from the expiry of the then current term of appointment, subject to termination by either party by serving prior notice to the other party no less than one month's notice in writing. Each of such appointments is subject to the rotation and retirement provisions in the Articles.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as the code of conduct for securities transactions by the Directors. Having made specific enquiry of the Directors, all the Directors confirmed that they had complied with the required standards as set out in the Model Code throughout the year ended 31 December 2019.

The Company has also adopted the Model Code as the code of conduct for securities transactions by employees of the Company who are likely to be in possession of unpublished inside information of the Company. No incident of non-compliance of the Model Code by the relevant employees of the Company was noted by the Company during the year ended 31 December 2019.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The current Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price sensitive announcements, inside information announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2019.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 48 to 51.

董事任期及重選連任

根據章程細則第72(1)條，董事應由本公司於股東大會上選立或替補，任期應為三年。倘於任期屆滿時獲本公司在股東大會上重選連任，則董事可繼續連任。章程細則第71條列明董事獲委任以填補臨時空缺或新增至董事會，應任職至本公司下屆股東週年大會，屆時符合資格重選連任。

非執行董事及全體獨立非執行董事的初步任期為一年，由當時的委任期屆滿時起自動續期一年，可由任何一方向另一方發出不少於一個月的事先書面通知予以終止。每項委任均受章程細則內的輪任和退任條款所規限。

證券交易的標準守則

本公司已就董事進行證券交易採納標準守則作為操守守則。向董事作出特定查詢後，全體董事已確認，彼等於截至二零一九年十二月三十一日止年度內一直遵守標準守則所載的規定準則。

本公司亦已就很可能擁有本公司未刊發內幕消息之本公司僱員進行證券交易採納標準守則作為操守準則。截至二零一九年十二月三十一日止年度，本公司並不知悉有任何本公司相關僱員違反標準守則之事件。

董事及核數師就財務報表須承擔之責任

現有董事會負責就本集團的年報及中期報告、股價敏感公告、內幕消息公告及其他根據上市規則及其他監管規定而須予披露的財務資料發表清晰、中肯及易於理解的評估。董事確認，彼等有責任編製本公司於截至二零一九年十二月三十一日止年度的財務報表。

本公司外聘核數師就其於財務報表中的申報責任的聲明載列於48頁至51頁之「獨立核數師報告」。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 December 2005 with written terms of reference in compliance with the CG Code which are available on the respective websites of the Company and the Stock Exchange.

The principal responsibilities of the Remuneration Committee include formulation of the remuneration policy, review and recommending to the Board the annual remuneration policy of the Directors and members of senior management. The Remuneration Committee has adopted the approach made under B.1.2(c)(ii) of the CG Code to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management.

Meetings of the Remuneration Committee shall be held at least once a year and as and when required. The Remuneration Committee currently comprises three independent non-executive Directors, namely Mr. Qiu Ke (as the chairman of the Remuneration Committee), Mr. Li Wen and Ms. Chen Yen Yung and one non-executive Director, namely Mr. An Jingwen.

During the year ended 31 December 2019, the Remuneration Committee has held 2 meetings, during which the following works were performed:-

- considered the remuneration package for the proposed independent non-executive Director and recommended to the Board; and
- made recommendations to the Board on salary adjustment proposals for the Directors and the assistant to the Board, and granting of discretionary bonus to executive Directors.

The attendance of the members of the Remuneration Committee to these Remuneration Committee meetings is set out in the below section headed "Attendance at Board and Board Committee Meetings".

The remuneration of the senior management (comprising Directors) of the Company for the year ended 31 December 2019, by band is set out below:

Remuneration Band 薪酬範圍		Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	4
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至2,000,000港元	2

Further details of the Directors' remuneration for the year ended 31 December 2019 are disclosed in note 12 to the financial statements contained in this annual report.

薪酬委員會

薪酬委員會已於二零零五年十二月二十日成立，並遵照企業管治守則以書面訂定職權範圍，詳情於本公司及聯交所各自網頁內可供閱覽。

薪酬委員會的主要職責包括制訂薪酬政策、檢討及向董事會推薦董事及高級管理層成員的年度薪酬政策。薪酬委員會已採納企業管治守則第B.1.2(c)(ii)條項下的辦法就個別執行董事及高級管理層的薪酬待遇向董事會提出建議。

薪酬委員會會議應每年至少舉行一次，並於有需要時舉行。薪酬委員會目前由三名獨立非執行董事邱克先生（作為薪酬委員會主席）、李文先生及陳燕雲女士以及一名非執行董事安景文先生組成。

截至二零一九年十二月三十一日止年度，薪酬委員會已舉行2次會議，期間開展下列工作：-

- 考慮建議獨立非執行董事的薪酬待遇並向董事會提出建議；及
- 就董事及董事會助理的薪資調整方案以及授予執行董事酌情花紅向董事會提出建議。

薪酬委員會成員出席該等薪酬委員會會議的情況載於下文「董事會及董事委員會會議出席情況」一節。

截至二零一九年十二月三十一日止年度，本公司高級管理層（包括董事）按範圍劃分之薪酬載列如下：

截至二零一九年十二月三十一日止年度之董事薪酬進一步詳情，於本年報所載之財務報表附註12披露。

NOMINATION COMMITTEE

The Nomination Committee was established on 7 July 2008 with written terms of reference in compliance with the CG Code which are available on the respective websites of the Company and the Stock Exchange.

The principal responsibilities of the Nomination Committee include reviewing the structure, size, composition and diversity (including but not limited to skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service) of the Board; to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors; and to review the Board Diversity Policy and the measurable objectives that the Board has set for implementing such policy.

To ensure changes to the Board composition can be managed without undue disruption, there should be a formal, considered and transparent procedure for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee.

The criteria to be applied in considering whether a candidate is qualified shall be his ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:-

- participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- serving on the Audit Committee, the Remuneration Committee and the Nomination Committee (in the case of candidate for non-executive Director) and other relevant Board committees, if invited;

提名委員會

提名委員會已於二零零八年七月七日成立，並遵照企業管治守則以書面訂定職權範圍，詳情於本公司及聯交所各自網頁內可供閱覽。

提名委員會之主要職責包括檢討董事會之架構、人數、組成及多樣性（包括但不限於技能、經驗及背景、地區及行業經驗、種族、性別、知識及服務年期），以物色具備合適資格可擔任董事會成員的人士，並就挑選提名有關人士出任董事向董事會提供意見；就董事委任或重新委任以及董事繼任計劃等相關事宜向董事會提出建議；檢討董事會成員多元化政策及董事會就實施該政策訂定的可計量目標。

為確保董事會組成的變更能夠在不造成嚴重干擾的情況下進行，應就甄選、委任及重選董事設立正式、周到及透明的程序及有序的繼任計劃（如果認為有必要），當中包括定期審查該等計劃。任命新董事（作為新增董事或於需要時填補臨時空缺）或重新委任董事，均由董事會根據提名委員會對建議候選人的推薦意見作出決定。

考慮候選人是否符合資格所應用的條件包括彼能否付出足夠時間及精力處理本公司的事務並有助於董事會的多樣化以及執行董事會職責的有效性，具體職責載列如下：—

- 參加董事會會議並就策略、政策、績效、問責制、資源、主要任命及行為守則等問題作出獨立判斷；
- 出現潛在利益衝突時發揮領導作用；
- 須在審核委員會、薪酬委員會及提名委員會（如為非執行董事候選人）及其他相關董事委員會（倘受邀）任職；

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE (cont'd)

- bringing a range of business and financial experience to the Board, giving the Board and any committees on which he serves the benefit of his skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/committee meetings;
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- ensuring the committee on which he serves to perform their powers and functions conferred on them by the Board; and
- conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate.

If the candidate is proposed to be appointed as an independent non-executive Director, his independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time. Where applicable, the totality of the candidate's education, qualifications and experience shall also be evaluated to consider whether he has the appropriate professional qualifications or accounting or related financial management expertise for filling the office of an independent non-executive Director with such qualifications or expertise as required under Rule 3.10(2) of the Listing Rules.

Meetings of the Nomination Committee shall be held at least once a year and as and when required. The Nomination Committee currently comprises one executive Director, namely Ji Kaiping (as the chairman of the Nomination Committee) and three independent non-executive Directors, namely Mr. Li Wen, Mr. Qiu Ke and Ms. Chen Yen Yung.

提名委員會 (續)

- 透過出席及參與董事會／委員會會議，為董事會帶來一系列的商業及財務經驗，使董事會及其服務的任何委員會受惠於其技能、專業知識及不同背景及資歷與多樣化；
- 審核本公司達成其商定的企業目標及指標表現，並監督績效報告；
- 確保所服務的委員會履行董事會賦予彼等的權力及職能；及
- 須遵守董事會可能不時訂明或載於本公司的組織章程文件，或法例或上市規則（如適用）規定的任何要求、方向及規例。

倘建議委任候選人為獨立非執行董事，其獨立性須根據（其中包括）上市規則第3.13條所載的因素予以評估，惟須受聯交所可能不時作出的任何修訂所規限。如適用，亦須評估候選人的教育、資歷及經驗的整體程度，以考慮其是否具備上市規則第3.10(2)條所規定具備相關資格或專業知識的獨立非執行董事出任該職位的適當專業資格或會計或相關財務管理專長。

提名委員會會議應每年至少舉行一次，並於有需要時舉行。提名委員會目前由一名執行董事紀開平先生（作為提名委員會主席）及三名獨立非執行董事李文先生、邱克先生及陳燕雲女士組成。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE (cont'd)

During the year ended 31 December 2019, the Nomination Committee has held 2 meetings, during which the following works were performed:-

- reviewed the composition, size and structure of the Board;
- assessed the independence of each independent non-executive Director; and
- made recommendation of new Director candidate for the Board's approval.

The attendance of the members of the Nomination Committee to these Nomination Committee meetings is set out in the below section headed "Attendance at Board and Board Committee Meetings".

AUDIT COMMITTEE

The Company has had the Audit Committee since 2004 with written terms of reference in compliance with the CG Code which are available on the respective websites of the Company and the Stock Exchange.

The principal responsibilities of the Audit Committee include reviewing and supervising the Group's financial reporting process, risk management and internal control systems, reviewing the Group's financial information, and making recommendations to the Board.

Meetings of the Audit Committee shall be held at least twice a year and as and when required. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Li Wen (as the chairman of the Audit Committee), Mr. Qiu Ke and Ms. Chen Yen Yung and one non-executive Director, namely Mr. An Jingwen.

During the year ended 31 December 2019, the Audit Committee has held 4 meetings, during which the following works were performed:-

- reviewed the interim financial statements of the Company for the six months ended 30 June 2016, 2017 and 2018, the annual financial statements for the years ended 31 December 2016, 2017 and 2018, and the related results announcements, documents and other matters or issues raised by the Company's auditor;
- reviewed the report on risk management and internal control systems of the Group for the period from 1 January 2019 to 31 March 2019 prepared by Netis Advisory Limited, the external internal control adviser of the Company, and make recommendation to the Board; and

提名委員會 (續)

截至二零一九年十二月三十一日止年度，提名委員會已舉行2次會議，期間開展下列工作：-

- 檢討董事會之組成、人數及架構；
- 評估各獨立非執行董事之獨立性；及
- 就董事之新候選人提出建議供董事會批准。

提名委員會成員出席該等提名委員會會議的情況載於下文「董事會及董事委員會會議出席情況」一節。

審核委員會

本公司自二零零四年起成立審核委員會，並遵照企業管治守則以書面訂定職權範圍，詳情於本公司及聯交所各自網頁內可供閱覽。

審核委員會的主要職責包括審閱及監督本集團的財務申報流程、風險管理及內部監控系統，審閱本集團的財務資料及向董事會提出建議。

審核委員會會議應每年至少舉行兩次，並於有需要時舉行。審核委員會目前由三名獨立非執行董事李文先生（作為審核委員會主席）、邱克先生及陳燕雲女士以及一名非執行董事安景文先生組成。

截至二零一九年十二月三十一日止年度，審核委員會已舉行4次會議，期間開展下列工作：-

- 審閱本公司截至二零一六年、二零一七年及二零一八年六月三十日止六個月之中期財務報表、截至二零一六年、二零一七年及二零一八年十二月三十一日止年度之年度財務報表，以及相關業績公佈、文件及本公司核數師提出之其他事項或事宜；
- 審閱本公司外聘內部監控顧問弘信顧問有限公司所編製本集團於二零一九年一月一日至二零一九年三月三十一日期間之風險管理及內部監控系統報告，並向董事會提出建議；及

Corporate Governance Report

企業管治報告

AUDIT COMMITTEE (cont'd)

- reviewed the engagement of ZHONGHUI ANDA CPA Limited in respect of the agree-upon procedures for the interim results announcement for the six months ended 30 June 2019 and made recommendation to the Board.

The attendance of the members of the Audit Committee to these Audit Committee meetings is set out in the below section headed "Attendance at Board and Board Committee Meetings".

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS

Attendance of each Director at all the Board meetings and Board Committee meetings held during the year ended 31 December 2019 is set out as follows:

審核委員會(續)

- 審閱就截至二零一九年六月三十日止六個月之中期業績公佈之約定程序對中匯安達會計師事務所有限公司之委聘事宜，並向董事會提出建議。

審核委員會成員出席該等審核委員會會議的情況載於下文「董事會及董事委員會會議出席情況」一節。

董事會及董事委員會會議出席情況

各董事出席於截至二零一九年十二月三十一日止年度舉行的所有董事會會議及董事委員會會議的情況載列如下：

		Board Meetings 董事會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meetings 提名委員會會議	Audit Committee Meetings 審核委員會會議
Executive Directors	執行董事				
Mr. Ji Kaiping (<i>Chairman</i>)	紀開平先生(主席)	7/8	-	2/2	-
Mr. Guo Peiyuan	郭培遠先生	8/8	-	-	-
Non-Executive Director	非執行董事				
Mr. An Jingwen	安景文先生	6/8	1/2	-	2/4
Independent Non-Executive Directors	獨立非執行董事				
Mr. Li Wen	李文先生	7/8	1/2	1/2	4/4
Mr. Qiu Ke	邱克先生	8/8	2/2	2/2	3/4
Ms. Chen Yen Yung (Note) (appointed on 17 April 2019)	陳燕雲女士(附註) (於二零一九年四月十七日 獲委任)	4/5	1/1	1/1	4/4

Note: Ms. Chen Yen Yung has been appointed as an independent non-executive Director, the members of the Remuneration Committee, the Nomination Committee and the Audit Committee with effect from 17 April 2019. Her attendance above were stated by reference to the number of Board meetings and Board committee meetings since then.

附註：陳燕雲女士已獲委任為獨立非執行董事、薪酬委員會、提名委員會及審核委員會之成員，自二零一九年四月十七日起生效。上述其出席情況乃參考自此舉行董事會會議及董事委員會會議之次數列出。

Corporate Governance Report

企業管治報告

DIVIDEND POLICY

The Company seeks to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy. The Company's dividend policy aims to allow shareholders of the Company to participate in the Company's profit and for the Company to retain adequate reserves for the Group's future growth. In proposing any dividend payout, the Company would consider various factors including but not limited to the Group's overall results of operation, financial condition, working capital requirements, capital expenditure requirements, liquidity position, future expansion plans, general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Group. Any declaration and payment as well as the amount of the dividends will be subject to any restrictions under all applicable requirements under the Companies Ordinance, the Articles, the Listing Rules and any other applicable laws and regulations. The Company does not have any predetermined dividend distribution proportion or distribution ratio. Any future declarations of dividends may or may not reflect the Company's historical declarations of dividends and will be at the absolute discretion of the Directors.

The Board will continually review the dividend policy and reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time, and the dividend policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

AUDITOR'S REMUNERATION

During the year ended 31 December 2019, the remuneration paid/payable to ZHONGHUI ANDA CPA Limited, the auditor of the Company, is set out below:

Audit services:

Audit of the financial statements

審核服務：

審核財務報表

800,000

Non-audit services:

Interim report engagement

Review profit forecast

非審核服務：

中期報告委聘

審閱溢利預測

180,000

180,000

股息政策

本公司力求以可持續的股息政策，在滿足股東期望與審慎資金管理之間保持平衡。本公司的股息政策旨在讓本公司股東參與本公司的溢利，並讓本公司保留充足儲備以應付本集團未來的增長。於建議派付任何股息時，本公司將考慮多項因素，包括但不限於本集團的整體經營業績、財務狀況、營運資金需求、資本開支需求、流動資金狀況、未來擴展計劃、一般經濟狀況、本集團業務的業務週期，以及其他可能對本集團業務或財務表現及狀況造成影響的內部或外部因素。任何宣派及派付股息以及股息金額將受公司條例、章程細則、上市規則及任何其他適用法律及法規的任何適用規定所規限。本公司並無任何預定的股息分派比例或分派比例。任何未來股息宣派可能會或可能不會反映本公司過往的股息宣派，並將由董事全權酌情決定。

董事會將持續檢討股息政策，並保留其全權酌情決定隨時更新、修訂、修改及／或取消股息政策的權利，而股息政策於任何情況下均不構成本公司就以任何特定金額派付股息的具法律約束力的承諾及／或於任何情況下均不會使本公司須於任何時間或不時宣派股息。

核數師酬金

截至二零一九年十二月三十一日止年度，已付／應付本公司核數師中匯安達會計師事務所有限公司的酬金載列如下：

Fee paid/payable

已付／應付費用

HK\$

港元

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Audit Committee is responsible for the review of the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, and make recommendation to the Board, while Board is also responsible for performing the corporate governance duties as set out below:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Company and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report by reference to the recommendation of the Audit Committee.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board's Responsibilities for the Risk Management and Internal Control Systems

The Board acknowledges that it is responsible for the risk management and internal control systems and oversees such systems on an ongoing basis, while ensuring a review of the effectiveness of these systems of the Group is conducted at least annually. The scope of such review covers all material controls, including financial, operational and compliance controls. The Group's risk management and internal control systems are designed to managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, and the management has provided a confirmation to the Audit Committee and the Board on the effectiveness of these systems for the year ended 31 December 2019.

企業管治職能

審核委員會負責檢討本公司遵守企業管治守則的情況及於企業管治報告內披露的資料，並向董事會提出建議，而董事會亦負責履行下列企業管治職責：

- (a) 制訂及檢討本公司的企業管治政策及常規；
- (b) 檢討及監察董事及本公司高級管理層的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制訂、檢討及監察適用於本公司僱員及董事的操守準則及合規手冊（如有）；及
- (e) 經參考審核委員會的建議，檢討本公司遵守企業管治守則的情況及於企業管治報告內披露的資料。

風險管理及內部監控

董事會對風險管理及內部監控系統的責任

董事會確認其負責風險管理及內部監控系統，並持續監督該等系統，同時確保至少每年審閱本集團該等系統的有效性。審閱的範圍包括所有物質監控，包括財務、營運及合規監控。本集團的風險管理及內部監控系統旨在管理風險，而非消除未能達致業務目標的風險，且僅可就重大錯誤陳述或損失提供合理而非絕對的保證。

董事會已將其風險管理及內部監控的職責（由相關機構負責）轉授審核委員會，而管理層已向審核委員會及董事會確認該等系統於截至二零一九年十二月三十一日止年度的有效性。

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

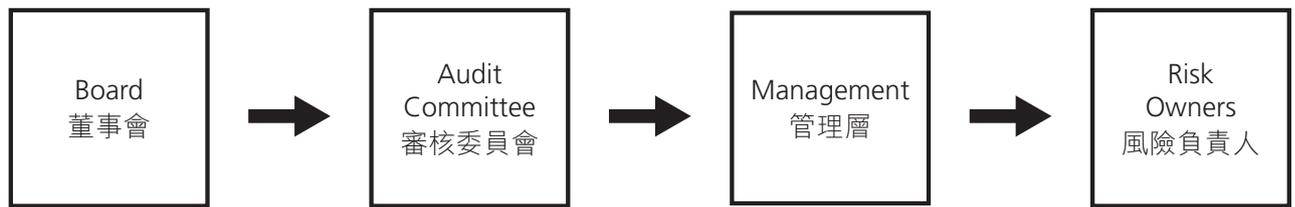
Main Features of the Risk Management System

The Company recognises that good risk management is essential for the long-term and sustainable growth of a business. The Group's risk management structure and the major responsibilities of each role of the structure are summarized below:

風險管理及內部監控 (續)

風險管理系統的主要特點

本公司認為，完善的風險管理對業務長期可持續發展非常重要。本集團的風險管理架構及架構內各角色的主要職責概述如下：



Role 管理層	Major Responsibilities 主要職責
Board 董事會	<ul style="list-style-type: none"> - determines the business strategies and objectives of the Group, and evaluates and determines the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives; - 釐定本集團之業務策略與目標，及評估並釐定本集團為達成策略目標所願意接納的風險性質及程度；
	<ul style="list-style-type: none"> - oversees management in the design, implement and monitoring of the risk management and internal control systems; - 監督管理層對風險管理及內部監控系統的設計、實施及監控；
	<ul style="list-style-type: none"> - oversees the Group's risk management and internal control systems on an ongoing basis and ensures the Company establishes and maintains appropriate and effective risk management and internal control systems; - 持續監督本集團的風險管理及內部監控系統及確保本公司建立及維持合適及有效的風險管理及內部監控系統；

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd) Main Features of the Risk Management System (cont'd)

風險管理及內部監控(續) 風險管理系統的主要特點(續)

Role 管理層	Major Responsibilities 主要職責
Audit Committee 審核委員會	<ul style="list-style-type: none"> – reviews the effectiveness of the Group's risk management and internal control systems at least annually, and such review should cover all material controls including financial, operational and compliance controls; – 至少每年檢討本集團風險管理及內部監控系統的有效性，及該等檢討應涵蓋所有重大監控，包括財務、營運及合規監控； – reviews the emerging risks of the Group annually, and the risk management and the internal controls in place to address those risks; – 每年審閱本集團新產生的風險，並落實風險管理及內部監控解決該等風險； – discusses the risk management and internal control systems with management of the Group to ensure that the management of the Group has performed its duty to have an effective systems. The discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function and to rectify any weaknesses that may be revealed from time to time; – 與本集團管理層討論風險管理及內部監控系統，以確保本集團管理層已履行其職責建立有效系統。有關討論應包括本集團的會計及財務申報職能方面之資源、員工資歷及經驗、培訓課程及有關預算是否充足，並糾正可能不時出現的任何弱項； – considers major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and the Group's management's response to these findings; – 應董事會的委派或主動，考慮有關風險管理及內部監控事宜的重要調查結果以及本集團管理層對該等結果之回應；
Management 管理層	<ul style="list-style-type: none"> – designs, implements and ongoing assesses the Group's risk management and internal control systems; – 設計、實施及持續評估本集團的風險管理及內部監控系統； – gives prompt responses to, and follow up the findings on risk management and internal control matters as delegated by the Board, on Audit Committee's initiative or raised by the external risk management and internal control review advisor(s); – 應董事會的委派、審核委員會主動或外部風險管理及內部監控檢討顧問提出，對風險管理及內部監控事宜的結果及時回應並跟進； – provides confirmation to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems; – 向董事會及審核委員會確認風險管理及內部監控系統的有效性；
Risk Owners 風險負責人	<ul style="list-style-type: none"> – ultimately accountable for ensuring the risk is managed appropriately; and – 最終負責確保風險得到適當管理；及 – responsible for, or oversight of, activities to manage each identified risk. – 負責或監督管理各已識別風險的活動。

In addition, the Company engaged Netis Advisory Limited as its internal control adviser to conduct a review on the effectiveness of the risk management and internal control systems of the Group and provide recommendations to the Company.

此外，本公司委聘弘信顧問有限公司為其內部監控顧問，以檢討本集團風險管理及內部監控系統的有效性，及向本公司提出建議。

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd) Main Features of the Internal Control System

The Company has in place an internal control system which enables the Group to achieve objectives regarding effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follow:

Control Environment	– a set of standards, processes and structures that provide the basis for carrying out internal control across the Group.
監控環境	– 一套為進行本集團內部監控提供基礎的準則、程序及架構。
Risk Assessment	– a dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
風險評估	– 一個動態交互流程，以識別及分析達成本集團目標的風險，形成釐定如何管理風險的依據。
Control Activities	– actions established by policies and procedures to help ensure that management directives to mitigate risks to the achievement of objectives are carried out.
監控活動	– 根據政策及程序確立行動，以確保執行管理層為降低達成目標的風險所作出的指示。
Information and Communication	– internal and external communication to provide the Group with the information needed to carry out day-to-day controls.
資訊及溝通	– 內部及外部溝通以向本集團提供進行日常監控所需的資料。
Monitoring	– ongoing and separate evaluations to ascertain whether each components of internal control is present and functioning.
監察	– 持續及個別評估以查明內部監控的各元素是否存在並運作正常。

Process used to Identify, Evaluate and Manage Significant Risks

風險管理及內部監控 (續) 內部監控系統的主要特點

本公司已實施內部監控系統，該系統使本集團能實現有關營運有效及高效、財務報告可靠及符合適用法律法規的目標。該框架的構成如下：

識別、評估及管理重大風險所使用的程序

Identification	– identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
識別	– 識別風險負責人、業務目標及可能影響目標實現的風險。
Evaluation	– analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
評估	– 分析風險的可能性及影響並相應評估風險組合。
Management	– consider the risk responses, ensure effective communication with the Board in respect of the risks and on-going monitor the residual risks.
管理	– 考慮風險應對，確保與董事會就風險進行有效溝通及持續監督剩餘風險。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd) **Process used to Review the Effectiveness of the Risk Management and Internal Control Systems and to Resolve Material Internal Control Defects**

Risk assessment report and internal control review report are submitted to the Audit Committee and the Board annually. The Board, through the Audit Committee, had perform a review on the effectiveness of the Group's risk management and internal control systems, including, but not limited to, (i) the changes, in the nature and extent of significant risks and the Company's ability to respond to changes in its business and the external environment, (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, (iii) the extent and frequency of communication of monitoring results to the Audit Committee and the Board which enables them to assess control of the Company and the effectiveness of risk management, (iv) significant control failings or weaknesses that have been identified, and (v) the effectiveness of the Company's processes for financial reporting and Listing Rules compliance, and considered that the risk management and internal control systems were effective and adequate for the year ended 31 December 2019. No significant areas of concern that might affect the financial, operational, compliance controls, and risk management functions of the Group were identified. The scope of such review covers the adequacy of resources, qualification and experience of staff of the Group's accounting and financial reporting functions and their attitude against internal control of the Group. The Board will continue to work with the Management to discuss and follow-up on the status of remediation of the internal control weaknesses and to monitor the risks of the Group in the coming years.

風險管理及內部監控 (續)

審閱風險管理及內部監控系統有效性及解決重大內部監控缺陷所使用的程序

風險評估報告及內部監控審閱報告會每年提交予審核委員會及董事會。董事會透過審核委員會對本集團的風險管理及內部監控系統的有效性進行審閱，其中包括但不限於(i)重大風險的性質及程度的轉變以及本公司應對其業務及外在環境變化的能力、(ii)管理層對風險及內部監控系統的持續監察的範圍及質素、(iii)向審核委員會及董事會匯報監察結果(以使彼等能夠評估本公司的監控及風險管理的有效性)的範圍及頻率、(iv)已識別的重大監控缺陷或不足、及(v)本公司財務申報程序的有效性、及上市規則合規情況，並認為風險管理及內部監控系統於截至二零一九年十二月三十一日止年度屬有效及充足。並無識別可能會影響本集團財務、營運、合規監控以及風險管理職能的重大關注範圍。相關審閱的範圍涵蓋資源的充足性、本集團會計及財務申報職能員工的資格及經驗以及彼等對本集團內部監控的態度。於未來數年內，董事會將繼續與管理層合作以討論及跟進內部監控不足的補救情況並監察本集團的風險。

RISK MANAGEMENT AND INTERNAL CONTROL (cont'd) **Procedures and Internal Controls for the Handling and Dissemination of Inside Information**

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of the relevant obligations under the SFO and the Listing Rules. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- access of inside information is restricted to a limited number of employees on a need-to-know basis;
- transmission of inside information in electronic form should be password-protected;
- prohibit employees to discuss inside information in public area;
- code names are assigned to confidential projects so that any reference to them would not be linked to the projects themselves to minimize possibilities of unintentional leakage;
- trainings or briefings are provided to employees who will be in possession of inside information to ensure that they are fully conversant with their obligations to preserve confidentiality with reasonable care;
- confidentiality agreements are in place before the Group enters into significant negotiations; and
- officers and employees other than the designated representative are prohibited to speak externally on behalf of the Company when communicating with external parties such as the media, analysts or investors.

INTERNAL AUDIT FUNCTION

The Company does not have an internal audit department. The Board has reviewed the need for an internal audit function and is of the view that in light of the size, nature and complexity of the business of the Group, as opposed to diverting resources to establish a separate internal audit department, it would be more cost effective to appoint external independent professionals to perform independent review of the adequacy and effectiveness of the risk management and internal control systems of the Group. Nevertheless, the Board will continue to review at least annually the need for an internal audit department.

風險管理及內部監控 (續) **處理及發佈內幕消息的程序及內部監控**

就處理及發佈內幕消息的程序及內部監控而言，本公司知悉證券及期貨條例及上市規則項下的相關責任。本集團已不時採納若干合理措施以確保存在適當保障以防止違反有關本集團的披露規定，其中包括：

- 僅少數僱員可按需要獲取內幕消息；
- 傳送電子形式的內幕消息須進行加密；
- 禁止僱員於公眾場合討論內幕消息；
- 對保密項目設置代號名稱，使得提述項目時不直接引伸至項目本身，盡量降低無意洩露的可能性；
- 向持有內幕消息的僱員提供培訓或簡介會，確保彼等充分明悉彼等以合理謹慎方式保密的責任；
- 本集團進行重大磋商前皆簽署保密協議；及
- 除指定發言人外，禁止任何職員及僱員以本公司名義與媒體、分析師或投資者等外部人士交流。

內部審核功能

本公司並無內部審核部門。董事會已檢討是否有需要設立內部審核職能，並認為鑑於本集團業務的規模、性質及複雜程度，相比分散資源以設立獨立內部審核部門，委任外部獨立專業人士對本集團風險管理及內部監控系統是否足夠及有效進行獨立檢討，將更具成本效益。儘管如此，董事會將繼續至少每年檢討內部審核部門的需要。

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited (“Uni-1”), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Ms. Chan Pui Shan, Bessie (“Ms. Chan”), the representative of Uni-1, has been appointed as the company secretary of the Company with effect from 4 April 2018. Her primary corporate contact person at the Company is Mr. Jason Shi, the assistant to the Board.

For the year ended 31 December 2019, Ms. Chan has undertaken not less than 15 hours of relevant professional training in accordance with Rule 3.29 of the Listing Rules.

THE SHAREHOLDERS’ RIGHTS TO CONVENE A GENERAL MEETING AND PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS BY SHAREHOLDERS

Pursuant to Article 48 of the Articles, general meetings of the Company shall be convened by the Board on the requisition of members pursuant to the provisions of the statutes. Pursuant to sub-section 567(1) of the Companies Ordinance, directors required under section 566 of the Companies Ordinance to call a general meeting must call a meeting within 21 days after the date on which they become subject to the requirement. A general meeting called under sub-section 567(1) of the Companies Ordinance must be held on a date not more than 28 days after the date of the notice convening the meeting.

Shareholders holding not less than 2.5% of the total voting rights of all shareholders can submit a written requisition or in electronic form to move a resolution at the annual general meeting of the Company, or who are no less than 50 shareholders, pursuant to section 615 of the Companies Ordinance. The requisition must state the resolution, accompanied by a statement with respect to the matter referred to in any proposed resolution of the business to be dealt with at the general meeting of the Company. It must also be signed by all requisitionists for the attention of the Company not less than 6 weeks before the annual general meeting to which the requisition relates.

公司秘書

本公司委聘外部專業公司秘書服務供應商統一企業服務有限公司(「統一」)為本集團提供合規及全面的公司秘書服務，以協助本集團應付不斷變化的監管環境及滿足不同的商業需要。

統一之代表陳佩珊女士(「陳女士」)於二零一八年四月四日起獲委任為本公司公司秘書。彼於本公司的主要公司聯絡人為董事會助理Jason Shi先生。

截至二零一九年十二月三十一日止年度，陳女士已根據上市規則第3.29條進行不少於15小時的相關專業培訓。

股東召開股東大會的權利及於股東大會上提呈建議的程序

根據章程細則第48條，董事會可應股東根據法規條文提出的要求召開本公司股東大會。根據公司條例第567(1)分節，倘董事根據公司條例第566節的規定召開股東大會，必須於彼等符合有關規定當日後的21日內召開會議。倘根據公司條例第567(1)分節召開股東大會，則必須於召開會議通告日期後的28日內舉行股東大會。

根據公司條例第615節，倘股東持有之投票權不少於全體股東總投票權之2.5%，或不少於五十名股東，可提交書面請求或以電子形式於本公司股東週年大會上提呈決議案。該請求書須列明有關決議案，連同一份聲明，內容有關任何提呈決議案將於本公司股東大會上處理之事項。該請求書亦須由全體提出請求的人士簽署，並註明本公司收啟，於有關請求之股東週年大會舉行前不少於六個星期送交。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

The Company follows a policy of disclosing relevant information to its shareholders in a timely manner. Annual and interim reports offer comprehensive operational and financial performance information to its shareholders and the annual general meeting of the Company provides a forum for shareholders to exchange views directly with the Board. The Company regards the annual general meeting of the Company as an important event and all Directors, senior management and external auditors make an effort to attend the annual general meeting of the Company to address shareholders' queries. All the shareholders of the Company are given a minimum of 20 clear business days' notice of the date and venue of the annual general meeting of the Company. The Company supports the CG Code's principle to encourage shareholders' participation. The Company has also complied with the requirements concerning voting by poll under the Listing Rules.

CONSTITUTIONAL DOCUMENTS

The Articles is available at the Company's website www.nur.com.hk and the Stock Exchange's website. No changes have been made to the Articles during the year ended 31 December 2019.

PROCEDURES BY WHICH ENQUIRES MAY BE PUT TO THE BOARD

Shareholders of the Company may send their enquiries and concerns to the Board by addressing them to the company secretary of the Company by mail at the Company's registered office at Unit 2806, 28th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong. The company secretary of the Company is responsible for forwarding communications to the Board and/or relevant Board committees of the Company, where appropriate, to answer the shareholders' questions.

PROCEDURES FOR NOMINATION OF DIRECTORS FOR ELECTION

The procedures for shareholders of the Company to propose a person for election as a Director are available and accessible on the Company's website at www.nur.com.hk.

與股東的溝通

本公司實行及時向股東披露相關資料的政策。年報及中期報告給予股東全面營運及財務表現資料，而本公司股東週年大會為股東提供討論場所以便與董事會直接交換意見。本公司視其股東週年大會為重要事件，而所有董事、高級管理層及外聘核數師會盡可能出席本公司的股東週年大會以解答股東詢問。本公司的所有股東最少會於二十個完整營業日前獲通知本公司舉行股東週年大會的日期及地點。本公司堅持企業管治守則的原則，鼓勵股東參與。本公司亦已符合上市規則有關投票表決的要求。

章程文件

章程細則可於本公司網站(www.nur.com.hk)及聯交所網站查閱。截至二零一九年十二月三十一日止年度，章程細則概無變動。

向董事會提出查詢的程序

本公司股東可向董事會發出其查詢及關注事項，並註明送至本公司公司秘書，郵寄至本公司註冊辦事處的地址：香港灣仔皇后大道東213號胡忠大廈28樓2806室。本公司公司秘書負責向董事會及／或本公司相關董事委員會（倘適用）傳遞訊息，以解答股東問題。

提名候選董事的程序

本公司股東提名董事候選人之程序載於本公司網站www.nur.com.hk以供查閱。

Independent Auditor's Report

獨立核數師報告

TO THE SHAREHOLDERS OF NATIONAL UNITED RESOURCES HOLDINGS LIMITED

國家聯合資源控股有限公司

(Incorporated in Hong Kong with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of National United Resources Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 52 to 119, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

1. Certain opening balances and corresponding figures

Our audit opinion on the consolidated financial statements of the Group for the year ended 31 December 2018 (the "2018 Financial Statements"), which form the basis for the corresponding figures presented in the current year's consolidated financial statements, was disclaimed because of the significance of the possible effect of the limitations on the scope of our audit and the material uncertainty in relation to going concern, details of which are set out in our audit report dated 9 July 2019. Accordingly, we were then unable to form an opinion on the 2018 Financial Statements.

致國家聯合資源控股有限公司全體股東

(於香港註冊成立的有限公司)

綜合財務報表審核報告

不發表意見

本核數師(以下簡稱「吾等」)已審核列載於第52頁至第119頁國家聯合資源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表。此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與截至該日止年度之綜合損益表、綜合全面收入表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

吾等對 貴集團之綜合財務報表不發表意見。由於吾等報告中不發表意見之基準一節內所述事項的重要性,吾等並未能夠取得充足適當審核憑據以就該等綜合財務報表發表之審核意見提供基準。在所有其他方面,吾等認為綜合財務報表已根據香港公司條例妥為編製。

不發表意見之基準

1. 若干期初結餘及相應數據

吾等對 貴集團截至二零一八年十二月三十一日止年度之綜合財務報表(「二零一八年財務報表」)的審核意見作為本年度綜合財務報表呈列之相應數據的基準,乃因限制審核範圍的重大可能影響及持續經營的重大不確定性(詳情載於吾等日期為二零一九年七月九日的審核報告)而不發表。因此,吾等無法就二零一八年財務報表發表意見。

Independent Auditor's Report

獨立核數師報告

DISCLAIMER OF OPINION (cont'd)

Basis for Disclaimer of Opinion (cont'd)

2. Limited accounting books and records of two subsidiaries – First Concept Industrial Group Limited and iFrontier LLC

Due to the insufficiency of supporting documentation and explanations for accounting books and records in respect of the First Concept Industrial Group Limited and iFrontier LLC for the years ended 31 December 2019 and 2018, we were unable to carry out audit procedures to satisfy ourselves as to whether the following income and expenses for the years ended 31 December 2019 and 2018 and the assets and liabilities as at 31 December 2018, and the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements. These two subsidiaries were disposed of during the reporting period. Due to the insufficiency of supporting documentation and explanations for accounting books and records, we were unable to carry out audit procedures to satisfy ourselves whether the gain on disposal of subsidiaries of approximately HK\$100,212,000 for the year ended 31 December 2019 have been accurately recorded and properly accounted for in the consolidated financial statements.

不發表意見(續)

不發表意見之基準(續)

2. 兩間附屬公司之有限會計賬簿及記錄 – 創先實業集團有限公司及iFrontier LLC

由於有關創先實業集團有限公司及iFrontier LLC截至二零一九年及二零一八年十二月三十一日止年度之會計賬簿及記錄之證明文件及解釋不充足，吾等未能執行審核程序以令吾等信納下列截至二零一九年及二零一八年十二月三十一日止年度之收入及開支及於二零一八年十二月三十一日之資產及負債，以及分部資料及其他與貴集團有關之相關披露附註（貴集團綜合財務報表所載者）是否已於綜合財務報表準確記錄及妥為入賬。該兩間附屬公司乃於報告期間內售出。由於會計賬簿及記錄之證明文件及解釋不充足，吾等未能執行審核程序以令吾等信納截至二零一九年十二月三十一日止年度之出售附屬公司之收益約100,212,000港元是否已於綜合財務報表準確記錄及妥為入賬。

For the year ended 31 December

截至十二月三十一日止年度

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Income and expenses:	收入及開支：		
Gain on disposal of subsidiaries	出售附屬公司之收益	100,212	–
Total comprehensive income for the year	年內全面收入總額	100,212	–

As at
31 December
2018
於二零一八年
十二月三十一日
HK\$'000
千港元

Assets and liabilities:	資產及負債：	
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	634
Bank and cash balances	銀行及現金結存	925
Trade payables	應付貿易款	(38,266)
Other payables and accruals	其他應付款項及應計費用	(39,724)
Net liabilities	負債淨額	(76,431)

Independent Auditor's Report

獨立核數師報告

DISCLAIMER OF OPINION (cont'd)

Basis for Disclaimer of Opinion (cont'd)

3. Loss on deconsolidation of the subsidiaries

As explained in note 2 to the consolidated financial statements, certain subsidiaries of the Company have been deconsolidated from the Group since 1 January 2016. No sufficient evidence has been provided to satisfy ourselves as to whether the Company had lost control of the aforesaid certain subsidiaries on 1 January 2016 and throughout the years ended 31 December 2018 and 2019. Accordingly we were unable to satisfy ourselves to the deconsolidated subsidiaries, as to the completeness of the transactions of the Group for the years ended 31 December 2018 and 2019 and the Group's financial position for the year ended 31 December 2018.

4. Borrowings

No sufficient evidence has been provided to satisfy ourselves, in relation to the existence, rights and obligations and valuation of the borrowings of approximately HK\$40,025,000 and HK\$40,535,000 as at 31 December 2019 and 2018 respectively.

5. Going Concern

We draw attention to note 2 to the consolidated financial statements which mentions that the Group as at 31 December 2019 the Group has net current liabilities and net liabilities of approximately HK\$774,831,000 and HK\$563,774,000 respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis on the assumption that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the foreseeable future. The consolidated financial statements do not include any adjustments that would result from a failure to complete the restructuring. We consider that the disclosures are adequate. However, in view of the extent of the uncertainty relating to the completion of the restructuring, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Any adjustments to the figures as described from points 1 to 5 above might have a significant consequential effect on the Group's results and cash flows for the years ended 31 December 2019 and 2018 and the financial positions of the Group as at 31 December 2019 and 2018, and the related disclosures thereof in the consolidated financial statements.

不發表意見(續)

不發表意見之基準(續)

3. 終止合併附屬公司的虧損

誠如綜合財務報表附註2所釋，貴公司若干附屬公司已自二零一六年一月一日起終止於貴集團合併。並無提供足夠憑據以令吾等信納貴公司於二零一六年一月一日及截至二零一八年及二零一九年十二月三十一日止年度是否失去對上述若干附屬公司的控制。因此，就貴集團截至二零一八年及二零一九年十二月三十一日止年度的交易完整性及貴集團截至二零一八年十二月三十一日止年度的財務狀況而言，吾等未能信納終止合併該等附屬公司。

4. 借貸

並無提供足夠憑據，以令吾等信納於二零一九年及二零一八年十二月三十一日分別約40,025,000港元及40,535,000港元借貸的存在、權利及責任以及估值。

5. 持續經營

吾等提請注意綜合財務報表附註2，當中提及於二零一九年十二月三十一日，貴集團之流動負債淨額及負債淨額分別約為774,831,000港元及563,774,000港元。該等情況顯示存在重大不明朗因素，可能對貴集團的持續經營能力構成重大懷疑。綜合財務報表已按持續經營基準編製，並假設貴公司建議重組將順利完成，於重組後，貴集團將繼續悉數履行其在可預見未來到期的財務責任。綜合財務報表並不包括任何可能因重組無法完成而導致的任何調整。吾等認為該等披露屬充分。然而，鑒於與完成重組有關的不明朗因素的程度，吾等拒絕就與持續經營基準有關的重大不明朗因素發表意見。

載於以上1至5點的任何數字調整或會對貴集團截至二零一九年及二零一八年十二月三十一日止年度的業績及現金流量以及貴集團於二零一九年及二零一八年十二月三十一日的財務狀況以及綜合財務狀況表的相關披露產生重大影響。

Independent Auditor's Report

獨立核數師報告

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

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

In respect alone of the inability to obtain sufficient appropriate audit evidence regarding the matters described in the Basis for Disclaimer of Opinion section of our report:

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

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Audit Engagement Director

Practising Certificate Number P03614

Hong Kong, 13 July 2020

董事就綜合財務報表須承擔之責任

貴公司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按照香港公司條例，編製及真實而公平地列報該等綜合財務報表，及負責進行董事認為對編製綜合財務報表屬必要之有關內部控制，以使該等綜合財務報表不存在由於欺詐或錯誤導致重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基準的會計法。

核數師之責任

吾等之責任乃根據香港會計師公會頒佈之香港審計準則對 貴集團之綜合財務報表進行審核並出具核數師報告。然而，由於本報告不發表意見之基準一節所述之事宜，吾等無法取得充足適當之審核憑證作為就該等綜合財務報表作出審核意見之基準。

根據香港會計師公會頒佈之專業會計師道德守則（「守則」），吾等獨立於 貴集團，並已履行守則中之其他道德責任。

根據香港公司條例第407(2)條及407(3)條就其他事項報告

僅對於未能就本報告不發表意見之基準一節所述之有關事項取得充足適當之審核憑證而言：

- 吾等未能確定會計記錄是否已妥善存置；及
- 吾等並未取得就吾等所深知及確信對進行審核而言屬必要及重要之所有資料及解釋。

中匯安達會計師事務所有限公司

執業會計師

施連燈

審計項目董事

執業證書編號：P03614

香港，二零二零年七月十三日

Consolidated Statement of Profit or Loss

綜合損益表

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	收益	7	97,767	54,697
Cost of sales	銷售成本		(44,955)	(12,369)
Gross profit	毛利		52,812	42,328
Other income	其他收入	8	500	15,619
Administrative and other operating expenses	行政及其他經營開支		(42,961)	(22,841)
Profit from operations	經營溢利		10,351	35,106
Finance cost	融資成本	9	(38,299)	(51,753)
Gain on disposal of subsidiaries	出售附屬公司之收益		100,212	-
Reversal of impairment loss on property, plant and equipment	物業、廠房及設備的減值虧損撥回		-	1,339
Profit/(loss) before tax	除稅前溢利／(虧損)		72,264	(15,308)
Income tax expense	所得稅開支	10	(2,899)	-
Profit/(loss) for the year	年內溢利／(虧損)	11	69,365	(15,308)
Attributable to:	以下人士應佔：			
Owners of the Company	本公司擁有人		61,556	(14,673)
Non-controlling interests	非控股權益		7,809	(635)
			69,365	(15,308)
Earnings/(loss) per share attributable to owners of the Company	本公司擁有人應佔每股盈利／(虧損)			
Basic (HK cents per share)	基本(每股港仙)	13	0.96	(0.23)
Diluted (HK cents per share)	攤薄(每股港仙)		0.96	(0.23)

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 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit/(loss) for the year	年內溢利／(虧損)	11	69,365	(15,308)
Other comprehensive income:	其他全面收入：			
<i>Items that may be reclassified to profit or loss:</i>	<i>可能重新分類至損益之項目：</i>			
Exchange differences on translation of foreign operations	換算海外業務所產生之匯兌差額		727	11,275
Exchange differences reclassified to profit or loss on disposal of subsidiaries	出售附屬公司時重新分類至損益之匯兌差額		724	-
Total comprehensive income/(loss) for the year	年內全面收入／(虧損)總額		70,816	(4,033)
Total comprehensive income/(loss) for the year attributable to:	以下人士應佔年內全面收入／(虧損)總額：			
Owners of the Company	本公司擁有人		63,783	(3,048)
Non-controlling interests	非控股權益		7,033	(985)
			70,816	(4,033)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	120,866	168,491
Right-of-use assets	使用權資產	16	88,951	–
Deferred tax asset	遞延稅項資產	17	8,448	–
Intangible assets	無形資產		335	–
Goodwill	商譽	18	34,265	–
			252,865	168,491
Current assets	流動資產			
Trade receivables	應收貿易款	20	41,847	559
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	21	83,929	195,117
Bank and cash balances	銀行及現金結存	22	3,309	1,119
			129,085	196,795
Current liabilities	流動負債			
Trade payables	應付貿易款	23	320	38,590
Other payables and accruals	其他應付款項及應計費用	24	246,666	237,795
Borrowings	借貸	25	166,367	159,035
Convertible bonds	可換股債券	26	253,802	232,551
Non-convertible bonds	不可換股債券	27	90,500	90,500
Finance lease payable	應付融資租賃款項	28	–	97,929
Lease liabilities	租賃負債	16	139,400	–
Tax payable	應付稅項		6,861	22,651
			903,916	879,051
Net current liabilities	流動負債淨額		(774,831)	(682,256)
Total assets less current liabilities	總資產減流動負債		(521,966)	(513,765)
Non-current liabilities	非流動負債			
Finance lease payable	應付融資租賃款項	28	–	85,623
Lease liabilities	租賃負債	16	41,808	–
			41,808	85,623
NET LIABILITIES	負債淨額		(563,774)	(599,388)
Capital and reserves	股本及儲備			
Share capital	股本	29	3,178,754	3,178,754
Reserves	儲備		(3,714,375)	(3,778,158)
Equity attributable to owners of the Company	本公司擁有人應佔權益		(535,621)	(599,404)
Non-controlling interests	非控股權益		(28,153)	16
TOTAL EQUITY	總權益		(563,774)	(599,388)

Approved by:

經董事批核：

Ji Kaiping
紀開平
Director
董事

Guo Peiyuan
郭培遠
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-based payment reserve	Equity component of convertible bonds	Foreign currency translation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	以股份為基礎付款之儲備	可換股債券之權益部分	外幣換算儲備	累計虧損	總額	非控股權益	總權益
		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
At 1 January 2018	於二零一八年一月一日	3,178,754	14,028	62,077	(4,418)	(3,846,797)	(596,356)	1,001	(595,355)
Loss for the year	年內虧損	-	-	-	-	(14,673)	(14,673)	(635)	(15,308)
Other comprehensive income/(loss) for the year	年內其他全面收入/(虧損)	-	-	-	11,625	-	11,625	(350)	11,275
Total comprehensive income/(loss) for the year	年內全面收入/(虧損)總額	-	-	-	11,625	(14,673)	(3,048)	(985)	(4,033)
Lapsed of share options	購股權失效	-	(14,028)	-	-	14,028	-	-	-
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日	3,178,754	-	62,077	7,207	(3,847,442)	(599,404)	16	(599,388)
Profit for the year	年內溢利	-	-	-	-	61,556	61,556	7,809	69,365
Other comprehensive income/(loss) for the year	年內其他全面收入/(虧損)	-	-	-	2,227	-	2,227	(776)	1,451
Total comprehensive income for the year	年內全面收入總額	-	-	-	2,227	61,556	63,783	7,033	70,816
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	(224)	(224)
Deemed acquisition of a subsidiary	視為收購一間附屬公司	-	-	-	-	-	-	(34,978)	(34,978)
At 31 December 2019	於二零一九年十二月三十一日	3,178,754	-	62,077	9,434	(3,785,886)	(535,621)	(28,153)	(563,774)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from operating activities	經營活動之現金流量		
Profit/(loss) before tax	除稅前溢利／(虧損)	72,264	(15,308)
Adjustments for:	就下列項目所作調整：		
Depreciation	折舊	10,295	13,096
Depreciation of right-of-use assets	使用權資產折舊	7,786	-
Gain on disposal of subsidiaries	出售附屬公司之收益	(100,212)	-
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	174	-
Reversal of impairment losses on property, plant and equipment	物業、廠房及設備的減值虧損撥回	-	(1,339)
Impairment loss on trade receivables	應收貿易款之減值虧損	516	-
Interest income	利息收入	(151)	(39)
Interest expenses	利息開支	38,290	51,707
Operating cash flows before working capital changes	營運資金變動前之經營現金流量	28,962	48,117
Change in trade receivables	應收貿易款變動	(21,228)	(121)
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項變動	46,479	(29,671)
Change in trade payables	應付貿易款變動	(3)	(15)
Change in other payables and accruals	其他應付款項及應計費用變動	(24,219)	(17,351)
Cash generated from operations	經營活動所得之現金	29,991	959
Income tax refund/(paid)	已退回／(已付)所得稅	1,010	(625)
Net cash generated from operating activities	經營活動所得之現金淨額	31,001	334
Cash flows from investing activities	投資活動之現金流量		
Interest received	已收利息	151	39
Purchases of property, plant and equipment	購買物業、廠房及設備	(12,555)	(248)
Deemed acquisition of a subsidiary	視為收購一間附屬公司	1,331	-
Net cash inflow arising on disposal of subsidiaries	出售附屬公司之淨現金流入	4,262	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	874	-
Net cash used in investing activities	投資活動所用現金淨額	(5,937)	(209)

Consolidated Statement of Cash Flows

綜合現金流量表

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

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash flows from financing activities	融資活動之現金流量		
Proceeds from new borrowings	新借貸所得款項	8,202	–
Repayment of borrowings	償還借貸	(1,123)	–
Repayment of finance lease payables	償還應付融資租賃款項	–	(18,012)
Repayment of lease liabilities	償還租賃負債	(26,235)	–
Net cash used in financing activities	融資活動所用現金淨額	(19,156)	(18,012)
Net increase/(decrease) in cash and cash equivalents	現金及等同現金項目之增加／(減少)淨額	5,908	(17,887)
Effect of foreign exchange rate changes	匯率變動之影響	(3,718)	12,426
Cash and cash equivalents at beginning of year	年初之現金及等同現金項目	1,119	6,580
Cash and cash equivalents at end of year	年終之現金及等同現金項目	3,309	1,119
Analysis of cash and cash equivalents	現金及等同現金項目之分析		
Bank and cash balances	銀行及現金結存	3,309	1,119

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 INFORMATION

National United Resources Holdings Limited (the "Company") was incorporated in Hong Kong with limited liability. The address of its registered office and principal place of business is Unit 2806, 28th Floor, Wu Chung House, 213 Queen's Road East, Wanchai, Hong Kong. The Company's shares (the "Shares") are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 19 to the consolidated financial statements.

2. BASIS OF PREPARATION

Going concern

As at 31 December 2019 the Group had net current liabilities of approximately HK\$774,831,000 and net liabilities of approximately HK\$563,774,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Trading in the Shares on the Stock Exchange was suspended on 1 August 2016.

The consolidated financial statements have been prepared on a going concern basis on the basis that the restructuring of the Group will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligation as they fall due in the foreseeable future.

1. 一般資料

國家聯合資源控股有限公司(「本公司」)於香港註冊成立為有限公司，註冊辦事處及主要營業地點為香港灣仔皇后大道東213號胡忠大廈28樓2806室。本公司之股份(「股份」)在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司為投資控股公司。其附屬公司之主要活動載於綜合財務報表附註19。

2. 編製基準

持續經營

本集團於二零一九年十二月三十一日產生流動負債淨額約774,831,000港元及負債淨額約563,774,000港元。該等狀況顯示存在重大不明朗因素，可能對本集團持續經營之能力產生重大疑問。因此，本集團可能無法於一般業務過程中變現其資產及償還其負債。

股份於二零一六年八月一日在聯交所暫停買賣。

綜合財務報表乃按持續經營基準編製，並假設本集團將成功完成重組，而於重組後，本集團在可預見未來將可繼續如期悉數履行其財務責任。

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. BASIS OF PREPARATION (cont'd)

Deconsolidation of subsidiaries

The consolidated financial statements have been prepared based on the books and records currently maintained by the Group. However, due to the loss of contact with former directors, the directors of the Company (the "Directors") considered that the control over the following subsidiaries has been lost from 1 January 2016. The results, assets and liabilities and cash flows of these subsidiaries were deconsolidated from the consolidated financial statements of the Group from 1 January 2016 and were disposed of or had its business licence revoked during the year ended 31 December 2019:

山東耀齊經貿有限公司
深圳市星星雨傳媒有限公司
北京創先智尚資產管理有限公司
北京市潮順信息諮詢有限公司
北京巨屏傳媒廣告有限公司
國合源融資租賃有限公司
山東國源國際貿易有限公司
蘊翰(上海)投資管理有限公司
北京凱大瑞馳投資管理有限公司
昌吉州寧常鋁業有限公司
遐興(上海)投資管理有限公司
北京凱大駿博科技有限公司
深圳市臻輝文化發展有限公司

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are relevant to its operations and effective for its accounting period beginning on 1 January 2019. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current and prior periods except as stated below.

2. 編製基準(續)

取消綜合入賬附屬公司

綜合財務報表乃根據本集團現時存置之賬冊及記錄編製。然而，由於與本公司前任董事失去聯繫，本公司董事(「董事」)認為，已自二零一六年一月一日起失去對下列附屬公司之控制權。該等附屬公司之業績、資產及負債以及現金流量已自二零一六年一月一日起取消綜合入賬本集團之綜合財務報表，並已於截至二零一九年十二月三十一日止年度出售或撤銷其營業執照：

山東耀齊經貿有限公司
深圳市星星雨傳媒有限公司
北京創先智尚資產管理有限公司
北京市潮順信息諮詢有限公司
北京巨屏傳媒廣告有限公司
國合源融資租賃有限公司
山東國源國際貿易有限公司
蘊翰(上海)投資管理有限公司
北京凱大瑞馳投資管理有限公司
昌吉州寧常鋁業有限公司
遐興(上海)投資管理有限公司
北京凱大駿博科技有限公司
深圳市臻輝文化發展有限公司

3. 應用新訂及經修訂香港財務報告準則

於本期間，本集團已採納香港會計師公會(「香港會計師公會」)頒佈與其營運有關並於二零一九年一月一日開始的會計期間生效的所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則；香港會計準則；及詮釋。採納該等新訂及經修訂香港財務報告準則並無導致本集團的會計政策、本集團綜合財務報表的呈列及本期間及過往期間的呈報金額出現重大變動，惟下文所述者除外。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd) HKFRS 16 "Leases"

The Group has first adopted HKFRS 16 "Lease" from 1 January 2019, but has not restated comparatives figures for the year ended 31 December 2018, as permitted under the specific transitional provisions in the standard. The Group has elected to apply the modified retrospective approach for the application HKFRS 16 as lessee and will recognize the right-of-use assets at the date of initial application equal to the lease liability, adjusted by the amount of related prepaid or accrued lease payments recognised in the consolidated statement of financial position immediately before the date of initial application.

(a) Adjustments recognised on adoption of HKFRS 16 "Leases"

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.14%.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- (i) the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) reliance on previous assessments on whether leases are onerous;
- (iii) the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (iv) the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 "Determining whether an Arrangement contains a Lease".

3. 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」

誠如該準則特定過渡性條款所允許，本集團已自二零一九年一月一日起首次採納香港財務報告準則第16號「租賃」，惟並無重列截至二零一八年十二月三十一日止年度的比較數字。本集團作為承租人已選擇就應用香港財務報告準則第16號採用修訂追溯法，並將於首次應用日期確認使用權資產等於租賃負債，並根據於緊接首次應用日期前於綜合財務狀況表確認的有關預付或應計租賃款項的金額進行調整。

(a) 於採納香港財務報告準則第16號「租賃」時確認的調整

於採納香港財務報告準則第16號時，本集團就過往按香港會計準則第17號租賃原則分類為「經營租賃」的租賃確認租賃負債。該等負債按剩餘租賃款項的現值進行計量，並使用承租人截至二零一九年一月一日的遞增借貸利率貼現。承租人於二零一九年一月一日應用於租賃負債的加權平均遞增借貸利率為5.14%。

於首次應用香港財務報告準則第16號時，本集團已使用以下準則所允許的實際權宜方法：

- (i) 對具有合理相似特徵的租賃組合使用單一貼現率；
- (ii) 依賴就租賃是否為繁重的先前評估；
- (iii) 於首次應用日期排除計量使用權資產的初步直接成本；及
- (iv) 於釐定包含延長或終止租賃選擇權的合約租期時使用後見之明。

於首次應用日期，本集團亦已選擇不重新評估合約是否為或包含租賃。相反，就於過渡日期前訂立的合約而言，本集團依賴採用香港會計準則第17號及香港（國際財務報告詮釋委員會）第4號「釐定安排是否包含租賃」進行的評估。

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. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (cont'd)

HKFRS 16 "Leases" (cont'd)

(a) Adjustments recognised on adoption of HKFRS 16 "Leases" (cont'd)

As a lessee, the Group's leases are mainly rentals of offices. The right-of-use assets were measured at the amount equal to the lease liability and there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application. The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included.

At 1 January 2019:	於二零一九年一月一日：	HK\$'000 千港元
Increase in lease liabilities	租賃負債增加	185,967
Decrease in finance lease payables	應付融資租賃款項減少	183,552
Increase in right-of-use assets	使用權資產增加	111,537
Decrease in property, plant and equipment	物業、廠房及設備減少	109,122

The reconciliation of operation lease commitment to lease liabilities 經營租賃承擔與租賃負債之對賬

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	2,503
Discounting of 5.14%	折讓5.14%	(88)
Lease liabilities discounted at relevant incremental borrowing rates at 1 January 2019	於二零一九年一月一日按相關遞增借貸利率貼現之租賃負債	2,415
Analysed as:	分析為：	
Current	流動	1,159
Non-current	非流動	1,256
		2,415

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. 應用新訂及經修訂香港財務報告準則 (續)

香港財務報告準則第16號「租賃」(續)

(a) 於採納香港財務報告準則第16號「租賃」時確認的調整 (續)

作為承租人，本集團的租賃主要為辦公室租賃。於首次應用日期，使用權資產乃按相等於租賃負債之金額進行計量，及並無繁重租賃合約須對使用權資產進行調整。下表顯示就各個別項目已確認的調整。並未計入未受變動影響的項目。

本集團並未應用已頒佈但尚未生效之新訂香港財務報告準則。本集團已開始評估該等新訂香港財務報告準則之影響，惟尚未能夠確定該等新訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention. These consolidated financial statements are presented in Hong Kong Dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

The preparation of these consolidated financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires the management of the Group (the “Management”) to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 5 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company’s share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

4. 重大會計政策

該等綜合財務報表乃根據香港財務報告準則、香港公認會計原則及聯交所證券上市規則及香港公司條例的適用披露規定編製。

該等綜合財務報表乃根據歷史成本慣例編製。該等綜合財務報表乃按港元（「港元」）呈列，除另有指明外，所有數值均湊整至最接近千位數。

為遵守香港財務報告準則，編製該等綜合財務報表時須使用主要假設及估計，亦要求本集團管理層（「管理層」）於應用會計政策之過程中作出判斷。有關涉及關鍵判斷之範疇及假設及估計對該等財務報表而言屬重大之範疇，請參閱綜合財務報表附註5之披露。

於編製該等綜合財務報表時應用之重大會計政策列載如下。

綜合入賬

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司是指本集團對其擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權利賦予其目前掌控有關業務（即大幅影響實體回報的業務）的能力時，則本集團對該實體行使權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

附屬公司在控制權轉移至本集團之日綜合入賬，而在控制權終止之日起取消綜合入賬。

導致失去控制權之出售附屬公司之收益或虧損為以下兩者之差額：(i)出售代價之公平值加任何保留於該附屬公司之投資之公平值及(ii)本公司分佔該附屬公司資產淨值的部分加該附屬公司餘下任何商譽及任何相關累計外幣換算儲備。

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 (cont'd)

Consolidation (cont'd)

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling interests and owners of the Company.

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

Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

4. 重大會計政策 (續)

綜合入賬 (續)

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。倘有需要，附屬公司之會計政策會作出調整，以確保符合本集團所採納之政策。

非控股權益指本公司並非直接或間接應佔之附屬公司權益。非控股權益在綜合財務狀況表及綜合權益變動表的權益下呈列。非控股權益乃於綜合損益表及綜合全面收入表中呈列為非控股權益與本公司擁有人之間年內損益及全面收入總額之分配。

溢利或虧損及其他全面收入項目歸屬於本公司擁有人及非控股權益，即使此舉導致非控股權益結餘出現虧絀結餘。

業務合併及商譽

本集團採用收購法為業務合併中所收購之附屬公司列賬。收購成本乃按所獲資產收購日期之公平值、所發行之權益工具及所產生之負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司之可識別資產及負債均按其於收購日期之公平值計量。

收購成本超出本公司分佔附屬公司可識別資產及負債之公平淨值之差額乃列作商譽。本公司分佔可識別資產及負債之公平淨值超出收購成本之差額乃於綜合損益表內確認為本公司應佔議價收購之收益。

對於分階段進行之業務合併，先前持有之附屬公司股權按其於收購日期之公平值重新計量，而由此產生之收益或虧損於綜合損益內確認。公平值會加入至收購成本以計算商譽。

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 (cont'd)

Business combination and goodwill (cont'd)

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy "Impairment of assets" below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

4. 重大會計政策 (續)

業務合併及商譽 (續)

商譽會每年進行減值測試或當事件或情況改變顯示可能出現減值時則更頻繁地進行減值測試。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與下述會計政策「資產減值」所載之其他資產之計量方法相同。商譽之減值虧損於綜合損益確認，且其後不會撥回。就減值測試而言，商譽被分配至預期將受惠於收購協同效益之現金產生單位。

於附屬公司之非控股權益初步按非控股股東於收購日期應佔該附屬公司可識別資產及負債公平淨值的比例計量。

聯營公司

聯營公司為本集團對其有重大影響力之實體。重大影響力指有權參與實體財務及經營政策之決策，但不控制或共同控制該等政策。於評估本集團是否擁有重大影響力時，會考慮現時是否存在可行使或可轉換之潛在投票權（包括其他實體持有之潛在投票權）及其影響。於評估潛在投票權是否具重大影響力時，並未計及持有人行使或轉換該投票權之意向及財務能力。

於一間聯營公司之投資以權益法於綜合財務報表列賬，且初步按成本確認。於收購中，聯營公司之可識別資產及負債於收購日期按公平值計量。收購成本超出本集團應佔聯營公司可識別資產及負債之公平淨值之金額列為商譽。商譽計入投資之賬面值，且倘有客觀證據顯示投資已減值，則於各報告期間末與投資一併進行減值測試。本集團應佔可識別資產及負債公平淨值超出收購成本之任何金額於綜合損益確認。

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 (cont'd)

Associates (cont'd)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong Dollars, which is the Company's functional and presentation currency.

(b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

4. 重大會計政策 (續)

聯營公司 (續)

本集團應佔聯營公司之收購後溢利或虧損於綜合損益確認，而其應佔收購後儲備變動於綜合儲備內確認。累計收購後變動就投資賬面值作出調整。當本集團應佔聯營公司之虧損相當於或超逾其於聯營公司之權益時（包括任何其他無抵押應收款項），本集團不會確認進一步虧損，惟其已代表聯營公司承擔責任或付款除外。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利與未確認之應佔虧損相等後，方會繼續確認其應佔溢利。

導致失去重大影響力之出售一間聯營公司之收益或虧損為以下兩者之差額：(i)出售代價之公平值與任何保留於該聯營公司之投資之公平值之和及(ii)本集團應佔該聯營公司資產淨值與和該聯營公司有關的任何餘下商譽及任何有關累計外幣換算儲備之和。倘於聯營公司之投資成為於合營企業之投資，則本集團繼續應用權益法，且不會重新計量保留權益。

本集團與其聯營公司所進行交易之未變現溢利按本集團於聯營公司之權益對銷。除非有關交易提供證據顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策會已作出必要調整，以確保符合本集團所採納之政策。

外幣換算

(a) 功能及呈列貨幣

本集團各實體財務報表內之項目，均以實體經營業務之主要經濟環境之貨幣（「功能貨幣」）計算。綜合財務報表以港元列賬，其為本公司之功能和呈列貨幣。

(b) 各實體財務報表內之交易及結餘

外幣交易於初始確認時按交易日之現行匯率換算為功能貨幣。以外幣計值之貨幣資產及負債按各報告期末之匯率換算。該換算政策所產生之收益及虧損於損益確認。

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 (cont'd)

Foreign currency translation (cont'd)

(b) Transactions and balances in each entity's financial statements (cont'd)

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

4. 重大會計政策 (續)

外幣換算 (續)

(b) 各實體財務報表內之交易及結餘 (續)

按公平值計量及以外幣計值之非貨幣項目乃按釐定公平值當日之匯率換算。

當非貨幣項目之收益或虧損於其他全面收入確認時，該收益或虧損之任何匯兌部分於其他全面收入確認。當非貨幣項目之收益或虧損於損益確認時，該收益或虧損之任何匯兌部分於損益確認。

(c) 於綜合入賬時兌換

功能貨幣有別於本公司呈列貨幣的所有集團實體的業績及財務狀況乃按下列方式兌換為本公司的呈列貨幣：

- (i) 所呈列各財務狀況表內的資產及負債乃按該財務狀況表日期的收市匯率兌換；
- (ii) 收入及開支乃按平均匯率兌換（除非該平均值並非該等交易日期當時匯率的累計影響的合理約數，在此情況下收入及開支則按交易日期的匯率兌換）；及
- (iii) 所有導致的匯兌差額乃於外幣換算儲備中確認。

於綜合入賬時，兌換海外實體的投資淨額及借貸時產生的匯兌差額乃於外幣換算儲備中確認。當出售海外業務時，有關匯兌差額乃於綜合損益表內確認為出售時的收益或虧益之一部份。

收購海外實體所產生之商譽及公平值調整視作海外實體之資產及負債處理，並會按收市匯率換算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, plant and equipment

Property, plant and equipment, are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Leasehold improvement	20%-33%
Furniture, fixtures and equipment	9%-20%
Computer equipment	9%-20%
Motor vehicles and trucks	6%-25%

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

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

Leases

The Group as lessee

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Buildings	over the lease term of 3 to 10 years
Motor vehicles and trucks	over the lease term of 5 years

4. 重大會計政策 (續)

物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及任何將資產達至現有運作狀況及運往現址作擬定用途之直接應佔成本。

僅於有關項目的未來經濟利益有極可能會流入本集團而該項目成本能可靠計量時，後續成本方會計入資產賬面值中，或確認為個別資產（視適用情況而定）。所有其他維修及保養於產生期間在損益確認。

物業、廠房及設備折舊乃按足以在其估計可使用年期內撇銷其成本減剩餘價值的比率以直線法計算。主要年率如下：

租賃物業裝修	20%-33%
傢俬、固定裝置及設備	9%-20%
電腦設備	9%-20%
汽車及貨車	6%-25%

於各報告期末均會檢討及調整剩餘價值、可使用年期及折舊方法（如適用）。

出售物業、廠房及設備的收益或虧損乃銷售所得淨額及有關資產的賬面值之間的差額，並於損益確認。

租賃

本集團作為承租人

租賃於本集團可取用租賃資產時確認為使用權資產及相關租賃負債。使用權資產按成本減累計折舊及減值虧損列賬。使用權資產按於資產可使用年期及租期兩者中之較短者以直線法撇銷其成本的利率計算折舊。主要年利率如下：

樓宇	租期為3至10年
汽車及貨車	租期為5年

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 (cont'd)

Leases (cont'd)

The Group as lessee (cont'd)

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000 (approximately equivalent to HK\$39,000).

Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in the profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

4. 重大會計政策 (續)

租賃 (續)

本集團作為承租人 (續)

使用權資產乃按成本(包括初步計量租賃負債金額、預付租賃款項、初步直接成本及恢復成本)計量。倘有關利率或本集團的遞增借貸利率可予確定,租賃負債包括使用租約內所述利率貼現的租賃款項現值淨額。各租賃款項於負債與融資成本之間作出分配。融資成本於租期內在損益內扣除,以使租賃負債餘額的息率固定。

與短期租賃及低價值資產租賃相關的付款於租期內以直線法在損益內確認為開支。短期租賃乃初步租期為12個月或少於12個月的租賃。低價值資產為價值低於5,000美元(相當於約39,000港元)的資產。

確認及終止確認金融工具

倘本集團乃金融工具合約條款之訂約方,則金融資產及金融負債於財務狀況表確認。

倘收取資產現金流量之已訂約權利屆滿,或本集團轉讓資產擁有權之絕大部分風險及回報,或本集團既無轉讓亦不保留資產擁有權之絕大部分風險及回報但不保留資產之控制權,則終止確認金融資產。終止確認一項金融資產時,資產賬面值與已收代價總額之差額於損益內確認。

倘相關合約訂明之責任解除、註銷或失效,則終止確認金融負債。已終止確認金融負債賬面值與已付代價之差額於損益內確認。

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 (cont'd)

Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as financial assets at amortised cost.

Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument (“lifetime expected credit losses”) for trade receivables or if the credit risk on that financial instrument has increased significantly since initial recognition.

4. 重大會計政策 (續)

金融資產

對於有關購買或出售金融資產之合約，倘其條款要求在相關市場中設定的時間內交付該項資產，則有關資產會按交易日基準進行確認及終止確認，並初始按公平值加直接應佔交易成本確認，惟按公平值計入損益之投資則除外。收購按公平值計入損益的投資直接應佔的交易成本即時於損益中確認。

本集團金融資產分類為按攤銷成本計量之金融資產。

按攤銷成本計量之金融資產

倘金融資產（包括應收貿易款及其他應收款項）同時滿足以下條件，則分類為此類別項下：

- 業務模式內持有資產，其目的在於持有資產以收取合約現金流量；及
- 資產的合約期限於特定日期產生現金流量，而現金流量僅為未償還本金的本金及利息付款。

其後使用實際利率法按攤銷成本減去預期信貸虧損之虧損撥備計量金融資產。

預期信貸虧損的虧損撥備

本集團就按攤銷成本計量之金融資產的預期信貸虧損確認虧損撥備。預期信貸虧損為信貸虧損的加權平均值，相應的違約風險以權重形式出現。

於各報告期末，本集團按相等於該金融工具預計年內所有可能發生的違約事件導致的應收貿易款預期信貸虧損（「全期預期信貸虧損」），或該金融工具的信貸風險自初始確認以來大幅增加的金額計量金融工具的虧損撥備。

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 (cont'd)

Loss allowances for expected credit losses (cont'd)

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

4. 重大會計政策 (續)

預期信貸虧損的虧損撥備 (續)

倘於報告期末，金融工具（應收貿易款除外）的信貸風險自初始確認以來並無顯著增加，則本集團按相當於該金融工具於報告期末後12個月內可能發生的違約事件導致的全期預期信貸虧損部分的金額計量該金融工具的虧損撥備。

預期信貸虧損金額或旨在將報告期末之虧損撥備調整至所需金額而撥回的金額於損益確認為減值收益或虧損。

現金及等同現金項目

就現金流量表而言，現金及等同現金項目指銀行及手頭上的現金、銀行及其他金融機構之活期存款、可轉為已知數量之現金及沒有明顯變值風險之短期高流動性投資。銀行透支應要求償還並構成本集團現金管理之主要部份，亦計入現金及等同現金項目之內。

金融負債及權益工具

金融負債及權益工具乃根據所訂立合約安排之內容，及香港財務報告準則中金融負債和權益工具之定義予以分類。權益工具為可證明於本集團資產之剩餘權益經扣除其所有負債後之任何合約。就特定金融負債及權益工具採納之會計政策載列如下。

借貸

借貸初始按公平值扣除所產生交易成本確認，其後則採用實際利率法按攤銷成本計量。

借貸被分類為流動負債，惟本集團有權無條件地遞延清償負債至報告期後至少十二個月則除外。

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 (cont'd)

Convertible bonds

Convertible bonds which entitle the holder to convert the bonds into a fixed number of equity instruments at a fixed conversion price are regarded as compound instruments consist of a liability and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The fair value of any derivative features embedded in the compound instruments is included in the liability component. The difference between the proceeds of issue of the convertible bonds and the fair values assigned to the liability component, representing the embedded option for the holder to convert the bonds into equity of the Group, is included in equity as capital reserve. The liability component is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption.

If the identifiable consideration received by the Group appears to be less than the fair value of the convertible bonds issued, the Group measures the unidentifiable services received (to be received) as the difference between the fair value of the convertible bonds issued and that of the identifiable consideration received, and the difference is recognised in profit or loss.

Transaction costs are apportioned between the liability and equity components of the convertible bonds based on their relative carrying amounts at the date of issue. The portion relating to the equity component is charged directly to equity.

Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

4. 重大會計政策(續)

可換股債券

賦予持有人權利按固定轉換價將債券轉換為固定數目權益工具之可換股債券被視為由負債及權益部分組成之複合工具。於發行日期，負債部分之公平值使用類似不可轉換債務之當前市場利率估計。嵌入複合工具之任何衍生特徵的公平值計入負債組成部分。發行可換股債券之所得款項與分派至負債部分之公平值之差額指持有人可轉換債券為本集團權益之嵌入期權，乃計入權益作為資本儲備。負債部分使用實際利率法按攤銷成本列賬為負債，直至轉換或贖回方予註銷。

倘本集團收取之可識別代價似乎低於已發行可換股債券之公平值，則本集團按已發行可換股債券之公平值與已收取可識別代價之公平值之間的差額計量已收取(將收取)之無法識別服務，而有關差額於損益內確認。

交易成本乃根據可換股貸款債券及權益部分於發行日期之相關賬面值按比例分配。分配至權益部分者直接於權益扣除。

應付貿易款及其他應付款項

應付貿易款及其他應付款項初始按其公平值列賬，並於其後採用實際利率法按攤銷成本計量，除非貼現之影響輕微，則在此情況下按成本列賬。

權益工具

由本公司所發行的權益工具乃按收取的所得款項減直接發行成本列賬。

來自客戶合約的收益

收益乃根據與客戶訂立的合約所指明的代價參考慣常業務慣例計量，並不包括代表第三方收取的金額。對於客戶付款及轉移協定產品或服務期間超過一年的合約，代價就重大融資部分的影響進行調整。

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 (cont'd)

Revenue from contracts with customers (cont'd)

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

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

If a performance obligation is satisfied over time, revenue is recognised 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 product or service.

Other revenue

Interest income is recognised on a time-proportion basis using the effective interest method.

Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

4. 重大會計政策 (續)

來自客戶合約的收益 (續)

本集團於完成向客戶轉讓產品或服務控制權的履約責任時確認收益。視乎合約條款及有關合約適用的法例，履約責任可隨時間或於某個時間點完成。倘屬以下情況，履約責任則可隨時間內達成：

- 客戶同時即取得並消耗本集團履約所提供的經濟利益；
- 本集團的履約行為創造或提升客戶於創造或提升資產時已控制的資產；或
- 本集團的履約行為並無創造對本集團而言有其他用途的資產，且本集團擁有就迄今為止已完成的履約行為獲付款的可強制執行權利。

倘履約責任於一段時間內完成，則收益乃經參考已完成履約責任的進度確認。否則，收益於客戶取得產品或服務控制權的時間點確認。

其他收益

利息收入使用實際利息法按時間比例基準確認。

僱員福利

(a) 僱員應享假期

僱員可享有之年假及長期服務假期乃在其權利產生時確認。本集團為截至報告期末因僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假時方予確認。

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 (cont'd)

Employee benefits (cont'd)

(b) Pension obligations

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme ("MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on 5% of the employees' relevant income, subject to a ceiling of monthly relevant income of HK\$30,000 and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also participates in a defined contribution retirement scheme organised by the government in the People's Republic of China (the "PRC"). The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

(c) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

Share-based payments

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

4. 重大會計政策 (續)

僱員福利 (續)

(b) 退休金責任

本集團根據強制性公積金計劃條例，為合資格參與強積金計劃之僱員設立一項界定供款之強制性公積金退休福利計劃（「強積金計劃」）。供款按僱員相關收入的5%作出，上限為每月相關收入30,000港元，並根據強積金計劃之規則於應予支付時在損益內扣除。強積金計劃之資產與本集團的其他資產分開處理，由一獨立管理之基金持有。在向強積金計劃供款時，本集團僱主供款將全數歸屬於僱員所有。

本集團亦參與中華人民共和國（「中國」）政府組織之一項界定供款退休計劃。本集團須按指定比例之僱員薪金向退休計劃供款。該等供款於其根據退休計劃規定應付時於損益內扣除。僱主不可使用沒收供款以降低現有供款水平。

(c) 離職福利

離職福利於本集團不再取消提供該等福利，或本集團確認重組成本並涉及支付離職福利時（以較早者為準）確認。

股份付款

本集團向若干董事、僱員及顧問作出以權益結算之股份付款。

向董事及僱員作出之以權益結算之股份付款乃按權益工具於授出日期之公平值計量（不包括非以市場為基礎之歸屬條件之影響）。按以權益結算之股份付款授出日期釐定之公平值，乃根據本集團對最終將歸屬的股份之估計，於歸屬期內以直線法支銷，並就非以市場為基礎之歸屬條件之影響作出調整。

向顧問作出之以權益結算並以股份為基礎之付款乃按所提供服務的公平值計量，或倘所提供服務的公平值未能可靠地計量，則按已授出權益工具的公平值計量。公平值乃於本集團接獲服務當日計量，並確認為開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

4. 重大會計政策 (續)

借貸成本

直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售的借貸成本，會撥充該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產的特定借貸作短期投資賺取的投資收入，會於合資格資本化的借貸成本中扣除。

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借貸（用於獲取一項合資格的資產的借貸除外）的借貸成本的加權平均值。

所有其他借貸成本乃於其產生期間在損益中確認。

稅項

所得稅為即期稅項與遞延稅項的總和。

即期應付稅項乃按年內應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅或可扣稅收入或開支項目，而且不包括永遠毋須課稅或不可扣稅項目。本集團的即期稅項負債乃按報告期末之前已頒佈或實質已頒佈的稅率計算。

遞延稅項乃就財務報表中資產及負債的賬面值與用作計算應課稅溢利的相應稅基間的差額確認。遞延稅項負債通常會就所有應課稅暫時性差額確認，遞延稅項資產僅於很可能出現可動用可扣稅暫時性差額、未使用稅項虧損或未使用稅項抵免的應課稅溢利時方予以確認。於一項交易中，倘因商譽或其他資產及負債之初始確認（業務合併除外）而產生暫時性差額，且不應課稅溢利及會計溢利時，則該等資產及負債不會予以確認。

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 (cont'd)

Taxation (cont'd)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

4. 重大會計政策 (續)

稅項 (續)

遞延稅項負債乃就投資於附屬公司及聯營公司而產生的應課稅暫時性差額予以確認，惟倘本集團能控制撥回暫時性差額以及暫時性差額在可見將來很可能不會被撥回則作別論。

遞延稅項資產之賬面值會於各報告期末檢討，並以不再可能有足夠應課稅溢利以收回全部或部分資產為限予以調減。

遞延稅項乃以報告期末之前已頒佈或實質已頒佈之稅率為基礎，按預期在清償負債或變現資產期間應用之稅率計量。遞延稅項會於損益中確認，惟遞延稅項與已於其他全面收入中或直接於權益中確認的項目相關者則除外，在此情況下，遞延稅項亦會於其他全面收入中或直接於權益中確認。

遞延稅項資產及遞延稅項負債之計量反映本集團於報告期末預計收回或結算其資產及負債賬面值之方式而引致之稅務後果。

倘存在法律上可強制執行之權利以抵銷即期稅項資產與即期稅項負債，而其與同一稅務機關繳收之所得稅相關，且本集團擬按淨值基準清償即期稅項資產及負債，則會抵銷遞延稅項資產與遞延稅項負債。

分部呈報

經營分部及於財務報表呈報之各分部項目之金額乃識別自就分配資源及評估本集團各業務範圍之表現而定期向本集團最高行政管理人員提供之財務資料。

本集團並未就財務呈報目的匯總個別重大之經營分部，惟該等分部具有類似經濟特徵及於產品及服務性質、生產流程性質、客戶類型或分類、分派產品或提供服務之方法以及監管環境性質方面相似則除外。倘非個別重大之經營分部符合上述大部分標準，則可予以匯總。

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 (cont'd)

Related parties

A related party is a person or entity that is related to the Group.

(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 the key management personnel of the Company or of a parent of the Company.

(B) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Company 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 employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (A).
- (vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

4. 重大會計政策 (續)

關聯方

關聯方為與本集團有關聯之人士或實體。

(A) 在下列情況下，有關人士或其家族之近親與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響力；或
- (iii) 為本公司或本公司母公司之主要管理人員。

(B) 倘任何以下情況適用，則有關實體與本集團有關聯：

- (i) 有關實體與本公司屬同一集團之成員公司（即各自之母公司、附屬公司及同系附屬公司與另一方互有關聯）。
- (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之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，而另一實體為該第三方實體之聯營公司。
- (v) 有關實體為本集團或與本集團有關聯之實體之僱員福利之退休福利計劃。倘本集團本身為有關計劃，則提供資助之僱主亦與本集團有關聯。
- (vi) 有關實體受第(A)項所指人士控制或受共同控制。
- (vii) 第(A)(i)所指人士對實體有重大影響力或屬有關實體（或有關實體之母公司）主要管理人員。
- (viii) 該實體或其為組成部分之集團之任何成員公司向本公司或本公司之母公司提供主要管理人員服務。

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 (cont'd)

Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4. 重大會計政策(續)

資產減值

對擁有無限可使用年期的無形資產及尚未使用的無形資產會每年進行審閱，亦會於有發生某事件或情況之變動顯示賬面值或無法收回時進行審閱，以判斷是否須予減值。

於各報告期末，本集團須審閱其有形及無形資產（應收款項除外）之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計有關資產之可收回金額，以釐定減值虧損的幅度。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。

可收回金額為公平值減出售成本後之金額與使用價值兩者中之較高者。於評估使用價值時，乃使用可反映現時市場對貨幣時間價值之評估及該資產特有風險之除稅前貼現率，將估計未來現金流量貼現至其現值。

倘某項資產或某現金產生單位之可收回金額估計低於其賬面值，則該項資產或該現金產生單位之賬面值須削減至其可收回金額。減值虧損即時於損益中確認，除非有關資產乃按重估金額列賬則除外，在該情況下，減值虧損會作重估減少處理。

倘日後撥回減值虧損，有關資產或現金產生單位之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值不得超出倘有關資產或現金產生單位並無於過往年度確認任何減值虧損而應釐定（扣除攤銷或折舊後）之賬面值。減值虧損撥回即時於損益中確認，惟倘有關資產按重估金額列賬，則減值虧損撥回會作重估增加處理。

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 (cont'd)

Provisions and contingent liabilities

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Critical judgements in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

(a) Going concern basis

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the Group being able to achieve a successful restructuring and continue its business. Details are explained in note 2 to the consolidated financial statements.

4. 重大會計政策 (續)

撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任，而有關責任很可能需要以經濟利益流出清償，且能作出可靠估計時，則會就未有確定時間或金額的負債確認撥備。倘貨幣時間價值屬重大，撥備會以清償責任預期所需支出的現值列賬。

倘需要流出經濟利益的可能性不大，或未能可靠估計有關金額，則除非流出經濟利益的可能性極微，否則有關責任將列作或然負債披露。須視乎某宗或多宗未來事件是否發生才能確定潛在責任存在與否，其亦會披露為或然負債，除非經濟利益流出的可能性極微則作別論。

報告期後事項

提供本集團於報告期末之業務狀況的額外資料或顯示持續經營假設並不適當的報告期後事項為調整事項，並於財務報表內反映。倘並非調整事項的報告期後事項屬重大，則於財務報表附註內披露。

5. 重大判斷及主要估計

編製本集團之綜合財務報表時，管理層須作出會影響收益、開支、資產及負債之報告金額及其隨附之披露資料，以及或然負債之披露資料之判斷、估計及假設。由於有關假設及估計涉及不明朗因素，故可導致須就未來受影響之資產或負債賬面值作出重大調整。

應用會計政策時所用重大判斷

於應用會計政策的過程中，董事已作出對財務報表中所確認金額產生最為重大影響之以下判斷。

(a) 持續經營基準

該等綜合財務報表已根據持續經營基準編製，其有效性視乎本集團能否成功完成重組，並繼續其業務運營。詳情解釋載於綜合財務報表附註2。

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 JUDGEMENTS AND KEY ESTIMATES

(cont'd)

Critical judgements in applying accounting policies (cont'd)

(b) Deconsolidation of subsidiaries

On 1 January 2016, certain subsidiaries were classified as deconsolidated subsidiaries and excluded from the consolidated financial statements. Based on management assessment and with reference to the latest status of each of the deconsolidated subsidiaries, the Company has lost control over these entities during the year ended 31 December 2016.

(c) Change of control

Although the Group owns less than 50% of the equity interest in 北京天馬通馳旅遊客運有限公司(“天馬客運”), 天馬客運 is treated as a subsidiary because the Group is able to control the relevant activities of 天馬客運 as a result of the shareholders' agreement between the Group and the other shareholder of 天馬客運.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Impairment of trade receivables, prepayments, deposits and other receivables

The Group makes impairment loss on trade receivables, prepayments, deposits and other receivables based on assessments of the recoverability of the trade receivables, prepayments, deposits and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgments and estimates.

5. 重大判斷及主要估計(續)

應用會計政策時所用重大判斷(續)

(b) 取消綜合入賬附屬公司

於二零一六年一月一日,若干附屬公司被分類為被終止入賬附屬公司及不計入綜合財務報表。根據管理層評估及參考各被終止入賬附屬公司的最新狀況,本公司於截至二零一六年十二月三十一日止年度已失去對該等實體的控制權。

(c) 控制權變更

儘管本集團於北京天馬通馳旅遊客運有限公司(「天馬客運」)擁有之股權少於50%,但由於本集團因其與天馬客運其他股東訂立之股東協議而能夠控制天馬客運相關活動,因此天馬客運被視為附屬公司。

估計不明朗因素之主要來源

於報告期末,有極大風險導致下一個財政年度內資產與負債賬面值出現重大調整之有關未來之主要假設及估計不明朗因素之其他主要來源均於下文論述。

(a) 物業、廠房及設備以及折舊

本集團就本集團之物業、廠房及設備釐定估計可使用年期、剩餘價值及有關折舊開支。該估計乃基於有關具備類似性質及功能之物業、廠房及設備之實際可使用年期及剩餘價值之過往經驗。倘可使用年期及剩餘價值與先前之估計出現差異,本集團將修訂折舊開支,或其將撇銷或撇減已放棄或出售之技術過時或非策略性資產。

(b) 應收貿易款、預付款項、按金及其他應收款項減值

本集團按照應收貿易款、預付款項、按金及其他應收款項之可收回程度評估作出應收貿易款、預付款項、按金及其他應收款項減值虧損,包括各債務人當時之信譽及過往收款記錄。倘事件或情況有變顯示可能未能收回餘額,則會出現減值。識別呆壞賬必須使用判斷及估計。

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 JUDGEMENTS AND KEY ESTIMATES

(cont'd)

Key sources of estimation uncertainty (cont'd)

(c) Impairment of property, plant and equipment and right-of-use assets

Property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(d) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. The value in use calculation requires the Group 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. The carrying amount of goodwill at the end of the reporting period was HK\$34,265,000.

(e) Current income tax

Judgment is required in determining the provision for taxation. There are many transactions and calculation for which the ultimate tax determination is uncertain during the original course of business. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current income tax in the periods in which the differences arise.

5. 重大判斷及主要估計 (續)

估計不明朗因素之主要來源 (續)

(c) 物業、廠房及設備以及使用權資產減值

於有事件或情況變動顯示資產賬面值超過其可收回金額時，則對物業、廠房及設備以及使用權資產進行減值檢討。可收回金額乃經參考估計未來現金流量之現值而釐定。倘未來現金流量低於預期或存在不利事件及事實及情況改變導致修訂未來估計現金流量，則可能重大減值虧損。

(d) 商譽減值

釐定商譽是否減值需估計獲分配商譽之現金產生單位之使用價值。使用價值計算要求本集團估計預期將自現金產生單位產生之未來現金流量以及適用貼現率以計算現值。於報告期末，商譽之賬面值為34,265,000港元。

(e) 即期所得稅

釐定稅項撥備時須作出判斷，惟在日常業務過程中有許多交易及計算的最終稅項釐定並不確定。倘此等事宜的最終稅務結果與原本記錄的數額有所差異，該差額將影響出現差額期間的即期所得稅。

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. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has only one reportable operating segment of car rental service for the year ended 31 December 2019. There were three reportable operating segments for the year ended 31 December 2018:

Resources trading	–	trading of coking coal, aluminium rod and fuel oil
Car rental service	–	provision of car rental services
Online platform	–	provision of online platform for the trading and deferred spot delivery services of precious metals

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/(loss), which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest and other income, finance costs and unallocated corporate expenses.

Segment assets exclude cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude borrowings, tax payable and other unallocated corporate liabilities as these liabilities are managed on a group basis.

During the years ended 31 December 2019 and 2018, there were no inter-segment sales.

6. 經營分部資料

就管理而言，本集團根據其產品及服務劃分為業務單位，而於截至二零一九年十二月三十一日止年度僅擁有一個可呈報經營分部，即汽車租賃服務。本集團於截至二零一八年十二月三十一日止年度擁有三個可呈報經營分部：

資源貿易	–	買賣焦煤、鋁杆及燃油
汽車租賃服務	–	提供汽車租賃服務
網上平台	–	提供貴金屬貿易及現貨延期交收服務之網上平台

管理層獨立監察本集團經營分部的業績，以作出有關資源分配及表現評估的決策。分部表現乃根據可呈報分部溢利／（虧損）評估，而可呈報分部溢利／（虧損）為經調整除稅前溢利／（虧損）的計量。經調整除稅前溢利／（虧損）之計量與本集團除稅前溢利／（虧損）之計量一致，惟利息及其他收入、融資成本及未分配公司開支除外。

分部資產不包括現金及等同現金項目以及其他未分配公司資產，因為該等資產乃按組別基準管理。

分部負債不包括借貸、應付稅項及其他未分配公司負債，因為該等負債乃按組別基準管理。

截至二零一九年及二零一八年十二月三十一日止年度，概無分部間銷售。

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. OPERATING SEGMENT INFORMATION (cont'd)

(a) Information about reportable segment profit or loss, assets and liabilities are summarised as follow:

6. 經營分部資料(續)

(a) 可呈報分部損益、資產及負債的資料概述如下：

		Car rental service 汽車租賃服務 HK\$'000 千港元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度	
Revenue from external customers	源於外界客戶之收益	97,767
Segment result	分部業績	42,245
Interest income on bank deposits	銀行存款之利息收入	151
Other income	其他收入	349
Unallocated expenses	未分配開支	(32,394)
Profit from operations	經營溢利	10,351
Finance cost	融資成本	(38,299)
Gain on disposal of subsidiaries	出售附屬公司之收益	100,212
Profit before tax	除稅前溢利	72,264
Income tax expense	所得稅開支	(2,899)
Profit for the year	年內溢利	69,365
Depreciation and amortisation	折舊及攤銷	18,081
Capital expenditure	資本開支	12,555
As at 31 December 2019	於二零一九年十二月三十一日	
Segment assets	分部資產	210,359
Unallocated assets	未分配資產	171,591
		381,950
Segment liabilities	分部負債	(332,414)
Unallocated liabilities	未分配負債	(613,310)
		(945,724)

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. OPERATING SEGMENT INFORMATION (cont'd) (a) (cont'd)

6. 經營分部資料(續) (a) (續)

		Car rental service 汽車租賃服務 HK\$'000 千港元	Online platform 網上平台 HK\$'000 千港元	Resources trading 資源貿易 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended	截至二零一八年十二月三十一日				
31 December 2018	止年度				
Revenue from external customers	源於外界客戶之收益	54,697	-	-	54,697
Segment result	分部業績	50,579	(1,709)	(7,520)	41,350
Interest income on bank deposits	銀行存款之利息收入				39
Other income	其他收入				15,580
Unallocated expenses	未分配開支				(21,863)
Profit from operations	經營溢利				35,106
Finance cost	融資成本				(51,753)
Reversal of impairment losses on property, plant and equipment	物業、廠房及設備的減值虧損撥回				1,339
Loss before tax	除稅前虧損				(15,308)
Income tax expense	所得稅開支				-
Loss for the year	年內虧損				(15,308)
Depreciation and amortisation	折舊及攤銷	11,126	310	1,660	13,096
Capital expenditure	資本開支	248	-	-	248
As at 31 December 2018	於二零一八年十二月三十一日				
Segment assets	分部資產	205,093	4,438	84,053	293,584
Unallocated assets	未分配資產				71,702
					365,286
Segment liabilities	分部負債	(321,156)	(1,642)	(74,549)	(397,347)
Unallocated liabilities	未分配負債				(567,327)
					(964,674)

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. OPERATING SEGMENT INFORMATION (cont'd)

(b) Geographical information:

The Group's revenue analysed by geographical location and information about its non-current assets by geographical location are detailed below:

		Revenue 收益		Non-current assets 非流動資產	
		Year ended 31 December 截至十二月三十一日止年度		As at 31 December 於十二月三十一日	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Hong Kong	香港	-	-	649	-
PRC	中國	97,767	54,697	252,216	162,819
Mongolia	蒙古	-	-	-	5,672
		97,767	54,697	252,865	168,491

In presenting the geographical information, revenue is based on the locations of the customers.

呈列地區資料時，收益乃根據客戶所在地區劃分。

(c) Information about major customers

Revenue from operations of HK\$34,430,000 (2018: HK\$53,576,000) was derived from two customers (2018: one customer) in the car rental service segment which individually contributed 10% or more to the Group's revenue for the year ended 31 December 2019 and 2018.

(c) 主要客戶資料

經營收益34,430,000港元(二零一八年: 53,576,000港元)乃源自汽車租賃服務分部中的兩名客戶(二零一八年: 一名客戶)，該等客戶個別佔本集團截至二零一九年及二零一八年十二月三十一日止年度之收益10%或以上。

7. REVENUE

The principal activities of the Group are car rental service. All revenue generated by the Group were derived from the PRC and recognised at a point in time.

Revenue represents the amounts received and receivable by the Group from business income, services rendered to customers, net of discounts, returns and sales related taxes are as follows:

7. 收益

本集團的主要業務為汽車租賃服務。本集團產生的全部收益均來自中國且於某個時間點確認。

收益指本集團自業務收入、向客戶提供服務(扣除折讓、返利及銷售相關稅項)已收及應收的金額，如下所示：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Car rental service income	汽車租賃服務收入	97,767	54,697

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. OTHER INCOME

8. 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank interest income	銀行利息收入	151	39
Gain on derecognition of other payables	其他應付款項終止確認之收益	-	15,133
Sundry income	雜項收入	349	447
		500	15,619

9. FINANCE COST

9. 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank charges	銀行費用	9	46
Interest expenses on borrowings	借貸之利息開支		
– interest on convertible bonds	– 可換股債券之利息	21,251	33,631
– interest on non-convertible bonds	– 不可換股債券之利息	5,430	5,815
– interest on finance lease	– 融資租賃之利息	-	12,131
– interest on lease liabilities	– 租賃負債之利息	11,142	-
– interest on other borrowings	– 其他借貸之利息	130	130
– interest on bank borrowings	– 銀行借貸之利息	337	-
		38,299	51,753

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

10. INCOME TAX EXPENSE

10. 所得稅開支

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Provision for the year	年內撥備	–	–
Current tax – the PRC Enterprise Income Tax	即期稅項 – 中國企業所得稅		
Provision for the year	年內撥備	2,899	–
		2,899	–

Hong Kong Profits Tax is calculated at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

香港利得稅乃按年內於香港產生之估計應課稅溢利以稅率16.5% (二零一八年: 16.5%) 計算。

Under the Law of the PRC on Enterprise Income Tax, the applicable income tax rate of the Group's subsidiaries in the PRC is 25% (2018: 25%).

根據中國企業所得稅法，本集團位於中國之附屬公司之適用所得稅率為25% (二零一八年: 25%)。

The reconciliation between the income tax and profit/(loss) before tax multiplied by the Hong Kong profits tax rate is as follows:

所得稅與除稅前溢利/(虧損)乘以香港利得稅率之對賬如下:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit/(loss) before tax	除稅前溢利/(虧損)	72,264	(15,308)
Tax at the domestic income tax rate of 16.5% (2018: 16.5%)	按本地所得稅稅率16.5% (二零一八年: 16.5%) 計算之稅項	11,924	(2,526)
Effect of different tax rates of subsidiaries operating in the PRC	於中國營運附屬公司不同稅率之影響	2,556	(3,160)
Income not subject to tax	毋須繳稅收入	(18,114)	–
Expenses not deductible for tax	不可扣稅開支	6,028	5,061
Tax losses not recognised	未確認稅項虧損	505	625
		2,899	–

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

11. PROFIT/(LOSS) FOR THE YEAR

The Group's profit/(loss) for the year is stated after charging the following:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Depreciation	折舊	10,295	13,096
Auditor's remuneration	核數師的酬金	800	800
Depreciation of right-of-use assets	使用權資產折舊	7,786	-
Minimum lease payments under operating lease in respect of:	有關以下各項經營租賃項下之最低租賃款項：		
– land and buildings	– 土地及樓宇	-	1,455
Staff costs (including Directors' remuneration):	員工成本(包括董事薪酬)：		
– salaries, bonuses and allowances	– 薪金、花紅及津貼	9,631	4,024
– retirement benefits scheme contributions	– 退休福利計劃供款	205	62
		9,836	4,086

11. 年內溢利／(虧損)

本集團年內溢利／(虧損)乃經扣除下列各項後列賬：

12. DIRECTORS' EMOLUMENTS

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

(a) Directors' emoluments

		2019 二零一九年	Equity- settled share option expenses	Retirement benefit scheme contributions	Total
	Fees	Salaries, bonus and allowances			
	袍金	薪金、 花紅及津貼	以權益結算 購股權開支	退休福利 計劃供款	總計
	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
Executive directors	執行董事				
Ji Kaiping	紀開平	1,200	400	-	1,600
Guo Peiyuan	郭培遠	1,080	400	-	1,480
Non-executive directors	非執行董事				
An Jingwen	安景文	300	-	-	300
Independent non-executive directors	獨立非執行董事				
Li Wen	李文	180	-	-	180
Qiu Ke	邱克	180	-	-	180
Chen Yen Yung**	陳燕雲**	212	-	-	212
		3,152	800	-	3,952

12. 董事酬金

須根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露之年內董事酬金如下：

(a) 董事酬金

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

12. DIRECTORS' EMOLUMENTS (cont'd)

(a) Directors' emoluments (cont'd)

12. 董事酬金 (續)

(a) 董事酬金 (續)

		2018 二零一八年				
		Fees	Salaries and allowances	Equity-settled share option expenses	Retirement benefit scheme contributions	Total
		袍金	薪金及津貼	以權益結算購股權開支	退休福利計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事					
Ji Kaiping	紀開平	1,200	-	-	-	1,200
Guo Peiyuan**	郭培遠**	800	-	-	-	800
Non-executive directors	非執行董事					
Mou Ling*	牟玲*	274	-	-	-	274
An Jingwen**	安景文**	67	-	-	-	67
Independent non-executive directors	獨立非執行董事					
Li Wen**	李文**	133	-	-	-	133
Qiu Ke**	邱克**	105	-	-	-	105
		2,579	-	-	-	2,579

* Resigned or retired during the relevant year

** Appointed during the relevant year

* 於有關年度辭任或退任

** 於有關年度獲委任

There was no arrangement under which a director waived or agreed to waive any remuneration in respect of the years ended 31 December 2019 and 2018.

於截至二零一九年及二零一八年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金之安排。

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

12. DIRECTORS' EMOLUMENTS (cont'd)

(b) Five highest paid individuals

The five highest paid individuals in the Group during the year included 4 (2018: 5) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 1 (2018: nil) individual is set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Basic salaries and allowances	基本薪金及津貼	600	-

The emoluments fell within the following band:

		Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
Nil to HK\$1,000,000	零至1,000,000港元	1	-

No emoluments had been paid by the Group to the Directors or the five highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office.

酬金介乎下列範圍：

本集團並無向董事或五名最高薪酬人士支付任何酬金，作為邀請彼等加盟或在加盟本集團時之報酬或離職補償。

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Basic earnings/(loss) per share

The calculation of basic earnings (2018: loss) per share attributable to owners of the Company is based on the earnings (2018: loss) for the year attributable to owners of the Company of approximately HK\$61,556,000 (2018: loss for the year HK\$14,673,000) and the weighted average number of ordinary shares of 6,411,770,500 (2018: 6,411,770,500) in issue during the year.

Diluted earnings/(loss) per share

No diluted earnings per share for the years ended 31 December 2019 and 2018 is presented as the effects of all convertible bonds and options are anti-dilutive for the years.

14. DIVIDENDS

The Directors do not recommend the payment of any dividend in respect of the years ended 31 December 2019 and 2018.

12. 董事酬金 (續)

(b) 五名最高薪酬人士

年內本集團五名最高薪酬人士包括四名(二零一八年：五名)董事，其酬金反映於上述呈列之分析。其餘一名(二零一八年：無)人士之酬金載列如下：

13. 本公司擁有人應佔每股盈利／(虧損)

每股基本盈利／(虧損)

本公司擁有人應佔每股基本盈利(二零一八年：虧損)乃根據本公司擁有人應佔年內盈利(二零一八年：虧損)約61,556,000港元(二零一八年：年內虧損14,673,000港元)及年內已發行普通股之加權平均數6,411,770,500股(二零一八年：6,411,770,500股)計算。

每股攤薄盈利／(虧損)

由於截至二零一九年及二零一八年十二月三十一日止年度所有可換股債券及購股權均具反攤薄影響，故並無呈列該兩個年度的每股攤薄盈利。

14. 股息

董事不建議派付截至二零一九年及二零一八年十二月三十一日止年度之任何股息。

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

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicle and trucks	Total
		租賃物業裝修 HK\$'000 千港元	傢俬、裝置及 辦公室設備 HK\$'000 千港元	汽車及貨車 HK\$'000 千港元	總計 HK\$'000 千港元
Cost:	成本:				
At 1 January 2018	於二零一八年一月一日	179	1,424	239,158	240,761
Additions	添置	-	-	248	248
Exchange differences	匯兌差額	(9)	(76)	(10,425)	(10,510)
At 31 December 2018	於二零一八年十二月三十一日	170	1,348	228,981	230,499
Reclassified as right-of-use assets	重新分類為使用權資產	-	-	(125,490)	(125,490)
As at 1 January 2019	於二零一九年一月一日	170	1,348	103,491	105,009
Lease liabilities fully repaid	悉數償還之租賃負債	-	-	33,350	33,350
Additions	添置	-	-	12,555	12,555
Disposal of subsidiaries	出售附屬公司	-	-	(45,294)	(45,294)
Deemed acquisition of a subsidiary	視為收購一間附屬公司	-	-	37,911	37,911
Disposal	出售	-	-	(3,855)	(3,855)
Exchange differences	匯兌差額	(3)	(20)	(1,996)	(2,019)
At 31 December 2019	於二零一九年十二月三十一日	167	1,328	136,162	137,657
Accumulated depreciation:	累計折舊:				
At 1 January 2018	於二零一八年一月一日	179	819	50,408	51,406
Charge for the year	年內支出	-	310	12,786	13,096
Reversal of impairment loss	減值虧損撥回	-	-	(1,339)	(1,339)
Exchange differences	匯兌差額	(9)	(58)	(1,088)	(1,155)
At 31 December 2018	於二零一八年十二月三十一日	170	1,071	60,767	62,008
Reclassified as right-of-use assets	重新分類為使用權資產	-	-	(16,368)	(16,368)
At 1 January 2019	於二零一九年一月一日	170	1,071	44,399	45,640
Lease liabilities fully repaid	悉數償還之租賃負債	-	-	6,122	6,122
Charge for the year	年內支出	-	19	10,276	10,295
Disposal of subsidiaries	出售附屬公司	-	-	(40,452)	(40,452)
Disposal	出售	-	-	(2,806)	(2,806)
Exchange differences	匯兌差額	(3)	50	(2,055)	(2,008)
At 31 December 2019	於二零一九年十二月三十一日	167	1,140	15,484	16,791
Carrying amount:	賬面值:				
At 31 December 2019	於二零一九年十二月三十一日	-	188	120,678	120,866
At 31 December 2018	於二零一八年十二月三十一日	-	277	168,214	168,491

At 31 December 2019, the carrying amount of motor vehicle held by the Group secured against bank loans amounted to HK\$11,869,000. At 31 December 2018, the carrying amount of motor vehicle held by the Group under finance leases amounted to HK\$109,122,000.

於二零一九年十二月三十一日，本集團持作銀行貸款抵押之汽車之賬面值為11,869,000港元。於二零一八年十二月三十一日，本集團於融資租賃項下持有汽車之賬面值為109,122,000港元。

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

16. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

16. 租賃及使用權資產

租賃相關項目披露：

		2019 二零一九年 HK\$'000 千港元
At 31 December:	於十二月三十一日：	
Right-of-use assets	使用權資產	
– Buildings	– 樓宇	13,499
– Motor vehicles	– 汽車	75,452
		88,951
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:	本集團租賃負債基於未貼現現金流量之到期日分析如下：	
Within one year	一年內	142,949
In the second year	第二年	35,222
In the third to fifth years, inclusive	第三至第五年（包括首尾兩年）	6,394
Over five years	超過五年	2,520
		187,085
Year ended 31 December:	截至十二月三十一日止年度：	
Depreciation charge of right-of-use assets	使用權資產之折舊開支	
– Buildings	– 樓宇	3,064
– Motor vehicles	– 汽車	4,722
		7,786
Interest on lease liabilities	租賃負債之利息	11,142
Total cash outflow for leases	租賃現金流出總額	26,235
Additions to right-of-use assets	添置使用權資產	13,997

The Group leases various buildings and motor vehicles. Lease agreements are typically made for fixed periods of 3 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

本集團租賃若干樓宇及汽車。租賃協議通常訂有3至10年之固定期限。租賃條款乃按個別基準磋商，並載有各種不同的條款及條件。租賃協議並無規定任何契諾，且租賃資產不可用作借貸抵押。

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

16. LEASES AND RIGHT-OF-USE ASSETS (cont'd)

16. 租賃及使用權資產 (續)

		Lease payments 租賃款項 2019 二零一九年 HK\$'000 千港元	Present value of lease payments 租賃款項現值 2019 二零一九年 HK\$'000 千港元
Within one year	一年內	142,949	139,400
In the second year	第二年	35,222	33,777
In the third to fifth years, inclusive	第三至第五年 (包括首尾兩年)	6,394	5,599
Over five years	超過五年	2,520	2,432
		187,085	181,208
Future finance charges	未來融資支出	(5,877)	N/A不適用
Present value of lease obligations	租賃責任之現值	181,208	181,208
Less: Amount due for settlement within 12 months (shown under current liabilities)	減: 於12個月內到期清償之款項 (列入流動負債)		(139,400)
Non-current portion	非流動部分		41,808

17. DEFERRED TAX

The following are the major deferred tax assets recognised by the Group

17. 遞延稅項

以下為本集團確認之主要遞延稅項資產

		Impairment of trade receivables 應收貿易款減值 HK\$'000 千港元	Revaluation of motor vehicles 汽車重估 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	-	-	-
Deemed acquisition of a subsidiary	視為收購一間附屬公司	3,002	5,284	8,286
Exchange difference	匯兌差額	59	103	162
At 31 December 2019	於二零一九年十二月三十一日	3,061	5,387	8,448

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

17. DEFERRED TAX (cont'd)

The following is the analysis of the deferred tax balances (after offset) for consolidated statement of financial position purposes:

17. 遞延稅項 (續)

以下為作綜合財務狀況表用途之遞延稅項結餘(抵銷後)分析:

		2019 二零一九年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	8,448

At the end of the reporting period the Group has unused tax losses of approximately HK\$123,931,000 (2018: approximately HK\$133,082,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of HK\$123,931,000 (2018: HK\$133,082,000) in the PRC are available for offsetting against future profits that may be carried forward for five years for PRC enterprise income tax purpose.

於報告期末，本集團有可用作抵銷未來溢利之未動用稅項虧損約123,931,000港元(二零一八年：約133,082,000港元)。鑒於未來溢利流之不可預測性，故並無確認遞延稅項資產。就中國企業所得稅而言，未確認稅項虧損包括於中國之虧損123,931,000港元(二零一八年：133,082,000港元)，可用作抵銷未來溢利，並可結轉五年。

18. GOODWILL

18. 商譽

		2019 二零一九年 HK\$'000 千港元
Cost:	成本：	
At 1 January	於一月一日	-
Arising from deemed acquisition of a subsidiary (note 31(b))	視為收購一間附屬公司產生 (附註31(b))	33,607
Exchange differences	匯兌差額	658
At 31 December	於十二月三十一日	34,265
Accumulated impairment losses:	累計減值虧損：	
Impairment loss recognised at 1 January	於一月一日確認之減值虧損	-
Impairment loss recognised during the year	年內確認之減值虧損	-
At 31 December	於十二月三十一日	-
Carrying amount:	賬面值：	
At 31 December	於十二月三十一日	34,265

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

18. GOODWILL (cont'd)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

		2019 二零一九年 HK\$'000 千港元
Car rental service	汽車租賃服務	34,265

For the year ended 31 December 2019, the recoverable amount of this CGU is determined based on the value in use using discounted cash flow method (level 3 fair value measurements). The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 2%. This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows is 21%.

18. 商譽 (續)

於業務合併中獲取之商譽已於收購時分配至預期將受惠於該業務合併的現金產生單位（「現金產生單位」）。商譽之賬面值分配情況如下：

		2019 二零一九年 HK\$'000 千港元
Car rental service	汽車租賃服務	34,265

截至二零一九年十二月三十一日止年度，該現金產生單位之可收回金額乃根據使用價值採用貼現現金流量法釐定（第三級公平值計量）。貼現現金流量法的主要假設涉及貼現率、增長率及預算毛利及期內收益。本集團採用反映現時市場對貨幣時間值及現金產生單位的特定風險的評估的稅前比率，估計貼現率。增長率乃以現金產生單位業務經營所在的地區的長期平均經濟增長率為基礎。預算毛利及收益乃根據過往慣例及對市場發展的預測。

本集團按照董事就未來五年批准的最近期財務預算，於剩餘年期採用增長率2%編製現金流量預測。該比率不超過相關市場的平均長期增長率。

貼現預測現金流量所使用的比率為21%。

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

19. SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2019 are as follows:

19. 附屬公司

附屬公司於二零一九年十二月三十一日之詳情如下：

Name 名稱	Place of incorporation/ registration and operation 註冊成立/註冊及 營運地點	Nominal value of issued/paid up capital 已發行/ 實繳資本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
Direct subsidiaries: 直接附屬公司：					
Konmate Investments Ltd 廣美投資有限公司	Hong Kong 香港	HK\$2 2港元	100%	100%	Investment holding 投資控股
Trade Rainbow Limited 虹貿有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
Billions Achieve Limited 航億有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
Dengyi Investments Limited 登億投資有限公司	British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」)	US\$1 1美元	100%	100%	Inactive 暫無業務
Asia Construction Enterprise Limited 亞洲建設企業有限公司	BVI 英屬處女群島	US\$50,000 50,000美元	100%	100%	Inactive 暫無業務
Delight Genius Limited 得茂有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
NUR Industry Company Limited 國家聯合資源實業有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Inactive 暫無業務
NUR Financial Holdings Limited 國家聯合資源金融控股有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Inactive 暫無業務
NUR New Energy Management Company Limited 國家聯合資源新能源管理有限公司	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding 投資控股
Indirect subsidiaries: 間接附屬公司：					
GMG Media Group Limited	BVI 英屬處女群島	US\$1 1美元	100%	100%	Investment holding and provision of consulting services 投資控股及提供顧問服務
Ideal Honour Limited 伸通有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
NUR Enterprise Limited 國家聯合資源企業有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
Million Best International Enterprise Limited 萬昌國際企業有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Management services 管理服務

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

19. SUBSIDIARIES (cont'd)

19. 附屬公司 (續)

Name 名稱	Place of incorporation/ registration and operation 註冊成立/註冊及 營運地點	Nominal value of issued/paid up capital 已發行/ 實繳資本面值	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			2019 二零一九年	2018 二零一八年	
NUR Clean Energy Investment Limited 國家聯合資源清潔能源投資有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
NUR Industry (Hong Kong) Company Limited 國家聯合資源(香港)有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Inactive 暫無業務
Amazing Idea Global Limited 妙語環球有限公司	Hong Kong 香港	US\$1 1美元	100%	100%	Inactive 暫無業務
NUR Internet Investment Limited 國家聯合資源互聯網投資有限公司	Hong Kong 香港	US\$1 1美元	100%	100%	Inactive 暫無業務
Glorious Future Logistics Limited 錦程物流有限公司	Hong Kong 香港	US\$100 100美元	100%	100%	Inactive 暫無業務
NUR Investments Company Limited 國家聯合資源投資有限公司	Hong Kong 香港	US\$1 1美元	100%	100%	Inactive 暫無業務
Million Fortune International Investment Limited 福德國際投資有限公司	BVI 英屬處女群島	US\$10,000 10,000美元	70%	70%	Investment holding 投資控股
Most Billion Corporation Limited 盛兆有限公司	Hong Kong 香港	HK\$1 1港元	70%	70%	Investment holding 投資控股
Well Link Logistics co., Ltd. 華聯物流有限公司	Macau 澳門	MOP\$100,000 100,000澳門元	70%	70%	Investment holding 投資控股
青島國金匯通管理諮詢有限公司	PRC 中國	HK\$500,000 500,000港元	70%	70%	Investment holding 投資控股
中航國金商品現貨交易中心(青島)有限公司	PRC 中國	RMB10,000,000 人民幣 10,000,000元	63%	63%	Operate platform 經營平台
北京天馬通馳汽車租賃有限公司	PRC 中國	RMB158,000,000 人民幣 158,000,000元	100%	100%	Car rental service 汽車租賃服務
Gear World Development Limited 英屬處女群島	BVI 英屬處女群島	US\$10,000 10,000美元	100%	100%	Investment holding 投資控股
Gold Vantage Development Limited 金衛發展有限公司	Hong Kong 香港	HK\$1 1港元	100%	100%	Investment holding 投資控股
山東金衛電子科技發展有限公司	PRC 中國	HK\$4,000,000 4,000,000港元	100%	100%	Inactive 暫無業務
北京天馬通馳旅遊客運有限公司	PRC 中國	RMB15,000,000 人民幣 15,000,000元	49%	49%	Car rental service 汽車租賃服務
北京伸通能源科技有限公司	PRC 中國	HK\$50,000,000 50,000,000港元	100%	0%	Inactive 暫無業務

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

19. SUBSIDIARIES (cont'd)

The following table shows information of subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations.

19. 附屬公司 (續)

下表列示本集團擁有非控股權益(「非控股權益」)之附屬公司之資料。財務資料概要指公司間對銷前之金額。

Name	名稱	天馬客運	青島國金	2018 二零一八年
		2019 二零一九年	2019 二零一九年	
Principal place of business/country of incorporation	主要營業地點／註冊成立國家	PRC 中國	PRC 中國	PRC 中國
% of ownership interests/voting rights held by NCI	非控股權益持有之 擁有權權益／投票權百分比	51%/0%	37%/37%	37%/37%
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December:	於十二月三十一日：			
Non-current assets	非流動資產	43,510	186	317
Current assets	流動資產	44,053	3,886	4,121
Current liabilities	流動負債	(142,233)	(4,590)	(4,553)
Non-current liabilities	非流動負債	(429)	-	-
Net liabilities	負債淨額	(55,099)	(518)	(115)
Accumulated NCI	累計非控股權益	(28,100)	(192)	(43)
Year ended 31 December:	截至十二月三十一日止年度：			
Revenue	收益	56,728	-	-
Profit/(loss)	溢利／(虧損)	15,608	(409)	(1,672)
Total comprehensive profit/(loss)	全面溢利／(虧損)總額	14,080	(402)	(1,683)
Profit/(loss) allocated to NCI	分配至非控股權益之 溢利／(虧損)	7,960	(151)	(619)
Dividends paid to NCI	已付非控股權益之股息	-	-	-
Net cash generated from/(used in) operating activities	經營活動所得／(所用) 之現金淨額	1,655	(5)	(1,351)
Net cash used in investing activities	投資活動所用之現金淨額	(1,107)	-	-
Net cash used in financing activities	融資活動所用之現金淨額	(896)	-	-
Net decrease in cash and cash equivalents	現金及等同現金項目之 減少淨額	(348)	(5)	(1,351)

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

20. TRADE RECEIVABLES

The Group's trading terms with customers are mainly on credit or received in advance. The credit period is generally 30 days. The Group seeks to maintain strict control over its outstanding receivables so as to minimise credit risk. Overdue balances are reviewed regularly by the Directors. The Group has concentration of credit risk on certain customers. As at 31 December 2019, two (31 December 2018: two) customers attributable to the Group's total trade receivables were 44% (31 December 2018: 81%). The Group does not hold any collateral or other credit enhancement over its trade receivable balances. Trade receivables are non-interest bearing.

The aging analysis of trade receivables, based on the invoice date, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 30 days	30日內	9,710	559
31-90 days	31日至90日	12,471	-
Over 90 days but within 1 year	超過90日但於一年內	19,666	-
Over 1 year	超過一年	1,286	770
Less: Impairments	減: 減值	(1,286)	(770)
		41,847	559

Reconciliation of impairment of trade receivables:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	770	770
Increase in impairment for the year	年內減值增加	516	-
At 31 December	於十二月三十一日	1,286	770

20. 應收貿易款

本集團與客戶之貿易條款主要以除賬或預繳方式進行，信貸期一般為30日。本集團致力嚴格控制未償還應收款項以盡量減低信貸風險。董事定期檢討過期未付結餘。本集團的信貸風險集中於若干客戶。於二零一九年十二月三十一日，兩名（二零一八年十二月三十一日：兩名）客戶應佔本集團應收貿易款總額之44%（二零一八年十二月三十一日：81%）。本集團並無就其應收貿易款結餘持有任何抵押品或作出其他信貸改善措施。應收貿易款並不計息。

應收貿易款按發票日期之賬齡分析如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 30 days	9,710	559
31-90 days	12,471	-
Over 90 days but within 1 year	19,666	-
Over 1 year	1,286	770
Less: Impairments	(1,286)	(770)
	41,847	559

應收貿易款之減值對賬：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	770	770
Increase in impairment for the year	516	-
At 31 December	1,286	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

20. TRADE RECEIVABLES (cont'd)

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

20. 應收貿易款 (續)

本集團應用香港財務報告準則第9號項下的簡化方法就預期信貸虧損計提撥備，並就所有應收貿易款採用全期預期虧損撥備。為計量預期信貸虧損，應收貿易款已根據共同信貸風險特徵及逾期天數分組。預期信貸虧損亦包括前瞻性資料。

		Current	Within 30 days past due	31-365 days past due 逾期	Over 1 year past due 逾期	Total
		即期	逾期30日內	31至365日	超過一年	總計
At 31 December 2019	於二零一九年十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	0%	0%	0%	100%	
Receivable amount (HK\$'000)	應收款項 (千港元)	9,710	-	32,137	1,286	42,617
Loss allowance (HK\$'000)	虧損撥備 (千港元)	-	-	-	1,286	1,286
At 31 December 2018	於二零一八年十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	0%	0%	0%	100%	
Receivable amount (HK\$'000)	應收款項 (千港元)	559	-	-	770	1,329
Loss allowance (HK\$'000)	虧損撥備 (千港元)	-	-	-	770	770

21. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

21. 預付款項、按金及其他應收款項

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amount due from an associate	應收一間聯營公司款項 (a)	-	70,302
Other receivables	其他應收款項	14,358	7,100
Guarantee deposit for lease liabilities	租賃負債之保證金	32,322	32,709
Paid in advance	預付款項	20,240	204,334
Prepayments and deposits	預付款項及按金	17,009	7,055
		83,929	321,500
Impairment	減值	-	(126,383)
		83,929	195,117

(a) The amount due from an associate is unsecured, interest-free and has no fixed repayment terms. During the year, the associate became a subsidiary of the Company.

(a) 應收一間聯營公司款項為無抵押、免息及並無固定還款期。於年內，該聯營公司已成為本公司之附屬公司。

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

22. BANK AND CASH BALANCES

As at 31 December 2019, the bank and cash balances of the Group denominated in Renminbi ("RMB") approximately to HK\$1,373,000 (2018: HK\$125,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

23. TRADE PAYABLES

The aging analysis of trade payables, based on the invoice date, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Over 1 year	超過一年	320	38,590

24. OTHER PAYABLES AND ACCRUALS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Other payables	其他應付款項	226,768	188,866
Receipt in advance	預收款項	-	35,215
Amount due to a related party	應付一名關聯方款項 (a)	2,947	-
Amount due to a director	應付一名董事款項 (b)	537	-
Accruals	應計費用	16,414	13,714
		246,666	237,795

(a) The amount due to a related party is unsecured, interest-free and has no fixed repayment terms.

(b) The amount due to a director is unsecured, interest-free and has no fixed repayment terms.

22. 銀行及現金結存

於二零一九年十二月三十一日，本集團以人民幣（「人民幣」）計值之銀行及現金結存約為1,373,000港元（二零一八年：125,000港元）。人民幣兌換為其他貨幣須受中國外匯管制法規所限。

銀行現金乃根據每日銀行存款利率之浮動利率賺取利息。銀行結存乃存放於最近並無違約記錄且信譽良好之銀行。

23. 應付貿易款

應付貿易款按發票日期之賬齡分析如下：

24. 其他應付款項及應計費用

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(a) 應付一名關聯方款項為無抵押、免息及並無固定還款期。	2,947	-
(b) 應付一名董事款項為無抵押、免息及並無固定還款期。	537	-

25. BORROWINGS

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank loans	銀行貸款 (a)	9,498	-
Other loans	其他貸款 (b)	156,869	159,035
		166,367	159,035

(a) Bank loans are secured, bears an interest rate of 5.15% and is repayable on demand or within one year.

(b) Other loans are unsecured, interest free and is repayable on demand or within one year.

25. 借貸

(a) 銀行貸款為有抵押，按利率5.15%計息且須按要求或於一年內償還。	9,498	-
(b) 其他貸款為無抵押、免息且須按要求或於一年內償還。	156,869	159,035

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

26. CONVERTIBLE BONDS

On 27 October 2015, the Company issued a convertible bonds in the principal amount of HK\$65,735,900 which bear interest rate of 4.5% per annum. (the "2015CB"). The 2015CB are convertible into ordinary shares of the Company within 24 months from the date of issue at a conversion price of HK\$0.265 per conversion share (subject to adjustment), and a maximum of 248,060,000 conversion shares can be issued. At 31 December 2019, the outstanding principal amount are HK\$26,500,000.

On 10 November 2015, the Company issued a zero-coupon convertible bonds in the principal amount of HK\$120,000,000 (the "QDCB1") as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.40 per conversion share (subject to adjustment), and a maximum of 300,000,000 conversion shares can be issued. At 31 December 2019, the outstanding principal amount is HK\$55,580,000.

On 6 September 2016, the Company issued a convertible bonds in the principal amount of HK\$140,000,000 (the "TMCB1") which bear interest rate of 3% per annum as part of the consideration for the acquisition of 100% equity interest in the entire issued share capital of Gear World Development Limited. The TMCB1 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date on 31 August 2019 at a conversion price of HK\$0.30 per conversion share (subject to adjustment), and a maximum of 466,666,666 conversion shares can be issued. At 31 December 2019, the outstanding principal amount is HK\$140,000,000.

On 31 March 2017, the Company issued a zero-coupon convertible bonds in the principal amount of HK\$13,220,218 (the "QDCB2") as part of the consideration for the acquisition of 70% equity interest in the entire issued share capital of Million Fortune International Investment Limited. The QDCB2 are convertible into ordinary shares of the Company at any time between the date of issue and its maturity date at a conversion price of HK\$0.40 per conversion share (subject to adjustment), and a maximum of 33,050,045 conversion shares can be issued. At 31 December 2019, the outstanding principal amount is HK\$13,220,018.

26. 可換股債券

於二零一五年十月二十七日，本公司發行本金額為65,735,900港元之可換股債券，其按年利率4.5%計息（「二零一五年可換股債券」）。二零一五年可換股債券可於發行日期起計24個月內轉換為本公司普通股，轉換價為每股轉換股份0.265港元（可予調整），最多可發行248,060,000股轉換股份。於二零一九年十二月三十一日，未償還本金額為26,500,000港元。

於二零一五年十一月十日，本公司發行本金額為120,000,000港元之零票息可換股債券（「青島可換股債券一」），作為收購福億國際投資有限公司全部已發行股本之70%股權的部分代價。青島可換股債券一可於發行日期至到期日期間任何時間轉換為本公司普通股，轉換價為每股轉換股份0.40港元（可予調整），最多可發行300,000,000股轉換股份。於二零一九年十二月三十一日，未償還本金額為55,580,000港元。

於二零一六年九月六日，本公司發行本金額為140,000,000港元之可換股債券，其按年利率3%計息（「天馬通馳可換股債券一」），作為收購Gear World Development Limited全部已發行股本之100%股權的部分代價。天馬通馳可換股債券一可於發行日期至到期日（即二零一九年八月三十一日）期間任何時間轉換為本公司普通股，轉換價為每股轉換股份0.30港元（可予調整），最多可發行466,666,666股轉換股份。於二零一九年十二月三十一日，未償還本金額為140,000,000港元。

於二零一七年三月三十一日，本公司發行本金額為13,220,218港元之零票息可換股債券（「青島可換股債券二」），作為收購福億國際投資有限公司全部已發行股本之70%股權的部分代價。青島可換股債券二可於發行日期至到期日期間任何時間轉換為本公司普通股，轉換價為每股轉換股份0.40港元（可予調整），最多可發行33,050,045股轉換股份。於二零一九年十二月三十一日，未償還本金額為13,220,018港元。

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

26. CONVERTIBLE BONDS (cont'd)

The liability component of convertible bonds recognised at the end of the reporting period is analysed as follows:

		2015CB 二零一五年 可換股債券 HK\$'000 千港元	QDCB1 青島可換股 債券一 HK\$'000 千港元	QDCB2 青島可換股 債券二 HK\$'000 千港元	TMCB1 天馬通馳 可換股債券一 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Liability component	負債部分					
At 1 January 2018	於二零一八年一月一日	29,101	46,870	9,369	113,580	198,920
Interest charged	利息開支	1,192	8,711	1,548	22,180	33,631
At 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	30,293	55,581	10,917	135,760	232,551
Interest charged	利息開支	1,193	-	1,804	18,254	21,251
Liability component at 31 December 2019	於二零一九年 十二月三十一日之 負債部分	31,486	55,581	12,721	154,014	253,802
Portion classified as current liabilities	分類為流動負債的部分	(31,486)	(55,581)	(12,721)	(154,014)	(253,802)
Non-current portion	非流動部分	-	-	-	-	-

The interest charged for the year of 2015CB, QDCB1, QDCB2 and TMCB1 are calculated by applying an effective interest rate of 4.5%, 0%, 15.9% and 14.2% to the liability component respectively.

26. 可換股債券 (續)

於報告期末已確認之可換股債券之負債部分分析如下：

於二零一五年可換股債券、青島可換股債券一、青島可換股債券二及天馬通馳可換股債券一之年內利息開支乃就負債部分分別採用4.5%、0%、15.9%及14.2%的實際利率計算。

27. NON-CONVERTIBLE BONDS

The non-convertible bonds (the "Bonds") are redeemable at the discretion of the Company at 100% of the principal amount of such Bonds together with payment of interests accrued up to date of such early redemption by serving at least ten calendar days written notice at any time before the maturity date. The Bonds will be redeemed on the date immediately following twelve to twenty-four months after the first date of issue of the Bonds. The Bonds carry interest at a rate of 6% per annum, which is payable annually in arrears.

27. 不可換股債券

不可換股債券(「債券」)可由本公司酌情於到期日前任何時間送遞最少十個曆日之書面通知，贖回有關債券之100%本金額連同截至提早贖回日期累計之利息付款。債券將於緊隨債券發行首日後滿十二至二十四個月當日可贖回。債券按年利率6%計息，並須每年支付。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	90,500	90,352
Interest charged	利息開支	5,430	5,815
Interest payable classify to other payables	分類為其他應付款項的應付利息	(5,430)	(5,667)
At 31 December	於十二月三十一日	90,500	90,500

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

28. FINANCE LEASE PAYABLE

The Group leases certain of its motor vehicles. These leases are classified as finance leases and have remaining lease terms of 3 years. The effective borrowing rates were ranging from 6.4% to 7.3% per annum. The leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payment.

28. 應付融資租賃款項

本集團租賃若干汽車。該等租賃分類為融資租賃且餘下租期為3年。借款之實際年利率介乎6.4%至7.3%。租賃以固定還款為基準且並無就或然租金付款訂立安排。

		Minimum lease payments 最低租賃款項	Present value of minimum lease payments 最低租賃款項現值
		2018 二零一八年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within one year	一年內	93,875	97,929
In the second year	第二年	50,424	45,864
In the third to fifth years, inclusive	第三年至第五年（包括首尾兩年）	68,475	39,759
		212,774	183,552
Future finance charges	未來融資支出	(29,222)	N/A 不適用
Present value of lease obligations	租賃責任之現值	183,552	183,552
Less: Amount due for settlement within 12 months (shown under current liabilities)	減：於12個月內到期清償之款項（列入流動負債）		(97,929)
Non-current portion	非流動部分		85,623

29. SHARE CAPITAL

29. 股本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Issued and fully paid: 6,411,770,500 (2018: 6,411,770,500) ordinary shares	已發行及繳足： 6,411,770,500股 （二零一八年：6,411,770,500股） 普通股	3,178,754	3,178,754

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

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

a) Statement of financial position of the Company

30. 本公司之財務狀況表及儲備

a) 本公司之財務狀況表

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	1,826	1,826
		1,826	1,826
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	33,114	26,885
Borrowings	借貸	12,500	12,500
Convertible bonds	可換股債券	253,803	232,551
Non-convertible bonds	不可換股債券	90,500	90,500
		389,917	362,436
Net current liabilities	流動負債淨額	(388,091)	(360,610)
Total assets less current liabilities	總資產減流動負債	(388,091)	(360,610)
NET LIABILITIES	負債淨額	(388,091)	(360,610)
Capital and reserves	股本及儲備		
Share capital	股本	3,178,754	3,178,754
Reserves	儲備	(3,566,845)	(3,539,364)
TOTAL EQUITY	總權益	(388,091)	(360,610)

Approved by:

經董事批核：

Ji Kaiping
紀開平
Director
董事

Guo Peiyuan
郭培遠
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

30. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (cont'd)

b) Reserves of the Company

		Share-based payment reserve	Equity component of convertible bonds	Accumulated losses	Total
		以股份為 基礎付款之儲備	可換股債券之 權益部分	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	14,028	62,077	(3,574,709)	(3,498,604)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(40,760)	(40,760)
Lapsed of share options	購股權失效	(14,028)	-	14,028	-
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及於二零一九年一月一日	-	62,077	(3,601,441)	(3,539,364)
Total comprehensive loss for the year	年內全面虧損總額	-	-	(27,481)	(27,481)
At 31 December 2019	於二零一九年十二月三十一日	-	62,077	(3,628,922)	(3,566,845)

30. 本公司之財務狀況表及儲備 (續)

b) 本公司之儲備

c) Nature and purpose of reserves of the Group

(i) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to the eligible participants recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4 to the financial statements.

(ii) Equity component of convertible bonds

The equity component of convertible bonds represents the value of the unexercised equity component of convertible bonds issued by the Company recognised in accordance with the accounting policy adopted for convertible bonds in note 4 to the financial statements.

(iii) Foreign currency translation reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4 to the financial statements.

c) 本集團儲備之性質及目的

(i) 以股份為基礎付款之儲備

以股份為基礎付款之儲備指根據財務報表附註4就以權益結算並以股份為基礎之付款所採納會計政策，向合資格參與人士已授出但尚未行使之購股權實際或估計數目確認之公平值。

(ii) 可換股債券之權益部分

可換股債券之權益部分指本公司所發行可換股債券之未行使權益部分之價值，其已按照財務報表附註4所載就可換股債券採納之會計政策確認。

(iii) 外幣換算儲備

匯兌儲備包括因換算海外業務財務報表所產生之所有匯兌差額。儲備根據財務報表附註4所載之會計政策處理。

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

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

a) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

31. 綜合現金流量表附註

a) 融資活動產生的負債變動

下表載列本集團年內融資活動產生的負債變動：

		Borrowings	Convertible bonds	Non-convertible bonds	Finance lease payable/ Lease liabilities	Total liabilities from financing activities
		借貸	可換股債券	不可換股債券	應付融資租賃款項／租賃負債	融資活動產生的負債總額
		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
At 1 January 2018	於二零一八年一月一日	167,240	198,920	90,352	190,582	647,094
Changes in cash flows	現金流量之變動	-	-	-	(18,012)	(18,012)
Non-cash changes	非現金之變動					
- interest charged	- 利息開支	130	33,631	5,815	12,131	51,707
- interest paid or payable	- 分類為其他應付款項的					
classify to other payables	已付或應付利息	-	-	(5,667)	-	(5,667)
- exchange difference	- 匯兌差額	(8,335)	-	-	(1,149)	(9,484)
At 31 December 2018	於二零一八年十二月三十一日	159,035	232,551	90,500	183,552	665,638
Adoption of HKFRS 16	採納香港財務報告準則第16號	-	-	-	2,415	2,415
At 1 January 2019	於二零一九年一月一日	159,035	232,551	90,500	185,967	668,053
Changes in cash flows	現金流量之變動	7,079	-	-	(26,235)	(19,156)
Non-cash changes	非現金之變動					
- additions	- 添置	-	-	-	13,537	13,537
- interest charged	- 利息開支	467	21,251	5,430	11,142	38,290
- interest paid or payable	- 分類為其他應付款項的					
classify to other payables	已付或應付利息	-	-	(5,430)	(1,447)	(6,877)
- deemed acquisition of a subsidiary	- 視為收購一間附屬公司	2,372	-	-	1,324	3,696
- exchange difference	- 匯兌差額	(2,586)	-	-	(3,080)	(5,666)
At 31 December 2019	於二零一九年十二月三十一日	166,367	253,802	90,500	181,208	691,877

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

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

b) Deemed acquisition of a subsidiary

On 1 September 2019, control of an associate, 北京天馬通馳旅遊客運有限公司, was transferred to the Company for no consideration.

31. 綜合現金流量表附註(續)

b) 視為收購一間附屬公司

於二零一九年九月一日，一間聯營公司北京天馬通馳旅遊客運有限公司之控制權已無償轉讓予本公司。

		HK\$'000 千港元
Consideration: Fair value of the associate	代價：聯營公司之公平值	—
Fair value of the identifiable assets and liabilities as at the date of acquisition:	可識別資產及負債於收購日期之公平值：	
Property, plant and equipment	物業、廠房及設備	37,911
Deferred tax asset	遞延稅項資產	8,286
Intangible assets	無形資產	329
Right-of-use assets	使用權資產	460
Trade receivable	應收貿易款	20,577
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	3,719
Bank and cash balances	銀行及現金結存	1,331
Lease liabilities	租賃負債	(1,324)
Other payables and accruals	其他應付款項及應計費用	(137,502)
Borrowings	借貸	(2,372)
		(68,585)
LESS: Non-controlling interest of the subsidiary (51%)	減：附屬公司之非控股權益(51%)	(34,978)
Goodwill	商譽	33,607

北京天馬通馳旅遊客運有限公司 contributed approximately HK\$56,728,000 and HK\$15,015,000 to the Group's revenue and profit for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2019, total Group revenue for the year would have been HK\$178,145,000, and profit for the year would have been HK\$67,368,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2019, nor is intended to be a projection of future results.

於收購日期起至報告期末期間，北京天馬通馳旅遊客運有限公司向本集團之收益及年內溢利分別貢獻約56,728,000港元及15,015,000港元。

倘收購事項已於二零一九年一月一日完成，本集團之年內總收益將為178,145,000港元及年內溢利將為67,368,000港元。備考資料僅作說明用途，未必表示倘收購事項已於二零一九年一月一日完成而本集團實際將可達致之收益及經營業績，亦不擬作未來業績之預測。

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

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)

c) Disposal of subsidiaries

On 24 July 2019, the Company entered into agreements with independent third parties to dispose of its interests in certain subsidiaries.

Net assets at the date of disposal were as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	4,842
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	634
Bank and cash balances	銀行及現金結存	925
Trade payables	應付貿易款	(38,266)
Other payables	其他應付款項	(41,452)
Tax payable	應付稅項	(19,700)
Net liabilities disposed	已出售之負債淨額	(93,017)
Release of foreign currency translation reserve	撥回外幣換算儲備	724
Non-controlling interests	非控股權益	(224)
Gain on disposal of subsidiaries	出售附屬公司之收益	(100,212)
Total consideration – satisfied by cash	總代價—以現金支付	7,695
Net cash inflow arising on disposal:	出售時產生之現金流入淨額：	
Cash consideration received	已收現金代價	5,187
Cash and cash equivalents disposed of	已出售之現金及等同現金項目	(925)
		4,262

31. 綜合現金流量表附註(續)

c) 出售附屬公司

於二零一九年七月二十四日，本公司與獨立第三方訂立協議以出售其於若干附屬公司之權益。

於出售日期之資產淨值如下：

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

32. CONTINGENT LIABILITIES

At the end of the reporting period, contingent liabilities not provided for in the consolidated financial statements were as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Indemnity related to a former subsidiary (note 33)	與前附屬公司有關之彌償 (附註33)	6,817	6,920

At the end of the reporting period, the Directors do not consider it probable that a claim will be made against the Group under the above possible claim.

33. PENDING LITIGATIONS

At the end of the reporting period, the Group had the following pending litigations:

- (a) In September 2004, a Writ of Summons was served on the Company by an individual third party demanding immediate repayment of borrowings of approximately HK\$1,600,000 together with the interest thereon. As the Company had never borrowed money from that individual third party, the Directors were of the opinion that the Company had no obligation to pay the demanded amount. In January 2005, an amended Writ of Summons was served on the Company by the lender of the Group to clarify that the individual third party acted as an agent of the lender. The Directors instructed the lawyer of the Company to handle this matter. The loan advanced by the lender of HK\$1,523,000 together with interest and penalty of HK\$1,149,000, totaling of approximately HK\$2,672,000, were accrued in the financial statements (included in other borrowings and other payables and accruals respectively) and has not yet been settled as at 31 December 2019.

The Court has granted an order to adjourn sine die the plaintiffs' application to set down this case on 15 March 2006. That is to say, the lender and its agent have temporarily withheld the proceedings against the Company. This claim has not been settled up to the date of approval of these consolidated financial statements.

32. 或然負債

於報告期末，綜合財務報表內尚未計提撥備之或然負債如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
		6,817	6,920

於報告期末，董事認為，本集團不可能基於上述可能索償而遭提出任何申索。

33. 尚未了結訴訟

於報告期末，本集團有以下訴訟尚未了結：

- (a) 二零零四年九月，一名個人第三方向本公司發出傳票，要求即時償還約1,600,000港元之借貸及相關利息。由於本公司從未向該名個人第三方借入任何款項，因此董事認為本公司毋須支付所要求償還之款項。於二零零五年一月，本集團的貸款人向本公司發出經修訂的傳票，澄清該個人第三方為貸款人之代理。董事已指示本公司律師處理相關事宜。貸款人所提供1,523,000港元之貸款連同利息及罰款總額1,149,000港元，合計約2,672,000港元，已於財務報表累計，且分別計入其他借貸以及其他應付款項及應計費用，惟於二零一九年十二月三十一日尚未償還。

法院已於二零零六年三月十五日發出指令，無限期押後與訟人的訴訟申請，即貸款人及其代理已暫停對本公司的訴訟。截至該等綜合財務報表批准日期，此索償仍未了結。

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

33. PENDING LITIGATIONS (cont'd)

- (b) According to an agreement entered into by the Company, two of its subsidiaries and two independent third parties in February 2003, the Group disposed of a subsidiary, World Giant Limited ("World Giant"), a company engaged in property investment in the PRC. In this connection, the Company has undertaken to indemnify World Giant for, among others, any increase in the liabilities of World Giant as a result of any claim for taxation arising from any transactions effected on or before the completion date of the disposal. In October 2004, World Giant received a payment request from the PRC tax authority in respect of PRC property taxes relating to the property held by World Giant, including the late payment surcharge levied by the tax authority, of which approximately an amount of RMB6,100,000 related to transactions on or before the completion date. The existing management of World Giant had indicated to the Directors that the amount in respect of transactions on or before the completion date should be paid by the Company.

In February 2005, a Writ of Summons was served on the Company demanding the payment of approximately RMB6,100,000. However, such amounts were covered by the amount accrued in the financial statements of World Giant at the time of disposal.

Accordingly, in the opinion of the Directors and having obtained an opinion from the Company's lawyer, the Group has no obligation to pay the above taxes. Because of the uncertainty of the outcome of this matter, the amount involved of approximately RMB6,100,000, equivalent to approximately HK\$6,817,000 (31 December 2018: HK\$6,920,000), has been shown as contingent liabilities in note 32 to the consolidated financial statements.

The Writ of Summons was served on the Company in February 2005. The Company has not received further claims from the plaintiff up to the date of approval of these consolidated financial statements.

33. 尚未了結訴訟(續)

- (b) 根據本公司、本公司兩間附屬公司及兩名獨立第三方於二零零三年二月訂立的協議，本集團出售一間在中國從事物業投資的附屬公司華專有限公司（「華專」）。本公司就此向華專承諾作出彌償保證，其中包括為華專由於出售完成日期或之前所進行交易而產生之任何稅務申索，導致華專因而增加的負債向華專作出彌償。於二零零四年十月，華專接獲中國稅務當局就華專所持有物業的中國物業稅發出繳款通知，包括稅務當局徵收的拖欠罰款，其中約人民幣6,100,000元稅款與完成日期或之前的交易有關。華專現時的管理層已向董事表示，有關完成日期或之前交易的稅款應由本公司支付。

於二零零五年二月，本公司接獲要求支付約人民幣6,100,000元的傳票。然而，有關數額已於出售時以華專財務報表累計之款項彌補。

因此，董事認為（亦已徵詢本公司律師意見）本集團並無支付上述稅項之責任。由於此事宜之結果尚未肯定，因此所涉及約人民幣6,100,000元之款項（相當於約6,817,000港元，二零一八年十二月三十一日：6,920,000港元）已列為綜合財務報表附註32所載的或然負債。

本公司於二零零五年二月接獲上述傳票。截至該等綜合財務報表批准日期，本公司未再接獲與訟人其他索償。

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

33. PENDING LITIGATIONS (cont'd)

- (c) In 2014, five customers of 中航國金商品現貨交易中心(青島)有限公司("AVIC Guojin") have taken civil actions against AVIC Guojin in the court in Qingdao claiming the contracts of trading precious metals on the platform of AVIC Guojin being invalid and recovery of the related losses totalling approximately RMB11,000,000, equivalent to approximately HK\$13,131,000. In April 2015, the court in Qingdao handed down the judgment in favour of AVIC Guojin in one of the five cases and the successors of the deceased plaintiff in that case appealed against the judgment in May 2015. The court suspended the proceedings of the other four civil actions pending the results of the first case.

In May 2015, two customers of AVIC Guojin have taken civil actions against AVIC Guojin, Qingdao Xinshiyuan Precious Metal Limited (青島鑫世源貴金屬有限公司), and Qingdao Chengyang Sub-branch of China Construction Bank Corporation (中國建設銀行股份有限公司青島城陽支行) in court in Qingdao claiming the contracts of trading precious metals on the platform of AVIC Guojin being invalid and recovery of the related losses totalling approximately RMB1,600,000, equivalent to approximately HK\$1,910,000. The hearing of the case is still in progress and the court has not handed down the judgment as at the date of this report.

Having considered the foregoing judgment in April 2015 by the court in favour of the AVIC Guojin and taken the legal advice, the existing management of AVIC Guojin had indicated to the Directors that it is not probable that material loss will be suffered by AVIC Guojin. Therefore, no provision has been made for the above claims.

33. 尚未了結訴訟(續)

- (c) 於二零一四年，中航國金商品現貨交易中心(青島)有限公司(「中航國金」)五名客戶於青島法院針對中航國金提出民事訴訟，聲稱於中航國金平台買賣貴金屬之合約為無效及要求收回相關損失合共約人民幣11,000,000元(相當於約13,131,000港元)。於二零一五年四月，青島法院就五個案件中的一個案件發出判決，判中航國金勝訴而已故原告之繼任者於二零一五年五月對判決上訴。法院暫停其他四個民事訴訟的程序，以待第一個案件之結果。

於二零一五年五月，中航國金兩名客戶針對中航國金、青島鑫世源貴金屬有限公司及中國建設銀行股份有限公司青島城陽支行提出民事訴訟，於青島法院聲稱於中航國金平台買賣貴金屬之合約為無效及要求收回相關損失合共約人民幣1,600,000元(相當於約1,910,000港元)。該案件之聆訊仍在進行中，法院於本報告日期並未頒下判決。

考慮到前述二零一五年四月法院所作之中航國金勝訴之判決，及根據法律意見，中航國金現任管理層已向董事表示，中航國金將承受重大損失之可能性很小。因此，並無就前述申索計提撥備。

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

33. PENDING LITIGATIONS (cont'd)

- (d) On 24 June 2015, First Concept Industrial Group Limited (“First Concept”) served a notice of arbitration (the “Notice”) on SouthGobi Sands LLC (“SGS”), being a wholly owned subsidiary of SouthGobi Resources Ltd. In the Notice, First Concept sought the Advanced Payment from SGS, according to a coal supply agreement dated 19 May 2014 between First Concept and SGS, representing the prepayment amount advanced by First Concept for the supply of coking coal by SGS to First Concept under such agreement. The arbitral proceedings are deemed to have commenced on 24 June 2015, as the date when the respondent received the Notice. As at the date of this report, the arbitral proceedings are in progress.

First Concept paid in advance to SGS for purchasing coals from SGS. However, SGS supplied and First Concept collected zero tonne of coal in the contracted period. As such, SGS refused to repay the Advanced Payment to First Concept. It is justified for First Concept to recover the Advanced Payment from SGS by legal action, and First Concept proceeded accordingly as mentioned above.

SGS has been ordered to pay the sum of US\$11.5 million (which SGS had received as a prepayment for the purchase of coal) to First Concept pursuant to an arbitration award dated 4 January 2018 (“Partial Award”).

First Concept and SGS entered into a deed of settlement on 16 November 2018 (“Settlement Deed”), pursuant to which First Concept has agreed to accept the sum of US\$14,282,070 as full and final satisfaction of the sums payable according to the Partial Award. Under the Settlement Deed, SGS shall pay the sum of US\$14,282,070 to First Concept in 12 monthly instalments with the last instalment payable on or before 30 September 2019. First Concept was disposed of during the current reporting period.

33. 尚未了結訴訟 (續)

- (d) 於二零一五年六月二十四日，創先實業集團有限公司（「創先」）向南戈壁資源有限公司之全資附屬公司SouthGobi Sands LLC（「SGS」）發出仲裁通知書（「通知書」）。通知書內，創先根據煤炭供應協議（創先與SGS於二零一四年五月十九日訂立）尋求SGS預付款項，即創先根據有關協議墊付的預付款項以獲得SGS向其供應之焦煤。仲裁程序被視為於二零一五年六月二十四日答辯人接獲通知書時開始。於本報告日期，仲裁程序仍在進行中。

創先就向SGS購買焦煤提前付款。然而，於合約期內，SGS及創先分別概無供應及收取任何焦煤。因此，SGS拒絕向創先償還預付款項。創先透過法律行動向SGS收回預付款項屬合理之舉，而創先亦如上述採取行動。

根據日期為二零一八年一月四日的仲裁裁決（「部分裁決」），SGS被判令向創先償還11,500,000美元（即SGS已收取作為購買煤炭之預付款項）。

創先與SGS於二零一八年十一月十六日訂立和解契據（「和解契據」），據此，創先已同意接受金額為14,282,070美元之款項，以全面及最終履行根據部分裁決之付款責任。根據和解契據，SGS須按12個月分期向創先支付金額為14,282,070美元之款項，而最後一期則須於二零一九年九月三十日或之前支付。創先已於本報告期內被出售。

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

33. PENDING LITIGATIONS (cont'd)

- (e) On 15 January 2016, 北京市密雲縣勞動人事爭議仲裁院 (the Labour Dispute Arbitration Committee of Miyun County, Beijing City*) ruled that TMTC Rental shall pay a compensation amount of RMB560,727 to the applicants in respect of an employee's death caused during the course of the employment and TMTC Rental shall also pay the applicants a dependant pension on a monthly basis. TMTC Rental has made an appeal against the arbitration decision to the People's Court of Miyun County, Beijing City which was rejected on 27 June 2016. TMTC Rental had settled the compensation amount on 13 October 2016.
- (f) On 31 January 2019, the Company, First Concept and NUR Clean Energy Investment Limited ("NUR Clean") (wholly-owned subsidiaries of the Company) issued a writ of summons in the High Court of the Hong Kong Special Administrative Region against 9 defendants for (i) breach of fiduciary/director/employee/contractual duties; (ii) conspiracy; (iii) dishonest assistance; (iv) fraud; and (v) breach of contract. The defendants are Mr. Li Tao, Mr. Yang Fan (former director and chairman of the Company), Mr. Li Hui (former director of the Company, First Concept and NUR Clean), Mr. Feng Tao (former director and deputy general manager of First Concept), Mr. Chan Chon Hong (former employee of First Concept), Sincere Logistics Limited, China Wish Limited, Sino King Trading (HK) Co., Limited, and Huge Power Co., Ltd. First Concept was disposed of during the current reporting period.

33. 尚未了結訴訟 (續)

- (e) 於二零一六年一月十五日，北京市密雲縣勞動人事爭議仲裁院裁定，天馬通馳租賃就僱員於受聘期間死亡，須向申請人賠償人民幣560,727元且天馬通馳租賃亦須向申請人每月支付遺屬撫恤金。天馬通馳租賃已向北京市密雲縣人民法院提出上訴，推翻有關裁決，該上訴於二零一六年六月二十七日遭到拒絕。於二零一六年十月十三日，天馬通馳租賃已償清賠償金額。
- (f) 於二零一九年一月三十一日，本公司、創先及國家聯合資源清潔能源投資有限公司（「國家聯合資源清潔」）（本公司之全資附屬公司）就9名被告人(i)違反受信／董事／僱員／合約責任；(ii)串謀；(iii)不誠實協助；(iv)欺詐；及(v)違約於香港特別行政區高等法院發出傳訊令狀。被告人為李濤先生、楊凡先生（本公司前董事兼主席）、李輝先生（本公司、創先及國家聯合資源清潔前任董事）、馮濤先生（創先前任董事兼副總經理）、陳俊雄先生（創先前僱員）、友誠物流有限公司、漢志有限公司、中金貿易（香港）有限公司及泰力有限公司。創先已於本報告期內被出售。

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

34. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions and balances with related parties during the year:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Car rental service income received from an associate 自一間聯營公司收取的汽車租賃服務收入	25,345	53,576
Amount due to a related party 應付一名關聯方款項	2,911	-

The Company received car rental service income of approximately HK\$9,084,000 from third parties through an application operated by the related party during the year ended 31 December 2019 and as at 31 December 2019 has a trade receivable of approximately HK\$10,864,000 from third parties through an application operated by the related party. Two directors of the Company, Ji Kaiping and Guo Peiyuan, have control over the related party.

截至二零一九年十二月三十一日止年度，本公司透過關聯方營運之應用程式向第三方收取汽車租賃服務收入約9,084,000港元，而於二零一九年十二月三十一日，本公司透過關聯方營運之應用程式有應收第三方之應收貿易款約10,864,000港元。本公司兩名董事紀開平及郭培遠擁有該關聯方之控制權。

- (b) Compensation of key management personnel of the Group:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short term employee benefits 短期僱員福利	715	1,379
Equity-settled share option expenses 以權益結算購股權開支	-	-
Retirement benefit scheme contributions 退休福利計劃供款	-	-
Total compensation paid to key management personnel 支予主要管理人員之酬金總額	715	1,379

Further details of directors' emoluments are included in note 12 to the consolidated financial statements.

董事酬金進一步詳情載於綜合財務報表附註12。

34. 關聯方交易

- (a) 除該等綜合財務報表其他章節所披露之交易外，本集團於年內與關聯方有下列交易及結存：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Car rental service income received from an associate 自一間聯營公司收取的汽車租賃服務收入	25,345	53,576
Amount due to a related party 應付一名關聯方款項	2,911	-

截至二零一九年十二月三十一日止年度，本公司透過關聯方營運之應用程式向第三方收取汽車租賃服務收入約9,084,000港元，而於二零一九年十二月三十一日，本公司透過關聯方營運之應用程式有應收第三方之應收貿易款約10,864,000港元。本公司兩名董事紀開平及郭培遠擁有該關聯方之控制權。

- (b) 本集團主要管理人員酬金：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short term employee benefits 短期僱員福利	715	1,379
Equity-settled share option expenses 以權益結算購股權開支	-	-
Retirement benefit scheme contributions 退休福利計劃供款	-	-
Total compensation paid to key management personnel 支予主要管理人員之酬金總額	715	1,379

董事酬金進一步詳情載於綜合財務報表附註12。

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

35. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of consolidated financial instruments as at the end of the reporting period are as follows:

Financial assets

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及等同現金項目)		
Trade receivables	應收貿易款	41,847	558
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之金融資產	46,680	124,596
Bank and cash balances	銀行及現金結存	3,309	1,119
		91,836	126,273

Financial liabilities

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities at amortised cost	按攤銷成本計量之金融負債		
Trade payables	應付貿易款	320	38,590
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用之金融負債	246,666	202,580
Borrowings	借貸	166,367	159,035
Convertible bonds	可換股債券	253,802	232,551
Non-convertible bonds	不可換股債券	90,500	90,500
		757,655	723,256

35. 按類別劃分之金融工具

各類別綜合金融工具於報告期末之賬面值如下：

金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計量之金融資產 (包括現金及等同現金項目)		
Trade receivables	應收貿易款	41,847	558
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項之金融資產	46,680	124,596
Bank and cash balances	銀行及現金結存	3,309	1,119
		91,836	126,273

金融負債

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Financial liabilities at amortised cost	按攤銷成本計量之金融負債		
Trade payables	應付貿易款	320	38,590
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用之金融負債	246,666	202,580
Borrowings	借貸	166,367	159,035
Convertible bonds	可換股債券	253,802	232,551
Non-convertible bonds	不可換股債券	90,500	90,500
		757,655	723,256

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks including foreign currency risk, credit risk, interest rate risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

Foreign exchange risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Interest rate risk

The Group has no material exposures to interest rate risk in relation to interest-bearing assets and liabilities of the Group as the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

The Group is exposed to credit risk mainly in relation to its trade and other receivables, cash deposits with banks and maximum exposure of credit risk is equal to the carrying amounts of these financial assets. Cash and bank transactions counterparties are limited to financial institutions with good credit rating assigned by international credit-rating agencies.

At the end of the reporting period, the Group had certain concentration of credit risk as approximately 34% (2018: 55%) of the Group's trade receivables were due from the Group's largest trade debtor. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group reviews the recoverable amount of the trade and other receivables on a regular basis and provision for doubtful debts is made in accordance with the Group's policies. In addition, the Management reviews the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Management consider that the Group's credit risk is significantly reduced.

36. 財務風險管理目標及政策

本集團之業務承受各種財務風險，包括外匯風險、信貸風險、利率風險及流動資金風險。本集團之整體風險管理計劃針對金融市場之難以預測特性，並尋求將對本集團之財務表現產生之潛在不利影響減至最低。

(a) 市場風險

匯兌風險

由於大部分業務交易、資產及負債主要以本集團實體的功能貨幣計值，故本集團面對的匯兌風險極低。本集團目前並無就外幣交易、資產及負債設定外幣對沖政策。本集團將密切監察其匯兌風險，並將於有需要時考慮對沖重大外幣風險。

利率風險

本集團並無與本集團計息資產及負債有關之重大利率風險，因為本集團的收入及經營現金流量基本與市場利率變動無關。

(b) 信貸風險

本集團主要因應收貿易款及其他應收款項及銀行現金存款而承受信貸風險，而承受的最大信貸風險相等於該等金融資產之賬面值。現金及銀行交易的對手方限於獲國際信貸評級機構給予良好信貸評級之金融機構。

於報告期末，本集團因應收本集團最大欠債人約34%（二零一八年：55%）之應收貿易款而面對若干集中信貸風險。本集團已制定政策，以確保向具備合適信貸記錄之客戶出售產品。本集團定期檢討應收貿易款及其他應收款項之可收回金額，並根據本集團政策就呆賬作出撥備。此外，管理層定期審閱各個別貿易債項之可收回金額，確保為不可收回債項確認充分減值虧損。就此而言，管理層認為，本集團之信貸風險已大幅減少。

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Credit risk (cont'd)

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same borrower;
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

A significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 60 days of when they fall due.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group normally categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 360 days past due. Where loans or receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

The Group uses two categories for non-trade receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

36. 財務風險管理目標及政策 (續)

(b) 信貸風險 (續)

本集團通過比較報告日期發生的違約風險與初始確認日期的違約風險，考慮金融資產的信貸風險有否於各報告期按持續基準大幅增加。本集團會考慮可獲得之合理且支持性的前瞻性資料。特別是以下資料已獲使用：

- 預期會導致借款人履行其責任能力發生重大變化的業務、財務或經濟狀況的實際或預期重大不利變化；
- 借款人經營業績的實際或預期重大變化；
- 同一借款人的其他金融工具的信貸風險大幅增加；
- 借款人的預期業績和行為發生重大變化，包括借款人付款狀況的變化。

倘債務人於逾期後超過30日未能履行合約付款，則認為信貸風險大幅增加。金融資產違約指交易對手未能在到期後60日內履行合約付款。

金融資產於合理預期無法收回（例如債務人無法與本集團達成還款計劃）時撇銷。倘債務人於逾期後超過360日未能履行合約付款，本集團通常會撇銷有關貸款或應收款項。倘貸款或應收款項獲撇銷，則本集團（在實際可行及符合經濟效益之情況下）繼續採取強制行動試圖收回到期應收款項。

本集團將非貿易應收款項分為兩類，以反映各類別之信貸風險及貸款虧損撥備方式。計算預期信貸虧損率時，本集團考慮各類別之歷史虧損比率，並就前瞻性數據作出調整。

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd) 36. 財務風險管理目標及政策 (續)

(b) Credit risk (cont'd) (b) 信貸風險 (續)

Category 類別	Definition 定義	Loss provision 虧損撥備
Performing 履約	Low risk of default and strong capacity to pay 違約風險低，付款能力強	12 month expected losses 12個月預期虧損
Non-performing 不履約	Significant increase in credit risk 信貸風險大幅增加	Lifetime expected losses 全期預期虧損

All of these receivables are considered to have low risk and under the "Performing" category because they have a low risk of default and have strong ability to meet their obligations.

由於該等應收款項之違約風險低且履行其責任之能力強，故全部被視為具有低風險及呈列於「履約」類別下。

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

(c) 流動資金風險

本集團之政策為定期監察目前及預期之流動資金需求，從而確保本集團維持足夠現金儲備以應付其短期及長期的流動資金需求。

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

本集團按已訂約未貼現付款計算於報告期末之金融負債到期狀況如下：

At 31 December 2019	於二零一九年十二月三十一日	On demand or within 1 year 應要求或一年內	1-2 years 一至二年	2-5 years 二至五年	Over 5 years 五年以上	Total 總計
		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
Trade payables	應付貿易款	320	-	-	-	320
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用 之金融負債	246,666	-	-	-	246,666
Borrowings	借貸	166,862	-	-	-	166,862
Lease liabilities	租賃負債	142,949	35,222	6,394	2,520	187,085
Convertible bonds	可換股債券	254,301	-	-	-	254,301
Non-convertible bonds	不可換股債券	90,500	-	-	-	90,500
		901,598	35,222	6,394	2,520	945,734

At 31 December 2018	於二零一八年十二月三十一日	On demand or within 1 year 應要求或一年內	1-2 years 一至二年	2-5 years 二至五年	Over 5 years 五年以上	Total 總計
		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
Trade payables	應付貿易款	38,590	-	-	-	38,590
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用 之金融負債	202,580	-	-	-	202,580
Borrowings	借貸	168,900	-	-	-	168,900
Finance lease payables	應付融資租賃款項	93,875	50,424	68,475	-	212,774
Convertible bonds	可換股債券	84,468	152,600	-	-	237,068
Non-convertible bonds	不可換股債券	95,000	-	-	-	95,000
		683,413	203,024	68,475	-	954,912

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

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain sufficient capital in order to support its business and maximise shareholders' value.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the years ended 31 December 2019 and 2018.

The Group monitors capital on the basis of gearing ratio, which is calculated as borrowings (including lease liabilities/finance lease payables) over the amount of total assets. The Group's strategy is to maintain the gearing ratio at an appropriate level. The gearing ratio as at 31 December 2019 was 184.61% (2018: 182.22%).

37. EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcements of the Company dated 18 September 2019, 5 November 2019, 25 November 2019, 31 January 2020, 19 February 2020, 27 February 2020, 31 March 2020, 2 April 2020 and 29 April 2020 relating to, among others, the update of suspension of trading in the Shares on the Stock Exchange.

Following the Listing Review Committee Hearing on 15 January 2020, the Listing Review Committee requested the Company to provide further information by submitting a written submission and invited the Company and the Listing Division to a further hearing. The Company has submitted the written submission on 4 March 2020. The further hearing, which was previously scheduled on 31 March 2020, has been postponed by the Listing Review Committee.

38. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 13 July 2020.

36. 財務風險管理目標及政策 (續)

(d) 資本管理

本集團資本管理之主要目標乃保障本集團能持續經營，並維持充分資本，以支持其業務及盡量提高股東價值。

本集團管理其資本架構，並因應經濟狀況之變動及相關資產風險特徵作出調整。在保持或調整其資本架構時，本集團或會調整派付予股東之股息金額、向股東退回資本、發行新股份或出售資產以減低債務。截至二零一九年及二零一八年十二月三十一日止年度，其目標、政策及程序並無變動。

本集團以資產負債比率（借貸（包括租賃負債／應付融資租賃款項）除以資產總值金額）監察資本。本集團之策略乃使資產負債比率維持於合適水平。於二零一九年十二月三十一日，資產負債比率為184.61%（二零一八年：182.22%）。

37. 報告期後事項

謹此提述本公司日期為二零一九年九月十八日、二零一九年十一月五日、二零一九年十一月二十五日、二零二零年一月三十一日、二零二零年二月十九日、二零二零年二月二十七日、二零二零年三月三十一日、二零二零年四月二日及二零二零年四月二十九日有關（其中包括）股份於聯交所停牌最新情況之公佈。

於二零二零年一月十五日舉行上市覆核委員會聆訊後，上市覆核委員會要求本公司透過提交書面陳詞提供進一步資料，並邀請本公司及上市科出席進一步聆訊。本公司已於二零二零年三月四日提交書面陳詞。原訂於二零二零年三月三十一日舉行之進一步聆訊已獲上市覆核委員會延期。

38. 批准財務報表

財務報表已於二零二零年七月十三日獲董事會批准及授權刊發。

Five-Year Financial Summary

五年財務概要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

本集團過去五個財政年度之業績及資產及負債概要（摘錄自己刊發經審核財務報表及經重新分類（如適合））列載如下。

		For the year ended 31 December 截至十二月三十一日止年度				
RESULTS	業績	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Revenue	收益	97,767	54,697	58,566	51,737	77,818
Profit/(loss) before tax	除稅前溢利／（虧損）	72,264	(15,308)	(137,171)	(1,456,584)	(131,399)
Income tax	所得稅	(2,899)	-	-	14,135	(1,968)
Profit/(loss) for the year	年內溢利／（虧損）	69,365	(15,308)	(137,171)	(1,442,449)	(133,367)
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	61,556	(14,673)	(131,036)	(1,438,382)	(132,674)
Non-controlling interests	非控股權益	7,809	(635)	(6,135)	(4,067)	(693)
		69,365	(15,308)	(137,171)	(1,442,449)	(133,367)
		At 31 December 於十二月三十一日				
ASSETS AND LIABILITIES	資產及負債	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Non-current assets	非流動資產	252,865	168,491	189,355	165,341	777,486
Current assets	流動資產	129,085	196,795	172,464	303,223	1,105,287
Current liabilities	流動負債	(903,916)	(879,051)	(819,876)	(526,357)	(655,106)
Non-current liabilities	非流動負債	(41,808)	(85,623)	(137,298)	(396,905)	(342,656)
Net (liabilities)/assets	（負債）／資產淨值	(563,774)	(599,388)	(595,355)	(454,698)	885,011
Attributable to:	應佔：					
Owners of the Company	本公司擁有人	(535,621)	(599,404)	(596,356)	(461,646)	849,026
Non-controlling interests	非控股權益	(28,153)	16	1,001	6,948	35,985
Total equity	總權益	(563,774)	(599,388)	(595,355)	(454,698)	885,011

