

CROSSTEC Group Holdings Limited 易緯集團控股有限公司

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)
Stock Code 股份代號：3893

2020 annual report 年度報告



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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Lee Wai Sang (*Chairman & Chief Executive Officer*)
Mr. Lau King Lok
Mr. Leung Pak Yin

Independent Non-executive Directors

Mr. So Chi Hang
Mr. Heng Ching Kuen Franklin
Mr. Shing Wai Yip

AUDIT COMMITTEE

Mr. So Chi Hang (*Chairman*)
Mr. Heng Ching Kuen Franklin
Mr. Shing Wai Yip

REMUNERATION COMMITTEE

Mr. So Chi Hang (*Chairman*)
Mr. Lee Wai Sang
Mr. Heng Ching Kuen Franklin

NOMINATION COMMITTEE

Mr. Lee Wai Sang (*Chairman*)
Mr. So Chi Hang
Mr. Heng Ching Kuen Franklin

RISK MANAGEMENT COMMITTEE

Mr. Heng Ching Kuen Franklin (*Chairman*)
Mr. So Chi Hang
Mr. Lau King Lok

COMPANY SECRETARY

Mr. Lau King Lok

AUTHORISED REPRESENTATIVES

(for the purpose of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"))
Mr. Lee Wai Sang
Mr. Lau King Lok

董事會

執行董事

李偉生先生 (*主席兼行政總裁*)
劉敬樂先生
梁伯然先生

獨立非執行董事

蘇智恒先生
幸正權先生
成偉業先生

審核委員會

蘇智恒先生 (*主席*)
幸正權先生
成偉業先生

薪酬委員會

蘇智恒先生 (*主席*)
李偉生先生
幸正權先生

提名委員會

李偉生先生 (*主席*)
蘇智恒先生
幸正權先生

風險管理委員會

幸正權先生 (*主席*)
蘇智恒先生
劉敬樂先生

公司秘書

劉敬樂先生

授權代表

(就香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)而言)
李偉生先生
劉敬樂先生

Corporate Information

公司資料

PRINCIPAL BANKERS

HSBC

1 Queen's Road Central
Hong Kong

Bank of China (Hong Kong) Limited

1 Garden Road
Central
Hong Kong

Hang Seng Bank

83 Des Voeux Road Central
Central
Hong Kong

REGISTERED OFFICE

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

HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

20th Floor
625 King's Road
North Point
Hong Kong

LEGAL ADVISORS

As to Hong Kong Law:

Wilson Sonsini Goodrich & Rosati
Suite 1509, 15/F, Jardine House
1 Connaught Place
Central
Hong Kong

As to Cayman Islands Law:

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

主要往來銀行

滙豐銀行

香港
皇后大道中1號

中國銀行(香港)有限公司

香港
中環
花園道1號

恒生銀行

香港
中環
德輔道中83號

註冊辦事處

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

總部及香港主要營業地點

香港
北角
英皇道625號
20樓

法律顧問

香港法律：

威爾遜•桑西尼•古奇•羅沙迪律師事務所
香港
中環
康樂廣場1號
怡和大廈15樓1509室

開曼群島法律：

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Corporate Information

公司資料

INDEPENDENT AUDITOR

BDO Limited
25th Floor
Wing On Centre
111 Connaught Road Central
Hong Kong

獨立核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中111號
永安中心
25樓

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited
P. O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

開曼群島股份過戶登記總處

Ocorian Trust (Cayman) Limited
P. O. Box 1350
Clifton House
75 Fort Street
Grand Cayman KY1-1108
Cayman Islands

HONG KONG SHARE REGISTRAR

Tricor Investor Services Limited
Level 54
Hopewell Centre
183 Queen's Road East
Hong Kong

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
54樓

COMPANY WEBSITE

www.crosstec.com.hk

公司網址

www.crosstec.com.hk

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

上市地點

香港聯合交易所有限公司

STOCK CODE

3893

股份代號

3893

Financial Highlights

財務摘要

| | | Year ended 30 June 截至六月三十日止年度 | | Percentage Change 百分比變動 |
|-----------------------------|---------------|----------------------------------|-----------------|-------------------------------|
| | | 2020 | 2019 | % |
| | | HK\$'000 千港元 | HK\$'000 千港元 | |
| Revenue | 收入 | 53,789 | 95,336 | (43.5) |
| Gross Profit | 毛利 | 17,127 | 31,263 | (45.4) |
| Loss for the year | 年內虧損 | (28,204) | (9,634) | 193.8 |
| Total Assets | 總資產 | 54,937 | 61,679 | (10.9) |
| Total Equity | 總權益 | 19,095 | 36,443 | (47.6) |
| Key Financial Ratios | 主要財務比率 | | | |
| Gross profit margin | 毛利率 | 31.8% | 32.8% | |
| Net profit margin | 純利率 | N/A不適用 | N/A不適用 | |
| Return on equity | 權益回報 | N/A不適用 | N/A不適用 | |
| Return on total assets | 總資產回報 | N/A不適用 | N/A不適用 | |
| Current ratio | 流動比率 | 1.47 | 2.21 | |
| Quick ratio | 速動比率 | 1.13 | 2.21 | |
| Gearing ratio | 資產負債比率 | N/A不適用 | N/A不適用 | |

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of CROSSTEC Group Holdings Limited (the "Company" or "Crosstec"), I am pleased to present the annual report of the Company together with its subsidiaries (the "Group") for the year ended 30 June 2020.

Review

For the year ended 30 June 2020 (the "Year"), the revenue and gross profit of the Group were approximately HK\$53.8 million and approximately HK\$17.1 million respectively, representing a decrease of approximately 43.5% and 45.4% respectively over the prior year. The Group recorded an increased in loss to approximately HK\$28.2 million for the Year as compared to a net loss of approximately HK\$9.6 million for the prior year. The decline in financial performance was mainly attributable to the slowdown in implementing the business expansion of certain major clients of the Group as a result of the combined effects of the social unrest in Hong Kong since the second half of 2019 and the outbreak of the Coronavirus Disease 2019 ("COVID-19") since the first quarter of 2020.

Prospects

Indeed, the Company has gone through a hard time that the social unrest in Hong Kong and the outbreak of the COVID-19 has triggered unprecedented disruptions in business operations on a global scale. Certain suppliers were not able to perform the orders timely due to the health protection measures adopted by their local government authorities and closings of businesses. As such, some projects originally scheduled to be performed during the Year have been delayed to the coming financial year or even surrendered. The management will continue to monitor the development of the COVID-19 pandemic and its impact on the operations and results of the Group, if any. The Company will also keep its shareholders (the "Shareholders") updated and informed by way of announcement(s) as and when appropriate.

In response to the above, the Group will continue to strengthen its cost control and resources management as well as to actively participate in project tenders, in order to maintain its competitiveness in the market.

Regarding the core business, upon the expansion of the interior solutions services to the high-end residential market in Hong Kong over the years, the Company has gained rich experience and connections in the property development market. Up to the date of this report, several large projects in relation to the provision of millworks and interior solutions services to the show flats, club houses, gardening projects of certain recognized property developers in Hong Kong have been awarded. Based on the high qualities of products and services provided by the Group, the management is confident that a long-term business relationship will be built up and more similar projects are coming in the near future.

各位股東：

本人謹代表易緯集團控股有限公司（「本公司」或「易緯」）董事（「董事」）會（「董事會」）現呈上本公司連同其附屬公司（「本集團」）截至二零二零年六月三十日止年度的年度報告。

回顧

於截至二零二零年六月三十日止年度（「本年度」），本集團的收入及毛利分別約為53.8百萬港元及約17.1百萬港元，較上年度分別減少約43.5%及45.4%。本集團於本年度錄得虧損淨額增加至約28.2百萬港元，上年度則錄得虧損淨額約9.6百萬港元。財務表現下跌，主要是因為自二零一九年下半年以來香港社會動盪以及自二零二零年第一季度以來爆發2019冠狀病毒病疫情，令集團若干主要客戶減慢業務擴張步伐所致。

前景

事實上，本公司經歷了一段艱難時期，香港社會動盪和2019冠狀病毒病疫情令全球各地出現前所未有的業務運營中斷。某些供應商由於當地政府主管部門採取的衛生防護措施和企業停業而無法及時履行訂單。因此，一些原定於本年度內實行的項目被推遲到下一財政年度，甚或取消。管理層將繼續注視2019冠狀病毒病疫情的發展以及疫情對本集團營運和業績的影響（如有）。本公司亦會適時發表公告，以將最新消息告知其股東（「股東」）。

為應對上述情況，本集團將繼續增強成本控制和資源管理，並積極參與項目投標，以保持市場競爭力。

核心業務方面，隨著本公司多年來將室內解決方案服務拓展至香港高端住宅市場，本公司在物業開發市場上積累了豐富的經驗和人脈。截至本報告日期，本公司已獲得多個大型項目，為香港一些知名地產商的示範單位、會所、園林項目提供金屬、玻璃及木製品以及室內解決方案服務。基於本集團提供的產品及服務之質素上乘，管理層有信心彼此將可建立長遠業務關係，並在不久的將來獲得更多相若項目。

Chairman's Statement

主席報告

Through the exclusive co-operation with an international recognized armored glass supplier established in Germany, the Group has been promoting the use of supreme armored glass to the international luxury brands, hotels as well as government buildings and facilities for our millwork and fit-outs business. For instance, we have provided armored glasses to certain facilities of the Hong Kong government during the Year. Considering the increase in awareness of the social security worldwide, this would be a very promising market to engage into and develop.

Going forward, upon the close contacts with certain market leaders, the Group will also expand its millwork and furniture business to the global premium cruise market and the negotiation progresses are satisfactory. Also, geographically speaking, the Company is dedicated to putting more resources and efforts on exploring the business opportunities in relation to the interior solutions projects in the market of the People's Republic of China (the "PRC" or "China") in cooperation with certain business partners who are well-established in such market.

At the same time, The Group will keep abreast of the latest market development and make pre-emptive moves to seize any potential business opportunities so as to support the Group's sustainable development when opportunities arise.

In order to broaden the income sources, the Company has put effort in expanding the event management business. To rebrand their image or increase the popularity over the market, we have been working closely with certain international recognized F&B brands together to help them to implement lifestyle marketing through various events. Moreover, crisis creates opportunities, considered the global e-commerce sales and online shopping trend appear to be skyrocketing due to the pandemic of the COVID-19, the Group is actively seeking the opportunities to engage in the online shopping business in co-operation with certain business partners that have already been well established in the e-commerce market and we are confident that such a move is creating strong values to the stakeholders of the Group.

Based on the blueprint for our future development to achieve long term value growth, the Board will endeavor to maximize the interests of the Group and the Shareholders.

Appreciation

On behalf of the Board, I would like to express my sincere gratitude and appreciation to the management and staff for their dedication during the Year. I would also like to thank the Group's shareholders, customers, suppliers, business partners and government authorities for their continued trust and support over the years.

Lee Wai Sang
Chairman

Hong Kong, 25 September 2020

本集團通過與一間在德國成立的國際知名裝甲玻璃供應商的獨家合作，為旗下的金屬、玻璃及木製品以及裝潢業務向國際高端消費品品牌、酒店以及政府建築和設施推廣使用頂級裝甲玻璃。譬如說，本集團於本年度為香港政府的某些設施提供裝甲玻璃。考慮到全球更為關注社會安全，此市場的前景極為秀麗，值得本集團涉足及發展。

展望將來，憑藉與若干市場領導者的緊密聯繫，本集團亦會將其金屬、玻璃及木製品及傢俱業務擴展至全球高級郵輪市場，相關磋商工作之進展理想。再者，就地域而言，本公司致力投入更多人力物力，與若干在中華人民共和國（「中國」）市場上擁有良好地位的業務夥伴合作，探索與中國市場的室內解決方案項目有關的商機。

同時，本集團將緊跟市場發展的最新動態，早著先機，抓緊任何潛在商機，以在機遇出現時推動本集團的可持續發展。

為拓闊收入來源，本公司亦致力拓展活動管理業務。我們一直與一些國際知名餐飲品牌緊密合作，協助有關品牌通過各種活動進行生活方式的市場推廣，從而重塑有關品牌之形象或提高其市場知名度。此外，危機造就機遇，考慮到全球電子商務銷售及網上購物趨勢因2019冠狀病毒病疫情而急升，本集團正積極尋求機會，與一些已在電子商務市場上卓然有成的業務夥伴合作，從事網上購物業務，我們深信此舉可為本集團的持份者創造豐厚價值。

按照我們為實現長遠價值增長所制定的未來發展藍圖，董事會將致力提升本集團及股東之利益。

致謝

本人謹代表董事會衷心感謝管理層和員工於本年度為本集團全力以赴。本人亦感謝本集團的股東、客戶、供應商、業務夥伴及政府部門多年來從不間斷的信任和支支持。

主席
李偉生

香港，二零二零年九月二十五日

Profile of Directors and Senior Management

董事及高級管理層履歷

DIRECTORS

The Board currently consists of six Directors, comprising three executive Directors and three independent non-executive Directors. The following table sets out certain information about the Directors as at the date of this annual report:

| Name 姓名 | Age 年齡 | Position 職位 |
|---------------------------------------|-----------|---|
| Mr. Lee Wai Sang 李偉生先生 | 56 56歲 | Chairman, Chief Executive Officer and Executive Director 主席、行政總裁兼執行董事 |
| Mr. Lau King Lok 劉敬樂先生 | 55 55歲 | Chief Financial Officer, Executive Director and Company Secretary 首席財務總監、執行董事兼公司秘書 |
| Mr. Leung Pak Yin 梁伯然先生 | 46 46歲 | Executive Director and Project Director (Business Development) 執行董事兼項目總監(業務發展) |
| Mr. So Chi Hang 蘇智恒先生 | 54 54歲 | Independent Non-executive Director 獨立非執行董事 |
| Mr. Heng Ching Kuen Franklin 幸正權先生 | 55 55歲 | Independent Non-executive Director 獨立非執行董事 |
| Mr. Shing Wai Yip 成偉業先生 | 52 52歲 | Independent Non-executive Director 獨立非執行董事 |

EXECUTIVE DIRECTORS

Mr. Lee Wai Sang (李偉生) (“Mr. Lee”), aged 56, is one of the founders of the Group and has been appointed as the chairman of the Board (the “Chairman”), chief executive officer of the Company (the “Chief Executive Officer”) and an executive Director since 18 March 2016. He is also the chairman of the nomination committee of the Company (the “Nomination Committee”) and a member of the remuneration committee of the Company (the “Remuneration Committee”). In addition, he serves as an authorised representative of the Company (the “Authorised Representative”) pursuant to Rule 3.05 of the Listing Rules and director of several subsidiaries of the Company. Mr. Lee is responsible for managing the overall business operations and strategic planning of the Group. He has over 30 years of experience in the interior design industry. Prior to establishing the Group in 1999, from 1997 to 1999, Mr. Lee was the director of Cross Design Limited where he was responsible for overseeing the interior design work streams and overall operations of the company. From 1992 to 1994, Mr. Lee served as a senior interior designer of Bowden Dewar McFadzean Limited, responsible for the interior design of office premises. Between 1989 and 1991, he was as an architect designer of Michael H.K. Wong Architects Inc., responsible for the interior design of buildings.

董事

董事會現時由六名董事組成，包括三名執行董事及三名獨立非執行董事。下表載列於本年報日期董事之若干資料：

執行董事

李偉生先生(「李先生」)，56歲，為本集團的創始人之一並自二零一六年三月十八日起獲委任為董事會主席(「主席」)、本公司行政總裁(「行政總裁」)兼執行董事。彼亦為本公司提名委員會(「提名委員會」)之主席及本公司薪酬委員會(「薪酬委員會」)之成員。此外，彼擔任根據上市規則第3.05條規定之本公司授權代表(「授權代表」)，以及本公司若干附屬公司之董事。李先生負責管理本集團的整體業務營運及策略規劃。彼擁有逾30年室內設計行業的經驗。在本集團於一九九九年成立以前，於一九九七年至一九九九年間，李先生擔任經緯設計有限公司的董事，負責監督該公司的室內設計工作流程及整體營運。於一九九二年至一九九四年間，李先生為Bowden Dewar McFadzean Limited的一名高級室內設計師，負責辦公室物業的室內設計。於一九八九年至一九九一年間，彼為Michael H.K. Wong Architects Inc.的一名建築設計師，負責樓宇的室內設計。

Profile of Directors and Senior Management

董事及高級管理層履歷

In addition to his professional experience in the industry, Mr. Lee was also keen to share his expertise with the next-generation interior designers. Mr. Lee was the guest speaker of the design department of Vocational Training Council to present the topic on “Professional Practice — Tender Document” and “Professional Practice — Project Management” on 19 January 2001 and 20 March 2001 respectively. From September 2004 to August 2005, he served as the external examiner for the higher diploma in interior & environment design course, the higher diploma in interior design course, and the certificate in design studies course of the Vocational Training Council. From October 2000 to January 2001, Mr. Lee was a visiting lecturer (part-time) of the School of Design of the Hong Kong Polytechnic University.

Mr. Lee obtained his master of arts degree in design from the Hong Kong Polytechnic University in December 1999 and received a bachelor’s degree in interior design from the University of Manitoba in May 1989. Mr. Lee also completed the Prince of Wales’s business & sustainability programme designed by the University of Cambridge Institute for Sustainability Leadership in April 2018 and obtained an executive diploma in corporate governance and sustainability directorship from The Hong Kong Institute of Directors in May 2018. In addition, he is a member of various international interior designer professional bodies. Mr. Lee has been a registered interior designer and member of the Association of Registered Interior Designers of Ontario in Canada since September 1989, a member of the Interior Designer of Canada in Canada since 1994, a certified holder of the National Council for Interior Design Qualification in North America since April 1994, a professional member of the American Society of Interior Designers in the United States since March 1995 and a professional member of the International Interior Design Association in the United States since 1995. He has also been elected as an International Dual Member of the British Institute of Interior Design since April 2016. Since May 2016, Mr. Lee has been fully accredited as a design professional by the Society of British and International Design.

Mr. Lee is the spouse of Ms. Leung Mo Shan, Jackie (“Ms. Leung”), an executive assistant of the Group and brother-in-law of Mr. Leung Pak Yin, an executive Director. He is also a director of CGH (BVI) Limited (“CGH (BVI)”), which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (“SFO”) and the controlling shareholder (as defined under the Listing Rules) of the Company.

除擁有行業專業經驗外，李先生亦熱衷於與下一代室內設計師分享其專業知識。於二零零一年一月十九日及二零零一年三月二十日，李先生擔任職業訓練局設計部門的嘉賓演講者，分別講解有關「專業實踐—投標文件」及「專業實踐—項目管理」的專題。於二零零四年九月至二零零五年八月期間，彼擔任職業訓練局室內及環境設計高級文憑課程、室內設計高級文憑課程及設計研究課程證書的校外考試官。於二零零零年十月至二零零一年一月期間，李先生擔任香港理工大學設計學院的客座講師（兼職）。

李先生於一九九九年十二月獲得香港理工大學設計學文學碩士學位，而於一九八九年五月接獲曼尼托巴大學室內設計學學士學位。李先生亦於二零一八年四月完成劍橋大學可持續領導力學院(University of Cambridge Institute for Sustainability Leadership)策劃的威爾斯親王商業及可持續性課程(the Prince of Wales’s business & sustainability programme)及於二零一八年五月獲得香港董事學會頒發的企業管治及可持續董事行政文憑(executive diploma in corporate governance and sustainability directorship)。此外，彼為多個國際室內設計專業團體的成員。李先生自一九八九年九月起，於加拿大成為安大略註冊室內設計師協會(ARIDO)的註冊室內設計師(RID)及會員，自一九九四年起，於加拿大成為加拿大室內設計師學會(IDC)的會員自一九九四年四月起，於北美成為美國國家室內設計專業考評局(NCIDQ)的認證會員，自一九九五年三月起，於美國成為美國室內設計師協會(ASID)的專業會員，以及自一九九五年起，於美國成為國際室內設計協會(IIDA)的專業會員。自二零一六年四月起，彼亦當選為英國室內設計協會(BIID)的國際雙會籍會員。自二零一六年五月起，李先生以一名設計專家的身份獲得英國及國際設計公會(SBID)的完全認可。

李先生為本集團行政助理梁慕珊女士（「梁女士」）的配偶，以及執行董事梁伯然先生的姐夫。彼亦為CGH (BVI) Limited（「CGH (BVI)」）的董事，該公司為按香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部所述本公司主要股東及本公司控股股東（定義見上市規則）。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Lau King Lok (劉敬樂) (“Mr. Lau”), aged 55, joined the Group on 1 January 2016 and is currently the chief financial officer of the Group. He has been appointed as the company secretary of the Company (the “Company Secretary”) and an executive Director since 18 March 2016. Mr. Lau also serves as a member of the risk management committee of the Company (the “Risk Management Committee”) and the Authorised Representative. Mr. Lau is responsible for the overall management of financial of the Group. Mr. Lau has over 25 years of experience in the accounting, auditing and corporate finance fields. Prior to joining the Group, from October 2010 to December 2015, Mr. Lau served as the executive director of Cypress Group of companies, where he was responsible for the group’s daily operation. From December 1994 to August 2010, Mr. Lau served as the group finance and administration manager, and subsequently as the chief financial officer of the North Asia segment of the DTZ Debenham Tie Leung Limited (formerly known as C Y Leung and Company), where he was responsible for the company’s finance and treasury functions. From September 1990 to July 1994, Mr. Lau was the division manager of accounts and administration department of P&O Travel Limited, where he was responsible for the company’s accounting and administration matters. From September 1987 to August 1990, Mr. Lau started his career as an auditor in Klynveld Peat Marwick Goerdeler (KPMG).

Mr. Lau received a master’s degree in business administration from the University of South Australia in December 2011. He has been a member of the Hong Kong Institute of Directors since January 2017. Mr. Lau has been an associate member of the Institute of Chartered Accountants in England and Wales since February 2005. He is also an associate member of the Taxation Institute of Hong Kong since August 1998 and a certified tax adviser since January 2013. Mr. Lau has been an associate member of the Hong Kong Institute of Certified Public Accountants (previously known as the Hong Kong Society of Accountants) since February 1993 and a fellow member since May 2000.

Mr. Leung Pak Yin (梁伯然) (“Mr. Leung”), aged 46, joined the Group on 13 September 2006 and is a project director (business development) of the Group. He has been appointed as an executive Director since 18 March 2016. Mr. Leung is also a director of several subsidiaries of the Company. Mr. Leung is responsible for client liaison and business development of the Group. Mr. Leung has over 20 years of experience in sales and business development. Prior to joining the Group, from 2004 to 2006, Mr. Leung served as an account manager of Wharf T&T Limited, where he was responsible for the company’s customers’ relations and sales management. Between 2001 and 2002, Mr. Leung was the business development manager of Magically Asia Limited, where he was responsible for developing strategy and tactical plans to drive the business, managing customer and partner relationships, handling sales project and facilitating new product development. From 1998 to 1999, Mr. Leung was an account manager of New World Telephone Limited, where he was responsible for the management of sales and customers relations.

Mr. Leung received a bachelor of science degree from the Hong Kong University of Science and Technology in November 1996.

Mr. Leung is the brother-in-law of Mr. Lee and the brother of Ms. Leung.

劉敬樂先生(「劉先生」)，55歲，於二零一六年一月一日加入本集團，現為本集團的首席財務總監。彼自二零一六年三月十八日起獲委任為本公司公司秘書(「公司秘書」)兼執行董事。劉先生亦擔任本公司風險管理委員會(「風險管理委員會」)之成員及授權代表。劉先生負責本集團整體的財務管理。劉先生在會計、審核及企業融資領域擁有逾25年的經驗。在加入本集團之前，於二零一零年十月至二零一五年十二月期間，劉先生擔任科柏集團的執行董事，負責該集團的日常營運。於一九九四年十二月至二零一零年八月期間，劉先生擔任戴德梁行有限公司(前身為梁振英測量師行有限公司)北亞分部的集團財務及行政經理，其後擔任其首席財務總監，負責該公司的財務及庫務職能。於一九九零年九月至一九九四年七月期間，劉先生擔任鐵行旅遊有限公司會計及行政部門的部門經理，負責該公司的會計及行政事宜。於一九八七年九月至一九九零年八月期間，劉先生出任畢馬威會計師事務所的核數師，展開其職業生涯。

劉先生於二零一一年十二月獲得南澳大學企業管理學碩士學位。彼自二零一七年一月起，為香港董事學會的會員。劉先生自二零零五年二月起，為英格蘭及威爾士特許會計師公會的會員。自一九九八年八月起，彼亦為香港稅務學會的會員，並自二零一三年一月起，成為專業稅務顧問。劉先生自一九九三年二月起，為香港會計師公會(前稱Hong Kong Society of Accountants)的會員，且自二零零零年五月起，為該公會的資深會員。

梁伯然先生(「梁先生」)，46歲，於二零零六年九月十三日加入本集團，為本集團的項目總監(業務發展)。彼自二零一六年三月十八日起獲委任為執行董事。梁先生亦為本公司若干附屬公司之董事。梁先生負責本集團的客戶聯絡及業務發展。梁先生擁有逾20年的銷售及業務發展經驗。在加入本集團之前，於二零零四年至二零零六年期間，梁先生擔任九倉電訊有限公司的客戶經理，負責該公司的客戶關係及銷售管理。於二零零一年至二零零二年期間，梁先生擔任Magically Asia Limited的業務發展經理，負責發展戰略及戰術規劃以推動業務、管理客戶與合作夥伴關係、處理銷售項目及推動新產品開發。於一九九八年至一九九九年，梁先生擔任新世界電訊有限公司的客戶經理，負責管理銷售及客戶關係。

梁先生於一九九六年十一月獲得香港科技大學理科學士學位。

梁先生為李先生的內弟，以及梁女士的弟弟。

Profile of Directors and Senior Management

董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. So Chi Hang (蘇智恒) (“Mr. So”), aged 54, has been appointed as an independent non-executive Director since 22 August 2016. Mr. So is also the chairman of each of the audit committee of the Company (the “Audit Committee”) and the Remuneration Committee and a member of each of the Nomination Committee and the Risk Management Committee. Mr. So is responsible for supervising and providing independent judgment to the Board. Mr. So has over 25 years of experience in finance with exposure in Hong Kong, the PRC, Australia, Taiwan and Japan. From October 2015 to December 2017, Mr. So served as the vice president of project management of BSN Medical KK in Japan, where he was responsible for guiding and monitoring the work of local outsourced accounting service provider. Mr. So served as a business analyst consultant of STL Corp., Ltd from May 2011 to December 2013, where he provided independent consultation service in developing and monitoring the execution of business strategies. He served as an associate director of KCS Management & Consultancy (China) Co., Ltd from November 2008 to March 2011 and KCS Limited from September 2007 to November 2008, where he supervised the account servicing teams of the corporate accounting division. Mr. So held various positions while he was with ACNielsen (China) Ltd from October 1997 to April 2007 where his last position was the director of finance, where he was responsible for the management of all finance and accounting operations. He also served as a divisional accountant of the AFS Freight Management Group in Australia from July 1993 to April 1997, where he was responsible for accounting and taxation matters for the group’s non-Australian companies, including Hong Kong and Shanghai, Papua New Guinea, New Zealand and the United States (“US”). From April 1991 to June 1993, Mr. So served as an accountant of AIA Capital Corporation Limited. Before that, he served as the group accountant of Desh Group from June 1990 till 1991. Mr. So started his career as an auditor of Coopers & Lybrand from January 1989 to June 1990.

Mr. So obtained a bachelor of commerce degree from the University of Queensland in Australia in August 1988. He has been a certified practicing accountant of Australian Society of CPAs since October 1993.

獨立非執行董事

蘇智恒先生(「蘇先生」)，54歲，自二零一六年八月二十二日起獲委任為獨立非執行董事。蘇先生亦為本公司審核委員會(「審核委員會」)及薪酬委員會各自之主席，及提名委員會及風險管理委員會各自之成員。蘇先生負責監管董事會及向董事會提供獨立判斷。蘇先生於香港、中國、澳洲、台灣及日本擁有逾25年的財務經驗。於二零一五年十月至二零一七年十二月底，蘇先生擔任日本BSN Medical KK的項目管理副總裁，負責指導及監督當地外包會計服務供應商的工作。於二零一一年五月至二零一三年十二月期間，蘇先生擔任STL Corp., Ltd的業務分析顧問，就發展及監督業務策略的執行提供獨立諮詢服務。彼於二零零八年十一月至二零一一年三月期間擔任凱譽管理諮詢(中國)有限公司的副總監，並於二零零七年九月至二零零八年十一月期間擔任KCS Limited的副總監，負責監管企業會計部門的客戶服務團隊。蘇先生在一九九七年十月至二零零七年四月期間於尼爾森(中國)有限公司擔任過多個職位，而彼最後職位為財務總監，負責全部財務及會計營運的管理。彼亦在一九九三年七月至一九九七年四月期間於澳洲擔任AFS Freight Management Group的部門會計師，負責該集團非澳洲公司(包括香港及上海、巴布亞新幾內亞、新西蘭及美國(「美國」))的會計及稅務事項。於一九九一年四月至一九九三年六月期間，蘇先生出任AIA Capital Corporation Limited的會計師。此前，於一九九零年六月至一九九一年，彼出任Desh Group的集團會計師。蘇先生於一九八九年一月至一九九零年六月期間出任永道會計師事務所的核數師，展開其職業生涯。

於一九八八年八月，蘇先生獲得澳洲昆士蘭大學商學學士學位。彼自一九九三年十月起為澳洲註冊會計師公會之註冊執業會計師。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Heng Ching Kuen Franklin (幸正權) (“Mr. Heng”), aged 55, has been appointed as an independent non-executive Director since 22 August 2016. He is also the chairman of the Risk Management Committee and a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Heng is responsible for supervising and providing independent judgement to the Board. He has over 20 years of experience in banking and finance. Since June 2011, Mr. Heng has been the managing partner and responsible officer of Springboard Capital Limited, an asset management company licensed by the Securities and Futures Commission of Hong Kong (“SFC”). Prior to that, Mr. Heng was the managing director of The Royal Bank of Scotland Plc, Hong Kong from May 2006 to October 2008. He was a director of HSBC Securities (Asia) Limited and held senior positions of other HSBC group companies from June 1999 to April 2006. He has held senior positions in several major private financial institutions in Hong Kong and had been registered with the Hong Kong Monetary Authority as an executive officer. He has been registered with the SFC as a responsible officer, carrying out various regulated activities.

Mr. Heng obtained a bachelor of arts and subsequently a master of arts in June 1988 and March 1992 respectively from the University of Cambridge. He has been a fellow member of The Institute of Chartered Accountants in England and Wales since December 2009 and The Hong Kong Institute of Directors since July 2009, and a member of The Hong Kong Institute of Certified Public Accountants.

Mr. Shing Wai Yip (成偉業) (“Mr. Shing”), aged 52, has been appointed as an independent non-executive Director since 25 January 2019. Mr. Shing is also a member of the Audit Committee. Mr. Shing is responsible for supervising and providing independent judgement to the Board. Mr. Shing has 20 years specialised experience in hospitality industry procurement. Since March 2010, Mr. Shing has been the Group Director Purchasing of Wharf Hotels Management Limited and was responsible for driving hotel pre-opening procurement programmes, formulating strategic plans to develop new hotel products, guiding purchasing decisions to support the group’s branding, establishing products brand standards, establishing and implementing the group’s contracts across the branded hotels, conducting the hotel annual operation management review (audit) to ensure hotel purchasing team meet with relevant purchasing policies, performance and code of ethics, monitoring the vendor performance, analysing the purchasing data to enhance or improve the purchasing performance, coordinating and supporting the shareholders requirements and providing guidance to hotel purchasing team. Mr. Shing had also worked for Rosewood Hotel Group and held procurement managerial position.

Mr. Shing obtained a bachelor degree in business administrative management from the University of South Australia in 2003. He is a member of The Institute of Purchasing & Supply of Hong Kong (IPSHK).

幸正權先生(「幸先生」)，55歲，於二零一六年八月二十二日起獲委任為獨立非執行董事。彼亦為風險管理委員會之主席，及審核委員會、薪酬委員會及提名委員會各自之成員。幸先生負責監管董事會及向董事會提供獨立判斷。幸先生擁有逾20年的銀行及財務經驗。自二零一一年六月起，幸先生為思博資本有限公司(一家獲香港證券及期貨事務監察委員會(「證監會」)發牌的資產管理公司)的管理合夥人及負責人員。此前，幸先生曾於二零零六年五月至二零零八年十月擔任香港蘇格蘭皇家銀行有限公司的董事總經理。於一九九九年六月至二零零六年四月期間，彼擔任滙豐證券(亞洲)有限公司董事及滙豐集團公司多個高級職位。彼曾於香港多個主要私人金融機構擔任高級職位，並曾於香港金融管理局註冊為主管人員。彼於證監會註冊為負責人員，進行多種受監管活動。

於一九八八年六月及一九九二年三月，幸先生先後獲得劍橋大學文學學士學位及文學碩士學位。彼自二零零九年十二月起成為英格蘭及威爾士特許會計師協會的資深會員，自二零零九年七月起成為香港董事學會資深會員，以及為香港會計師公會會員。

成偉業先生(「成先生」)，52歲，自二零一九年一月二十五日起獲委任為獨立非執行董事。成先生亦為審核委員會之成員。成先生負責監管董事會及向董事會提供獨立判斷。成先生擁有20年的酒店業採購的專業經驗。自二零一零年三月起，成先生擔任九龍倉酒店管理有限公司之集團採購總監，負責推行酒店開幕前之採購計畫；制訂戰略計畫以開發新酒店產品；為採購決策提供指導以支持集團品牌；制訂產品品牌標準；訂立及執行跨品牌酒店的集團合約；就酒店的營運管理進行年度檢閱(審核)以確保酒店採購團隊符合相關的採購政策、績效和道德守則；監察供應商表現；分析採購數據以提高或改善採購績效；就股東之要求作出協調及提供支援；以及向酒店採購團隊提供指導。成先生亦曾於瑰麗酒店集團任職並擔任採購管理職務。

成先生於二零零三年獲得南澳大學(University of South Australia)商業行政管理學士學位。彼為香港物資採購與供銷學會(IPSHK)的會員。

Profile of Directors and Senior Management

董事及高級管理層履歷

SENIOR MANAGEMENT

The following table sets out certain information about the senior management personnel of the Group as at the date of this annual report:

高級管理層

下表載列於本年報日期本集團高級管理層人員之若干資料：

| Name 姓名 | Age 年齡 | Position 職位 |
|-----------------------------------|-----------|---|
| Ms. Leung Mo Shan Jackie 梁慕珊女士 | 53 53歲 | Executive Assistant 行政助理 |
| Mr. Tsang Kam Hung 曾錦鴻先生 | 54 54歲 | Project Director (Design) 項目總監(設計) |
| Mr. Cheong Ka Wang 張嘉宏先生 | 41 41歲 | Project Director (Project Management) 項目總監(項目管理) |
| Mr. Chung Chun Leung 鍾振良先生 | 59 59歲 | Project Director (Re-engineering) 項目總監(工程設計結構重組) |

Ms. Leung Mo Shan Jackie (梁慕珊), aged 53, has been an executive assistant of the Group since January 2016, where she is responsible for the provision of overall administrative support to the executive management team in daily operations including arranging and coordinating meetings, facilitating communications between executive team and all staff. Ms. Leung has over 25 years of experience in finance. Prior to joining the Group, Ms. Leung served as the director of finance of NW Project Management Limited from May 2010 to October 2015. From June 2006 to May 2010, Ms. Leung was employed by New World Hotel Management Limited, where her last position was director of finance. From August 1997 to May 2006, Ms. Leung was employed by Renaissance Harbour View Hotel, where her last position was the director of finance. From November 1990 to August 1997, Ms. Leung was employed by New World Hotels International Limited, where her last position was assistant financial controller. Ms. Leung obtained a post-experience certificate in accountancy from Hong Kong Polytechnic University in 1994 through part-time learning. She has been a member and a fellow of the Association of Chartered Certified Accountants since May 1998 and June 2003, respectively and a certified public accountant of the Hong Kong Institute of Certified Public Accountants since July 1998.

Ms. Leung is the spouse of Mr. Lee and sister of Mr. Leung.

梁慕珊女士，53歲，自二零一六年一月起擔任本集團的行政助理，負責於日常營運中向執行管理層團隊提供全面行政支持，包括安排及協調會議，推動執行團隊與所有員工之間的溝通。梁女士有超過25年的財務經驗。在加入本集團之前，於二零一零年五月至二零一五年十月期間，梁女士擔任新發展策劃管理有限公司的財務總監。於二零零六年六月至二零一零年五月期間，梁女士受聘於新世界酒店管理有限公司，彼於其最後職位為財務總監。於一九九七年八月至二零零六年五月期間，梁女士受聘於香港萬麗海景酒店，其最後職位為財務總監。於一九九零年十一月至一九九七年八月期間，梁女士受聘於新世界酒店(國際)有限公司，其最後職位為助理財務總監。梁女士於一九九四年通過在職學習獲得香港理工大學頒發的會計學進修證書。彼自一九九八年五月及二零零三年六月起分別為特許公認會計師公會的會員及資深會員，並自一九九八年七月起為香港註冊會計師公會的註冊會計師。

梁女士為李先生的配偶兼梁先生的姐姐。

Profile of Directors and Senior Management

董事及高級管理層履歷

Mr. Tsang Kam Hung (曾錦鴻) (“Mr. Tsang”), aged 54, is a project director (design) and has joined the Group since May 2011. Mr. Tsang is responsible for the supervision of a design and creative team in Hong Kong and monitoring the quality assurance of the products produced by factories in the PRC. He also serves at the frontline to liaise with clients for identifying their needs and giving immediate solutions, consultations and alternatives in order to provide the right answers that meet the client expectations. Prior to joining the Group, Mr. Tsang began his career as a designer at AJM Design Group Ltd. from April 1988 to January 1991. Mr. Tsang has over 25 years of experience in the interior design industry, including serving in the in-house design team of the corporate real estate department of Standard Chartered Bank (HK) Limited from February 1998 to May 2008. From November 2009 to February 2011, Mr. Tsang was the contract staff in branch management of channel management of Bank of China (Hong Kong) Limited. Mr. Tsang obtained a bachelor’s degree of fine arts in interior design from the Pratt Institute in the US in February 1995.

Mr. Cheong Ka Wang (張嘉宏) (“Mr. Cheong”), aged 41, is a project director (project management) of the Group since January 2016 and served as a senior project manager of the Group from July 2015 to January 2016. Mr. Cheong is responsible to lead the project consultancy and construction team for overall management in execution, control and completion of specific projects and ensuring consistency with Company’s strategy, commitment and goals. Prior to joining the Group, Mr. Cheong served as a director and project manager of Paperspace Interiors Ltd. from 2011 to June 2015. From September 2006 to September 2011, Mr. Cheong served as a project coordinator of CROSS MAX Interiors Limited (now known as CROSSTEC Business Management Limited). Before that, Mr. Cheong was a senior project coordinator and assistant designer of Benson Construction & Engineering Co. Ltd. from October 2005 to September 2006. From July 2004 to October 2005, he served as a site foreman of Bo Wing Construction Engineering Co. Ltd. Mr. Cheong graduated from British Columbia Institute of Technology in Canada with a management certificate of interior design in June 2003.

Mr. Chung Chun Leung (鍾振良) (“Mr. Chung”), aged 59, has joined the Group as a project director (Re-engineering) since June 2018. Mr. Chung is mainly responsible for the deconstruction and improvement on technical details, liaison with clients and their consultancy team on the design requirements, and monitoring the technical difficulties which may arise during the production process in the factory. From 1984 to 1985, Mr. Chung worked for AJM Design Group Limited. Mr. Chung has over 30 years of working experience in the interior design. In June 1990, Mr. Chung obtained the higher certificate in design (interior) from Lee Wai Lee Technical Institute (now known as Hong Kong Institute of Vocational Education (Lee Wai Lee)) where he graduated with distinction.

曾錦鴻先生(「曾先生」)，54歲，為項目總監(設計)，自二零一一年五月加入本集團。曾先生負責監管香港設計及創意團隊並監督於中國工廠生產的產品品質保證。彼亦服務於前線與客戶保持聯絡，識別客戶需要，並提供即時的解決方案、諮詢及備選方案，以提供符合客戶期望的恰當解決方案。在加入本集團之前，於一九八八年四月至一九九一年一月，曾先生以擔任AJM Design Group Ltd.的設計師開始其職業生涯。曾先生於室內設計行業擁有逾25年的經驗，包括自一九九八年二月至二零零八年五月服務於渣打銀行(香港)有限公司之企業房產部門的室內設計團隊。於二零零九年十一月至二零一一年二月期間，曾先生擔任中國銀行(香港)有限公司渠道管理之分行管理的合約僱員。曾先生於一九九五年二月獲得美國普瑞特藝術學院頒發的室內設計美術學士學位。

張嘉宏先生(「張先生」)，41歲，於二零一五年七月至二零一六年一月期間擔任本集團之高級項目經理，並自二零一六年一月起擔任本集團的項目總監(項目管理)。張先生負責領導項目諮詢及施工團隊，整體管理具體項目的執行、控制及完成，確保與本公司的策略、承諾及目標保持一致。在加入本集團之前，於二零一一年至二零一五年六月期間，張先生擔任博域設計工程有限公司的董事兼項目經理。於二零零六年九月至二零一一年九月期間，張先生出任宏緯設計工程有限公司(現稱易緯商業管理有限公司)的項目管理主任。此前，張先生曾於二零零五年十月至二零零六年九月出任檳信工程有限公司的高級項目管理主任兼助理設計師。於二零零四年七月至二零零五年十月期間，彼擔任寶榮建築工程有限公司的地盤監工。於二零零三年六月，張先生畢業於加拿大不列顛哥倫比亞理工學院並獲得室內設計管理證書。

鍾振良先生(「鍾先生」)，59歲，二零一八年六月加入本集團為項目總監(工程設計結構重組)。鍾先生主要負責拆解技術細節改進，與客戶和其顧問團隊溝通設計要求，以及監督工廠於生產過程中的技術難題。鍾先生於一九八四年至一九八五年曾任職麥堅士設計顧問集團有限公司。鍾先生擁有超過30年室內設計工作經驗。鍾先生於一九九零年六月獲得香港李惠利工業學院(現稱香港專業教育學院(李惠利))的設計高級證書(室內)，獲優異成績畢業。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in the provision of bespoke and total interior design solutions to the retail stores of global luxury jewelry and fashion brands, which covers a wide range of services including millwork and furniture provision, facade development and fabrication, interior solutions, design, maintenance and project consultancy. The Group has been conducting its business since 1999 and has been developing its business to China, US, Europe, Middle East and other Asian countries.

For the year ended 30 June 2020, the Group's revenue, gross profit and net loss for the year were approximately HK\$53.8 million (2019: approximately HK\$95.3 million), approximately HK\$17.1 million (2019: approximately HK\$31.3 million) and approximately HK\$28.2 million (2019: approximately HK\$9.6 million) respectively, representing a decrease of approximately 43.5%, 45.4% and an increase of approximately 193.8% over the Year.

Besides local business in Hong Kong, the Group's business span around the world to Asia, US, Middle East, United Kingdom and other European countries and business from these areas is about 42.6% of the Group's revenue for Year (2019: 67.1%). The outbreak of the COVID-19 pandemic led to a nearly total suspension of business activities in these areas and the situation as at 30 June 2020 was still serious. Therefore, business activities and plans of the Group's clients were adversely affected and so is the Group's business.

In view of the worsening situation, the Group did review the expenses structure and did implement cost reduction exercise to reduce costs on the one hand. On the other hand, the Group put more emphasizes and resources on exploring new clients in the Hong Kong, Macau and the China market. There were positive results and the Group would continue its efforts in these areas to upkeep its competitiveness.

The increase in consolidated net loss of the Group was primarily due to i) the decrease in the Group's revenue and gross profit because of the slowdown in implementing the business expansion of certain major clients of the Group as a result of the combined effects of the social unrest in Hong Kong since the second half of 2019 and the Outbreak of the COVID-19 since the first quarter of 2020 and ii) the recognition of impairment loss on certain property, plant and equipment and right-of-use assets of the Group of approximately HK\$8.5 million (the "Impairment Loss") due to the deteriorated economic environment and uncertain outlook of the Group's business following the outbreak of the COVID-19 pandemic.

The management would like to emphasize that the Impairment Loss is primarily non-cash and non-recurring in nature and do not have any impact on the Group's business operations and cash flow.

The gross profit margin of 31.8% in 2020 is broadly similar to that of in 2019 which is approximately 32.8%.

業務回顧

本集團主要從事為全球高端珠寶及時尚品牌零售店舖提供定制及整體室內設計解決方案，其中涵蓋的服務範圍廣泛，包括金屬、玻璃及木製品及傢俱供應、幕牆開發及製造、室內解決方案以及設計、保養及項目諮詢。本集團自一九九九年開展業務，並一直將其業務發展至中國、美國、歐洲、中東及其他亞洲國家。

於截至二零二零年六月三十日止年度，本集團的收入、毛利及本年度虧損淨額分別約為53.8百萬港元（二零一九年：約95.3百萬港元）、約17.1百萬港元（二零一九年：約31.3百萬港元）及約28.2百萬港元（二零一九年：約9.6百萬港元），較上年度分別減少約43.5%、45.4%及增加約193.8%。

除香港本地業務外，本集團業務遍及全球，包括亞洲、美國、中東、英國及其他歐洲國家，來自這些地區的業務約佔本集團本年度收入的42.6%（二零一九年：67.1%）。爆發2019冠狀病毒病大流行導致這些地區的業務活動幾乎全部停頓，截至二零二零年六月三十日，情況依然嚴峻。因此，本集團客戶的業務活動和計劃受到不利影響，本集團的業務亦然。

鑑於形勢轉差，本集團一方面已檢討開支結構，並推行降低成本的措施，以減省成本。另一方面，本集團將更多的精力和資源投放在香港、澳門和中國市場的新客戶開拓工作上。本集團在以上方面取得不俗成果，並將繼續致力保持競爭力。

本集團的綜合虧損淨額增加，主要是因為i)自二零一九年下半年以來香港社會動盪以及自二零二零年第一季度以來爆發2019冠狀病毒病疫情，令集團若干主要客戶減慢業務擴張步伐，本集團的收入及毛利因而減少及ii)由於2019冠狀病毒病疫情爆發後，經濟環境惡化及本集團業務前景不明朗，因此確認本集團若干物業、廠房及設備以及使用權資產的減值虧損約8.5百萬港元（「減值虧損」）所致。

管理層謹此鄭重聲明，減值虧損主要為非現金及非經常性質，對本集團的業務營運及現金流量並無任何影響。

二零二零年之毛利率為31.8%，與二零一九年約32.8%大致相若。

Management Discussion and Analysis

管理層討論及分析

BUSINESS STRATEGIES AND OUTLOOK

Taking in to account of the social unrest in Hong Kong since the second quarter of 2019 and the pandemic of the COVID-19 since early 2020, the local and global total interior solutions market has been under an exceptionally adverse business environment. To be conservative and play safe, certain major clients of the Group decided to slowdown their business expansion plans correspondingly which inevitably affected the Company's business during the Year.

Since the epidemic of COVID-19 worldwide is still very serious and another new wave of COVID-19 infections has been broken out in Hong Kong since July 2020, it is expected that the total interior solutions business is still very challenging in the second half of 2020 with less luxury brands may expand their business through renovations of existing outlets or opening new outlets.

In view of the above, the management will continue to monitor the development of the COVID-19 pandemic and its impact on the operations and results of the Group. The Company will also keep its Shareholders updated and informed by way of announcement(s) as and when appropriate.

Due to the combined effects as mentioned above, sales of millwork, furniture and facade fabrication (2020: approximately HK\$24.7 million; 2019: approximately HK\$79.0 million) and revenue from the interior solutions services (2020: approximately HK\$25.4 million; 2019: approximately HK\$13.3 million) has been declined during the Year. In response of this, the Company will be actively seeking business opportunities to maintain its competitiveness in the market and create values to the Shareholders.

During the Year, through the exclusive co-operation with an international recognized armored glass supplier established in Germany, the Group has been dedicated to promoting the use of supreme armored glass to the international brands, hotels as well as government buildings and facilities for our millwork and fit-outs business. For instance, we have provided armored glasses to certain facilities of the Hong Kong government during the Year. Considered the increase in awareness on the social security, the Company believed that such co-operation will attract new clients upon the increase in demand of the armored glass and thus improve the business performance in the coming years.

Also, upon the expansion of the interior solutions services to the high-end residential market in Hong Kong over the years, the Company has gained rich experience and connections in the property development market. Up to the date of this report, several large projects in relation to the provision of millworks and interior solutions services to the show flats, club houses and gardening works of certain recognized property developers in Hong Kong have been awarded. Based on the high qualities of products and services provided by the Group, the management is confident that a long-term business relationship will be built up and more similar projects are coming in the near future.

業務策略及展望

受到二零一九年第二季度以來香港社會動盪和二零二零年年初以來的2019冠狀病毒病疫情所影響，本地及全球整體室內解決方案市場的營商環境極為嚴峻。為審慎起見，持盈保泰，本集團若干主要客戶決定相應放緩業務拓展計劃，此難免影響到本公司業務於本年度之表現。

由於全球的2019冠狀病毒病疫情仍十分嚴重，且自二零二零年七月起，香港再爆發新一波2019冠狀病毒病疫情，預計二零二零年下半年，整體室內解決方案業務仍要面對重重挑戰，較少高端消費品品牌會通過翻新現有門店或開設新店而拓展業務。

鑑於上文所述，管理層將繼續注視2019冠狀病毒病疫情的發展以及疫情對本集團營運和業績的影響。本公司亦會適時發表公告，以將最新消息告知其股東。

受上述各項的綜合影響，本年度內金屬、玻璃及木製品、傢俱及幕牆製造之銷售（二零二零年：約24.7百萬港元；二零一九年：約79.0百萬港元）以及室內解決方案服務的收入（二零二零年：約25.4百萬港元；二零一九年：約13.3百萬港元）均有所下降。有見及此，本公司將積極尋找商機，務求保持市場競爭力並為股東創造價值。

於本年度，本集團通過與一間在德國成立的國際知名裝甲玻璃供應商的獨家合作，致力為旗下的金屬、玻璃及木製品以及裝潢業務向國際品牌、酒店以及政府建築和設施推廣使用頂級裝甲玻璃。譬如說，本集團於本年度為香港政府的某些設施提供裝甲玻璃。考慮到社會更為關注安全，本公司相信隨著裝甲玻璃需求的增加，此合作項目將吸引到新客戶，從而改善未來年度的業務表現。

同時，隨著本公司多年來將室內解決方案服務拓展至香港高端住宅市場，本公司在物業開發市場上積累了豐富的經驗和人脈。截至本報告日期，本公司已獲得多個大型項目，為香港一些知名地產商的示範單位、會所及園林工程提供金屬、玻璃及木製品以及室內解決方案服務。基於本集團提供的產品及服務之質素上乘，管理層有信心彼此將可建立長遠業務關係，並在不久的將來獲得更多相若項目。

Management Discussion and Analysis

管理層討論及分析

Moreover, upon the close contacts with certain market leaders, the Group is expanding its millwork and furniture business to the global premium cruise market and the negotiation progresses with these market leaders are satisfactory.

Also, geographically speaking, the Company is dedicated to putting more resources and efforts on exploring the business opportunities in relation to the interior solutions projects in the PRC market in cooperation with certain business partners who are well-established in such market.

Besides the principal operation, the Company has put effort in expanding the event management business. To rebrand their image or increase the popularity over the market, we have been working closely with certain international recognized food and beverage brands together to help them to implement lifestyle marketing through various events. It is believed that such a move may not only broaden the Company's income source, but also enhance the Company's brand awareness.

Crisis creates opportunities, considered the global e-commerce sales and online shopping trend appear to be skyrocketing due to the pandemic of the COVID-19, the Group is also actively seeking the opportunities to engage in the online shopping business in co-operation with certain business partners that have already been well established in the e-commerce market. Based on the rich experience from the business partners and the synergy effects upon the cooperation, the management is confident to step into the e-commerce business successfully and will create strong values to the stakeholders of the Group.

Last but not least, the Group has been making efforts to solicit potential acquisition targets which may have synergy with the existing business of the Group for its ongoing strategic growth and such idea will be continued in the coming years.

FINANCIAL REVIEW

Revenue

The Group generated revenue principally from providing four major categories of sales and services, mainly including: (i) sales of millwork, furniture and facade fabrication (2020: approximately HK\$24.7 million; 2019: approximately HK\$79.0 million), (ii) interior solutions services (2020: approximately HK\$25.4 million; 2019: approximately HK\$13.3 million), (iii) design and project consultancy services (2020: approximately HK\$2.9 million; 2019: approximately HK\$1.7 million) and (iv) maintenance services (2020: approximately HK\$0.7 million; 2019: approximately HK\$1.3 million).

Revenue of the Group decreased by approximately 43.5% from approximately HK\$95.3 million in 2019 to approximately HK\$53.8 million in 2020. The decrease in revenue was mainly due to the combined effects of the social unrest in Hong Kong and pandemic of COVID-19 during the Year which led to an exceptionally adverse business environment to the Hong Kong and global markets.

此外，憑藉與若干市場領導者的緊密聯繫，本集團正將其金屬、玻璃及木製品及傢俱業務擴展至全球高級郵輪市場，與該等市場領導者的磋商進展理想。

再者，就地域而言，本公司致力投入更多人力物力，與若干在中國市場上擁有良好地位的業務夥伴合作，探索與中國市場的室內解決方案項目有關的商機。

除主營業務外，本公司亦致力拓展活動管理業務。我們一直與一些國際知名餐飲品牌緊密合作，協助有關品牌通過各種活動進行生活方式的市場推廣，從而重塑有關品牌之形象或提高其市場知名度。相信有關業務不僅可以開拓本公司的收入來源，亦可提升本公司的品牌知名度。

危機造就機遇，考慮到全球電子商務銷售及網上購物趨勢因2019冠狀病毒病疫情而急升，本集團亦正積極尋求機會，與一些已在電子商務市場上卓然有成的業務夥伴合作，從事網上購物業務。憑藉業務夥伴的豐富經驗及合作產生的協同效益，管理層有信心可成功開拓電子商務業務，為本集團的持份者創造豐厚價值。

最後，本集團一直致力物色可與本集團現有業務產生協同效益之潛在收購目標以實現持續的策略增長，此理念將於未來年度秉持。

財務回顧

收入

本集團的收入主要來自我們提供的四項主要類別的銷售及服務，主要包括：(i)銷售金屬、玻璃及木製品及傢俱以及幕牆製造(二零二零年：約24.7百萬港元；二零一九年：約79.0百萬港元)；(ii)室內解決方案服務(二零二零年：約25.4百萬港元；二零一九年：約13.3百萬港元)；(iii)設計及項目諮詢服務(二零二零年：約2.9百萬港元；二零一九年：約1.7百萬港元)；及(iv)保養服務(二零二零年：約0.7百萬港元；二零一九年：約1.3百萬港元)。

本集團的收入由二零一九年約95.3百萬港元減少約43.5%至二零二零年約53.8百萬港元。收入減少主要是因為本年度內香港社會動盪加上面對2019冠狀病毒病疫情，令到香港以至全球各地市場的營商環境極其嚴峻。

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During the Year, the aggregate revenue derived from the five largest brands was approximately HK\$38.8 million (representing approximately 72.1% of total revenue) as compared to that of approximately HK\$84.4 million (representing approximately 88.6% of total revenue) in 2019.

Direct cost

Direct cost of the Group primarily consisted of costs of material and subcontracting charges. Direct cost decreased by approximately 42.7% from approximately HK\$64.1 million in 2019 to approximately HK\$36.7 million in 2020, representing approximately 67.3% and 68.2% to the revenue of the Group in 2019 and 2020 respectively. The decrease in direct cost was in line with the decrease in revenue during the Year.

Gross profit and gross profit margin

The Group's gross profit decreased by approximately 45.4% from approximately HK\$31.3 million in 2019 to approximately HK\$17.1 million in 2020 which is in line with the decrease in revenue during the Year. The gross profit margin of 31.8% in 2020 is broadly similar to that of approximately 32.8% in 2019.

Other gain/(loss), net

During the Year, the Group recorded other loss of approximately HK\$9.0 million (2019: approximately HK\$0.6 million). The amount mainly represented impairment loss on property, plant and equipment and right-of-use assets of approximately HK\$8.5 million (2019: Nil) due to the deteriorated economic environment and uncertain outlook of the Group's business following the outbreak of the COVID-19 pandemic and impairment loss on financial assets of HK\$0.5 million (2019: bad debt written off of approximately HK\$0.2 million).

Administrative expenses

Administrative expenses of approximately HK\$36.7 million (2019: approximately HK\$41.0 million) mainly consisted of operating expenses such as employee benefits, marketing expenses and legal and professional fees, etc. The decrease in administrative expenses by approximately HK\$4.3 million was mainly due to the decrease in employee benefits (including Directors' and chief executive's remuneration) of approximately HK\$2.7 million (2020: approximately HK\$21.9 million; 2019: approximately HK\$24.6 million) as a result of the staff policy restructuring and the Company has strengthened its cost control and resources management during the Year.

Income tax credit/(expense)

Income tax expense mainly represented current tax (paid)/refund and/or (payable)/recoverable for Hong Kong profits tax, overseas profits tax and deferred tax credit/(expense), if any. Income tax credit of approximately HK\$162,000 (2019: income tax expense of approximately HK\$28,000) was recorded during the Year.

於本年度，來自五大品牌的合計收入約為38.8百萬港元（佔總收入約72.1%），而二零一九年約為84.4百萬港元（佔總收入約88.6%）。

直接成本

本集團的直接成本主要包括材料成本及分包支出。直接成本由二零一九年約64.1百萬港元減少約42.7%至二零二零年約36.7百萬港元，分別約佔本集團二零一九年及二零二零年收入67.3%及68.2%。直接成本減少與本年度收入減少之情況相符。

毛利及毛利率

本集團的毛利由二零一九年約31.3百萬港元減少約45.4%至二零二零年約17.1百萬港元，與本年度收入減少之情況相符。二零二零年之毛利率為31.8%，與二零一九年約32.8%大致相若。

其他收益／（虧損）淨額

於本年度，本集團錄得其他虧損約9.0百萬港元（二零一九年：約0.6百萬港元）。該金額主要代表由於2019冠狀病毒病疫情爆發後，經濟環境惡化及本集團業務前景不明朗，因此確認物業、廠房及設備以及使用權資產的減值虧損約8.5百萬港元（二零一九年：無），以及金融資產減值虧損0.5百萬港元（二零一九年：撇銷壞賬約0.2百萬港元）。

行政開支

行政開支約為36.7百萬港元（二零一九年：約41.0百萬港元），主要是營運開支，譬如僱員福利、市場推廣開支以及法律及專業費用等。行政開支減少約4.3百萬港元，主要由於本年度內重整員工政策及本公司增強成本控制及資源管理，令僱員福利（包括董事及主要行政人員酬金）減少約2.7百萬港元（二零二零年：約21.9百萬港元；二零一九年：約24.6百萬港元）所致。

所得稅抵免／（開支）

所得稅開支主要指（已付）／已獲退回及／或（應付）／可收回香港利得稅、境外利得稅的即期稅項以及遞延稅項抵免／（開支）（如有）。於本年度錄得所得稅抵免約162,000港元（二零一九年：所得稅開支約28,000港元）。

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No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the Year.

Taxes on assessable profits of overseas subsidiaries are calculated at the rates applicable in the respective jurisdictions.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group derived cash inflow mainly from operating activities primarily through provision of services including millwork and furniture provision, facade development and fabrication, interior solutions services and design, maintenance and project consultancy services. Cash outflow from operating activities primarily comprises direct costs, administrative expenses and other operating expenses. Our net cash used in operating activities reflects our profit or loss before income tax, as adjusted for non-cash items, such as depreciation of property, plant and equipment and the effects of changes in working capital items.

As at 30 June 2020, the cash and bank balances amounted to approximately HK\$27.5 million (2019: approximately HK\$40.0 million) which were mainly denominated in Hong Kong dollar (“HK\$”), US dollar (“USD”), Renminbi (“RMB”) and Euro (“EUR”). The Group did not have any bank borrowings in 2020 and 2019.

As at 30 June 2020, the Group has a bank facility of HK\$15.0 million (2019: HK\$20.0 million) with Hang Seng Bank that has not been utilized and is available for drawdown.

On 2 April 2020, the Company entered into a placing agreement (the “Placing Agreement”) with Kingsway Financial Services Group Limited (the “Placing Agent”), as placing agent, pursuant to which the Placing Agent conditionally agreed to procure on a best effort basis to not less than six placees, who are professional, institutional and other investors who and whose ultimate beneficial owners (if any) are third parties independent of the Company and connected persons of the Company, to subscribe for up to 480,000,000 new ordinary shares of the Company at par value of HK\$0.01 each with nominal value of HK\$4.8 million at the placing price of HK\$0.0233 per placing share (the “Placing”). The placing price of HK\$0.0233 per placing share represents a discount of approximately 19.66% to the closing price of HK\$0.029 per share of the Company as quoted on the Stock Exchange on 2 April 2020, being the date of the Placing Agreement.

The reason of carry out the Placing was to strengthen the Group’s financial position and widen the Shareholder base.

由於本集團於本年度並無任何源自香港的應課稅溢利，因此並無作出香港利得稅撥備。

境外附屬公司的應課稅溢利的稅項按相關司法權區的適用稅率計算。

資本流動性、財務資源及資本架構

本集團主要通過提供金屬、玻璃及木製品及傢俱供應、幕牆開發及製造、室內解決方案服務以及設計、保養及項目諮詢服務等服務，從經營活動中獲得現金流入。經營活動產生之現金流出主要包括直接成本、行政開支及其他營運開支。我們經營活動動用之現金淨額反映我們扣除所得稅前之損益，須就非現金項目（如物業、廠房及設備折舊以及營運資金項目變動之影響）作出調整。

於二零二零年六月三十日，現金及銀行結餘約為27.5百萬港元（二零一九年：約40.0百萬港元），該等款項主要以港元、美元（「美元」）、人民幣（「人民幣」）及歐元（「歐元」）計值。於二零二零年及二零一九年，本集團並無任何銀行借貸。

於二零二零年六月三十日，本集團在恒生銀行擁有15.0百萬港元（二零一九年：20.0百萬港元）的銀行融資尚未動用，且可供提取。

於二零二零年四月二日，本公司與滙富金融服務有限公司（「配售代理」）（作為配售代理）訂立配售協議（「配售協議」），據此，配售代理有條件地同意按盡全力基準促使不少於六名承配人（彼等為專業、機構及其他投資者，而彼等的最終實益擁有人（如有）為獨立於本公司的第三方及本公司的關連人士）按每股配售股份0.0233港元之配售價認購最多480,000,000股本公司每股面值0.01港元而總面值為4.8百萬港元的新普通股（「配售事項」）。配售價每股配售股份0.0233港元較本公司於二零二零年四月二日（即配售協議日期）在聯交所所報收市價每股0.029港元折讓約19.66%。

進行配售事項是為了加強本集團的財務狀況及擴大股東基礎。

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The Placing was completed on 17 April 2020. All placing shares had been successfully placed by the Placing Agent and the Company issued and allotted 480,000,000 placing shares to not less than six placees at the placing price of HK\$0.0233 per placing share. The net proceeds (after deduction of placing fees and other expenses of the Placing) from the Placing amounted to approximately HK\$10.8 million (equivalent to a net placing price of approximately HK\$0.0225 per placing share). As of 30 June 2020, approximately HK\$5.5 million of net proceeds have been used as the general working capital of the Group including rental of office premises, legal and professional fees, and salary of the employees. The unutilised net proceeds of approximately HK\$5.3 million have been deposited with the licensed banks in Hong Kong and intended to be utilised as the Group's general working capital in the coming year. The net proceeds were used and will be used according to the intentions previously disclosed by the Company.

For the details of the Placing, please refer to the announcements of the Company dated 2 April 2020 and 17 April 2020.

In view of the Group's current level of cash and bank balances, funds generated internally from operations and the unutilised banking facility available, the Board believes the Group is in a healthy financial position and have sufficient resources to support its operations and meet its foreseeable capital expenditures.

Borrowings and gearing ratio

No bank borrowing was recorded as of 30 June 2020 and 30 June 2019. As at 30 June 2020 and 30 June 2019, the gearing ratio of the Group as determined by interest-bearing borrowings divided by total capital were nil.

Charge on assets

As at 30 June 2020, banking facility and performance bond were secured by pledged and restricted bank deposits of approximately HK\$7.9 million (2019: nil).

Contingent liabilities

As at 30 June 2020 and 30 June 2019, the Group had no significant contingent liabilities.

SIGNIFICANT INVESTMENT HELD AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have any significant investment held as at 30 June 2020. Save as disclosed above and disclosed in the prospectus of the Company dated 30 August 2016 (the "Prospectus"), the Group did not have any plans for material investments and capital assets.

MATERIAL ACQUISITIONS AND DISPOSALS

During the Year, there was no material acquisition or disposal of subsidiaries, associated companies or joint ventures by the Group.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 22 August 2016 (the "Share Option Scheme"). The Company has not granted any share options up to 30 June 2020.

配售事項已於二零二零年四月十七日完成。配售代理已成功配售所有配售股份，而本公司已按每股配售股份0.0233港元的配售價向不少於六名承配人發行及配發480,000,000股配售股份。配售事項之所得款項淨額（扣除配售費用及配售事項之其他開支後）約為10.8百萬港元（相當於每股配售股份淨配售價約0.0225港元）。於二零二零年六月三十日，所得款項淨額中約5.5百萬港元已用作本集團的一般營運資金，包括辦公室物業的租金、法律及專業費用以及僱員薪金。未動用的所得款項淨額約5.3百萬港元已存於香港持牌銀行，並擬於來年用作本集團的一般營運資金。所得款項淨額已經並將按本公司先前披露的意向使用。

有關配售事項的詳情，請參閱本公司日期為二零二零年四月二日及二零二零年四月十七日的公告。

鑑於本集團目前的現金及銀行結餘水平、內部營運產生的資金及可供提取而尚未動用的銀行融資，董事會相信，本集團財務狀況穩健且擁有充足資源以應付日常營運所需及未來可預見之資本開支。

借貸及資本負債比率

截至二零二零年六月三十日及二零一九年六月三十日並無錄得銀行借貸。於二零二零年六月三十日及二零一九年六月三十日，本集團的資本負債比率（按計息借貸除以總資本計算）為零。

資產抵押

於二零二零年六月三十日，銀行融資及履約保證是由約7.9百萬港元的已抵押及受限制銀行存款作抵押（二零一九年：無）。

或然負債

於二零二零年六月三十日及二零一九年六月三十日，本集團並無重大或然負債。

持有之重大投資及重大投資或資本資產之未來計劃

於二零二零年六月三十日，本集團並無持有任何重大投資。除上文所披露及本公司日期為二零一六年八月三十日的招股章程（「招股章程」）所披露者外，本集團並無任何重大投資及資本資產之計劃。

重大收購及出售

本集團於本年度並無進行附屬公司、聯營公司或合營企業之重大收購或出售。

購股權計劃

本公司於二零一六年八月二十二日採納購股權計劃（「購股權計劃」）。直至二零二零年六月三十日，本公司並無授出任何購股權。

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HUMAN RESOURCES AND EMPLOYEES' REMUNERATION

As at 30 June 2020, the Group had 37 employees (2019: 41 employees). Total employee benefits (including Directors' and chief executive's remuneration) were approximately HK\$21.9 million (2019: approximately HK\$24.6 million). The Group remunerates its employees based on their qualifications, performance, experience and prevailing industry practice. Competitive remuneration package is offered to retain elite employees, including salaries, medical insurance, discretionary bonuses as well as mandatory provident fund schemes for employees in Hong Kong. Apart from basic remuneration, share options may be granted under the Share Option Scheme to eligible employees on the basis of their individual performance to attract and retain talents to contribute the Group. In order to achieve a standard and quality production of works and to develop individual's potential, the Group's employees are encouraged to attend monthly sharing sessions, lectures and training courses which related to the nature of their duties. In addition to internal trainings, the Group also encourage employees to enrol in courses organised by external organisations and institutes.

CAPITAL COMMITMENTS

As at 30 June 2020, the Group had no material capital commitment (2019: HK\$7.7 million).

FOREIGN EXCHANGE RISK

The Group adheres to prudent financial management principle to control and minimise financial and operational risks. The Group is exposed to foreign currency risk primarily through sales and purchases that are denominated in USD, RMB, EUR and Great Britain Pound. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of RMB and EUR and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. Presently, there is no hedging policy with respect to the foreign exchange exposure.

EVENTS AFTER THE REPORTING PERIOD

In August 2020, the Group entered into a tenancy agreement with a tenant, an independent third party, for the lease of the Group's leasehold land and building in Hong Kong with carrying amount of HK\$8,100,000 as at 30 June 2020.

On 23 September 2020, the Company proposed to implement a share consolidation pursuant to which every four (4) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) consolidated share of par value HK\$0.04 each in the share capital of the Company (the "Share Consolidation"). The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the extraordinary general meeting of the Company and therefore, is not yet effective as of the date of this report.

人力資源及僱員薪酬

於二零二零年六月三十日，本集團擁有37名僱員（二零一九年：41名僱員）。僱員總福利（包括董事及主要行政人員酬金）約為21.9百萬港元（二零一九年：約24.6百萬港元）。本集團按照其僱員的資格、表現、經驗以及現行行業慣例支付彼等之薪酬，並提供具競爭力的薪酬待遇，以留住優秀員工，該等待遇包括薪金、醫療保險、酌情花紅以及強積金計劃（就香港僱員而言）。除了基本薪酬外，亦可能根據個人表現，向合資格僱員授出於購股權計劃下的購股權以吸引及挽留人才為本集團作貢獻。為了達到工程的標準和生產質量，發展個人潛能，本集團鼓勵僱員參加與本身職責性質有關的每月分享會、講座及培訓課程。除內部培訓外，本集團亦鼓勵僱員報讀外部組織和機構舉辦的課程。

資本承擔

於二零二零年六月三十日，本集團並無重大資本承擔（二零一九年：7.7百萬港元）。

外匯風險

本集團恪守穩健的財務管理原則以監控及盡量減低財務及營運風險。本集團面對之外匯風險主要來自以美元、人民幣、歐元及英鎊結算之銷售及採購。管理層知悉人民幣及歐元持續波動可能引致之外匯風險，並將密切監察其對本集團表現之影響，並將於適當時採取任何對沖政策。現時，並無針對外匯風險之對沖政策。

報告期後事項

於二零二零年八月，本集團與一名租戶（為獨立第三方）就租賃本集團於二零二零年六月三十日賬面值為8,100,000港元的香港租賃土地及樓宇訂立租賃協議。

於二零二零年九月二十三日，本公司建議進行股份合併，據此，本公司股本中每四(4)股每股面值0.01港元之已發行及未發行普通股將合併為本公司股本中的一(1)股每股面值0.04港元之合併股份（「股份合併」）。股份合併須待（其中包括）股東於本公司股東特別大會上批准後，方可作實，因此於本報告日期尚未生效。

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A circular containing, among other matters, further details of the Share Consolidation is expected to be dispatched to the Shareholders on or before 16 October 2020.

For the details of the Share Consolidation, please refer to the announcement of the Company dated 23 September 2020.

USE OF NET PROCEEDS FROM THE SHARE OFFER

The shares of the Company (the “Shares”) were listed on the Main Board of the Stock Exchange on 12 September 2016 with a total of 600,000,000 Shares at HK\$0.15 each by way of public offer and placing (the “Share Offer”), raising net proceeds of approximately HK\$64.6 million (after deducting underwriting commissions and all related expenses) (the “Net Proceeds”).

According to the Prospectus, approximately 30% of the Net Proceeds (i.e. HK\$19.3 million out of the total Net Proceeds) was originally planned to be used for pursuing suitable acquisition and partnership opportunities. As disclosed in the announcement of the Company dated 26 February 2019, having considered the difficulties on identifying the potential acquisition and partnership, the Board has resolved to re-allocate part of the unutilized Net Proceeds originally planned for such purpose amounting to approximately HK\$6.1 million, representing approximately 9.4% of the Net Proceeds, to expanding the interior solutions services to mid to high end residential market and approximately HK\$3.4 million, representing approximately 5.2% of the Net Proceeds, as general working capital and other general corporate purposes.

The Company has announced on 18 May 2018 that the Board has resolved to re-allocate the Net Proceeds of approximately HK\$10.6 million, which was originally planned to be used for financing the establishment of research and development (“R&D”) center in Hong Kong, for financing the establishment of overseas R&D centers. However, due to failure to agree and/or conclude on commercial terms in respect of the acquisition or lease of overseas properties for the establishment of the overseas R&D center, the Board has resolved on 18 April 2019 to re-allocate the aforesaid unutilized Net Proceeds amounting to approximately HK\$10.6 million to build a new R&D center in Hong Kong which will serve as a centralized hub for product and material application testing, developing new technologies and design prototypes, as well as building special lighting and security systems, including the payment of consideration of HK\$8.5 million for the acquisition of a property located at workshop 1 on 13th Floor of Technology Plaza, No. 651 King’s Road, Hong Kong. For details, please refer to announcement of the Company dated 18 April 2019.

The Company has, and will continue to utilize the net proceed from the Share Offer for the purpose consistent with the section headed “Future Plans and Use of Proceeds” as set out in the Prospectus and the announcements of the Company dated 26 February 2019 and 18 April 2019. Nevertheless, the Directors will constantly evaluate the Group business objectives and may change or modify the plan against changing market conditions to ascertain the business growth of the Group.

預期載有(其中包括)股份合併進一步詳情之通函將於二零二零年十月十六日或之前寄發予股東。

有關股份合併之詳情，請參閱日期為二零二零年九月二十三日之本公司公告。

股份發售所得款項淨額用途

本公司股份(「股份」)於二零一六年九月十二日在聯交所主板上市，據此，合共600,000,000股股份已經以公開發售及配售(「股份發售」)之方式按每股0.15港元之價格發行，籌得所得款項淨額約為64.6百萬港元(經扣除包銷佣金及所有相關開支)(「所得款項淨額」)。

根據招股章程，約30%的所得款項淨額(即全部所得款項淨額中的19.3百萬港元)原計劃用於尋求合適的收購及合作機會。誠如本公司日期為二零一九年二月二十六日之公告所披露，考慮到物色潛在收購及合作方面的困難，董事會已議決將部份未動用所得款項淨額中原計劃作此用途之約6.1百萬港元(佔所得款項淨額約9.4%)，重新分配作用於將室內解決方案服務擴展至涵蓋中高端住宅市場，而約3.4百萬港元(佔所得款項淨額約5.2%)則重新分配作一般營運資金及其他一般企業用途。

本公司已於二零一八年五月十八日公佈，董事會議決將約10.6百萬港元之所得款項淨額，由原先擬用作為在香港設立研發中心提供資金，重新分配為用作在海外設立研發中心提供資金。然而，由於未能協定及/或敲定收購或租賃海外物業以在海外設立研發中心之商業條款，董事會已於二零一九年四月十八日議決，將上述之約10.6百萬港元未動用所得款項淨額重新分配作在香港設立新研發中心，新研發中心將作為一個中心樞紐，從事產品及材料應用測試、開發新技術及設計原型首版以及構建特殊燈飾及安保系統，包括支付收購一項位於香港英皇道651號科匯中心13樓1號單位之物業之代價8.5百萬港元。詳情載於本公司日期為二零一九年四月十八日之公告。

本公司已經並將繼續按照招股章程「未來計劃及所得款項用途」一節及本公司日期為二零一九年二月二十六日及二零一九年四月十八日之公告所載之用途使用股份發售之所得款項淨額。然而，董事將不斷評估本集團的業務目標，並可能會根據不斷變化的市況改變或修改計劃，以確保本集團的業務增長。

Management Discussion and Analysis

管理層討論及分析

The below table sets out the planned applications of the Net Proceeds and actual usage during the Year:

下表載列所得款項淨額的擬定用途以及於本年度之實際用途：

| Intended application of the Net Proceeds | 所得款項淨額的擬定用途 | Planned allocation HK\$ in million 百萬港元 | Revised allocation HK\$ in million 百萬港元 | Actual utilization up to 30 June 2020 | Unutilized Net Proceeds as at 30 June 2020 | Expected timeline for the unutilized Net Proceeds |
|--|----------------------|---|---|--|---|--|
| | | | | 直至二零二零年六月三十日的實際動用情況 HK\$ in million 百萬港元 | 於二零二零年六月三十日的尚未動用所得款項淨額 HK\$ in million 百萬港元 | 未動用所得款項淨額的預期運用時間表 |
| Pursuing suitable acquisition and partnership opportunities | 尋求合適的收購及合作機會 | 19.3 | 9.8 | 0.1 | 9.7 | Subject to any potential target identified 取決於是否已物色任何潛在目標 |
| Incorporation of overseas subsidiaries | 註冊成立海外附屬公司 | 14.9 | 14.9 | 11.1 | 3.8 | Note 1 附註1 |
| Establishment of R&D centers in Hong Kong | 在香港設立研發中心 | 11.0 | 11.0 | 10.1 | 0.9 | Note 2 附註2 |
| Recruiting high caliber talents | 招聘優秀人才 | 7.1 | 7.1 | 7.1 | – | N/A 不適用 |
| Utilised as additional working capital and other general corporate purposes | 用作額外營運資金及其他一般企業用途 | 6.5 | 9.9 | 9.9 | – | N/A 不適用 |
| Brand promotion | 品牌推廣 | 5.8 | 5.8 | 5.8 | – | N/A 不適用 |
| Expansion of the interior solutions services to mid to high end residential market | 擴展室內解決方案服務至涵蓋中高端住宅市場 | – | 6.1 | 3.9 | 2.2 | Note 3 附註3 |
| Total | 總計 | 64.6 | 64.6 | 48.0 | 16.6 | |

Management Discussion and Analysis

管理層討論及分析

Notes:

1. The Company had planned to use the unutilized Net Proceeds as at 30 June 2020 of approximately HK\$3.8 million for the settlement of operating expenses incurred of the overseas subsidiaries. Considered the business plan and human resource structure of the overseas subsidiaries, it is expected that the unutilized Net Proceeds of approximately HK\$3.8 million allocated for the incorporation of overseas subsidiaries will be utilized by 31 December 2021.
2. The Company had planned to use the unutilized Net Proceeds as at 30 June 2020 of approximately HK\$0.9 million for financing the R&D works of new designs and new products in relation to the major projects with potential customers gradually and it is subject to negotiation progress. After assessing the uncertainty in the business environment and the market conditions in view of the prolonged impact of the COVID-19 pandemic, the Group proposed to postpone the plan of establishing a new R&D center in Hong Kong until the economic environment in Hong Kong becomes better. In order for better utilization of assets of the Group, the Board resolved to lease out the premises acquired to be used as its new R&D center in Hong Kong by entering into a tenancy agreement with an independent third party in August 2020 to earn short-term rental income. The establishment of the new R&D center in Hong Kong will be postponed to a later stage and the Group currently conducts its R&D activities in its headquarter.
3. The Company has been expanding the interior solutions services to mid to high end residential market and had planned to use the unutilized Net Proceeds as at 30 June 2020 of approximately HK\$2.2 million for strengthening the sales and market efforts as well as financing the general operating costs of the expansion plan. As such, it is expected that the unutilized Net Proceeds of approximately HK\$2.2 million allocated for the expansion of the interior solutions services to mid to high end residential market will be utilized by 30 June 2021.

The unutilized Net Proceeds have been placed as interest deposits with licensed banks in Hong Kong. In the event that the Directors decide to use such net proceeds in a manner different from that stated in the Prospectus, the Company will issue further announcement in compliance with the Listing Rules.

附註：

1. 本公司已計劃將二零二零年六月三十日的未動用所得款項淨額中約3.8百萬港元用於支付海外附屬公司錄得的經營開支。考慮到海外附屬公司的業務計劃及人力資源架構，預期約3.8百萬港元分配作註冊成立海外附屬公司的未動用所得款項淨額將於二零二一年十二月三十一日或之前動用。
2. 本公司已計劃將二零二零年六月三十日的未動用所得款項淨額中約0.9百萬港元逐步用於與潛在客戶有關的主要項目的新設計及新產品的研發工作，並須視乎磋商進展而定。鑑於2019冠狀病毒病疫情的長期影響，經評估經營環境和市況的不確定性後，本集團建議押後在香港設立新研發中心的計劃，直至香港經濟環境好轉為止。為更好地運用本集團資產，董事會決議將原先計劃用於在香港設立新研發中心而收購的物業出租，並因此於二零二零年八月與獨立第三方訂立有關該物業之租賃協議，以賺取短期租金收入。在香港設立新研發中心的計劃將押後至較後時間，而本集團目前在總部進行研發活動。
3. 本公司一直擴展室內解決方案服務至涵蓋中高端住宅市場，並計劃將二零二零年六月三十日之未動用所得款項淨額約2.2百萬港元用於增強銷售及市場推廣工作以及撥付擴展計劃之一般經營成本。因此，預期分配作擴展室內解決方案服務至涵蓋中高端住宅市場的未動用所得款項淨額約2.2百萬港元將於二零二一年六月三十日或之前動用。

未動用所得款項淨額已存入香港持牌銀行作計息存款。倘董事決定以有別於招股章程所述方式使用該等所得款項淨額，本公司將根據上市規則發出進一步公告。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate value and accountability. The Company has adopted the code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Listing Rules as its own code of corporate governance. Key corporate governance principles and practices of the Company are outlined later in this annual report.

Save as the deviation from code provision A.2.1 of the CG Code in relation to the chairman and the chief executive officer being the same individual as described below, the Board considers that the Company has fully complied, to the extent applicable and permissible, with all code provisions as set out in the CG Code during the Year.

THE BOARD

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established four Board committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the Risk Management Committee, (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

企業管治常規

本集團致力維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納上市規則附錄十四所載的企業管治守則（「企業管治守則」）所載之守則條文作為本身之企業管治守則。本公司的主要企業管治原則及常規於本年報內下文概述。

誠如下文所述，主席及行政總裁為同一人，除此情況偏離企業管治守則第A.2.1條守則條文外，董事會認為，本公司於本年度已在適用及許可之範圍內完全遵守企業管治守則所載之所有守則條文。

董事會

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層授出本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，董事會成立四個董事會委員會，即審核委員會、薪酬委員會、提名委員會及風險管理委員會（統稱「董事會委員會」）。董事會已向董事會委員會授出其各自職權範圍所載之責任。

Corporate Governance Report

企業管治報告

BOARD COMPOSITION

At as 30 June 2020 and the date of this annual report, the Board comprises six members, consisting of three executive Directors and three independent non-executive Directors. The Directors during the Year and up to the date of this annual report as set out below:

Executive Directors

Mr. Lee Wai Sang (*Chairman and Chief Executive Officer*)
Mr. Lau King Lok
Mr. Leung Pak Yin

Independent Non-executive Directors

Mr. So Chi Hang
Mr. Heng Ching Kuen Franklin
Mr. Shing Wai Yip

The profile of the Directors are set out on pages 8 to 12 of this annual report. Save as disclosed in the profile of the Directors that Mr. Lee Wai Sang, the Chairman, executive Director, the Chief Executive Officer and the controlling shareholder (as defined under the Listing Rules) of the Company, is the brother-in-law of Mr. Leung Pak Yin, the Board members do not have any family, financial, business or other material/relevant relationship among themselves.

During the Year, the Company has been in compliance with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

During the Year, the Company has also complied with the requirement of Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the CG Code requires the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. The chairman is responsible for the overall leadership and strategic planning of the Group. The chief executive officer is responsible for the day-to-day management of the Group's business and operations.

董事會的組成

於二零二零年六月三十日及本年報日期，董事會由六名成員組成，包括三名執行董事及三名獨立非執行董事。於本年度及直至本年報日期之董事載列如下：

執行董事

李偉生先生 (*主席兼行政總裁*)
劉敬樂先生
梁伯然先生

獨立非執行董事

蘇智恒先生
幸正權先生
成偉業先生

董事之履歷載於本年報第8至12頁。除董事履歷所披露之李偉生先生(為本公司之主席、執行董事、行政總裁兼控股股東(定義見上市規則))為梁伯然先生姐夫的情況外，董事會成員之間概無任何家族、財務、業務或其他重大/相關之關係。

於本年度，本公司已遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事(及其中至少一名獨立非執行董事擁有適當的專業資格或會計或相關財務管理專業知識)的規定。

於本年度，本公司亦已遵守上市規則第3.10A條有關委任至少相當於董事會成員三分之一的獨立非執行董事的規定。

主席兼行政總裁

企業管治守則第A.2.1條守則條文規定應區分主席與行政總裁的角色且不應由同一人士擔任。主席負責本集團的整體領導及戰略性規劃。行政總裁負責本集團業務及營運的日常管理。

Corporate Governance Report

企業管治報告

Mr. Lee assumes the roles of both the Chairman and the Chief Executive Officer. In view of Mr. Lee's extensive experience in the industry, personal profile and critical role in the Group and its historical development, the Board considers that it is beneficial to the business prospects of the Group that Mr. Lee continues to act as both the Chairman and the Chief Executive Officer. The Board believes that vesting both the roles of Chairman and Chief Executive Officer in the same person has the benefit of providing a strong and consistent leadership to the Group and allows for more effective planning and management of the Group. In addition, the Board is of the view that the balanced composition of executive and independent non-executive Directors on the Board and the Board Committees (primarily comprising independent non-executive Directors) in overseeing different aspects of the Company's affairs would provide adequate safeguards to ensure a balance of power and authority. The Board will continue to review and consider splitting the roles of the Chairman and the Chief Executive Officer at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

BOARD MEETINGS

The Board intends to hold Board meetings regularly at least four times a year at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular Board meetings to provide all Directors with an opportunity to attend and propose matters to be discussed in the meeting agenda.

For other Board and Board Committee meetings, reasonable notice will generally be given. The agenda and accompanying documents are dispatched to the Directors or Board Committee members at least five days before the meetings, the agreed period determined by the Board, to ensure that they have sufficient time to review the documents and be adequately prepared for the meetings.

When Directors or Board Committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of the Board meetings and Board Committee meetings are/will be recorded in sufficient detail to include the matters considered by the Board and the Board Committee and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meetings and Board Committee meetings are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

During the Year, the Board held six meetings and passed resolutions by way of written resolutions. The attendance of the Board members at the above meetings is set out in the below section headed "Attendance at Board and Board Committee Meetings and General Meeting".

李先生擔任主席兼行政總裁的角色。根據李先生豐富的行業經驗、個人履歷以及於本集團及其歷史性發展中的重要角色，董事會認為李先生繼續擔任主席兼行政總裁有利於本集團的業務前景。董事會認為，由同一人士擔任主席及行政總裁的職務有利於為本集團提供強勁而一致的領導以及令本集團的規劃及管理更加有效。此外，董事會認為，董事會中組合均衡的執行及獨立非執行董事及監察本公司事務不同範疇的董事會委員會（主要由獨立非執行董事組成）或會提供充足保障措施，以確保權力與職權的平衡。董事會將持續審閱主席及行政總裁的職務，並在透過參考本集團整體環境屬恰當及適合時考慮分開主席及行政總裁的職務。

董事會會議

董事會擬定期舉行董事會會議，即每年至少舉行四次會議及大致按季度舉行會議。所有董事會例行會議通知會於會議舉行前至少十四日送呈全體董事，以使彼等能有機會出席董事會例行會議，並於會議議程提議將予討論之事宜。

就其他董事會及董事會委員會會議而言，本公司一般會發出合理通知。議程及相關文件將於會議召開前至少五日（為董事會所釐定之協定期間）寄予董事或董事會委員會成員，以確保彼等有充足時間審閱有關文件及充分準備出席會議。

倘董事或董事會委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席彼等的意見。董事會會議及董事會委員會會議的會議記錄會／將會詳盡記錄，以載入董事會及董事會委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事會委員會會議的會議記錄草擬本於／將於會議舉行當日後的合理時間內寄送至各董事，以供彼等提出意見。

於本年度，董事會舉行六次會議並以書面決議案方式通過決議案。董事會成員於上述會議的出席情況載於下文「董事會及董事會委員會會議以及股東大會的出席情況」一節。

Corporate Governance Report

企業管治報告

GENERAL MEETING

During the Year, one general meeting, being the 2019 annual general meeting held on 21 November 2019 (the "2019 AGM"), was held. The attendance of the Board members at the 2019 AGM is set out in the below section headed "Attendance at Board and Board Committee Meetings and General Meeting".

ATTENDANCE AT BOARD AND BOARD COMMITTEE MEETINGS AND GENERAL MEETING

Attendance of each Director at all the Board meetings, Board Committee meetings and general meetings held during the Year is set out as follows:

| Name of Director | 董事姓名 | Board meetings 董事會會議 | Audit Committee meetings 審核委員會會議 | Remuneration Committee meetings 薪酬委員會會議 | Nomination Committee meeting 提名委員會會議 | Risk | General Meeting 股東大會 |
|--|-------|-------------------------|-------------------------------------|--|---|--|-------------------------|
| | | | | | | Management Committee meetings 風險管理委員會會議 | |
| Executive Directors 執行董事 | | | | | | | |
| Mr. Lee Wai Sang | 李偉生先生 | 6/6 | N/A不適用 | 2/2 | 1/1 | N/A不適用 | 1/1 |
| Mr. Lau King Lok | 劉敬樂先生 | 6/6 | N/A不適用 | N/A不適用 | N/A不適用 | 2/2 | 1/1 |
| Mr. Leung Pak Yin | 梁伯然先生 | 6/6 | N/A不適用 | N/A不適用 | N/A不適用 | N/A不適用 | 1/1 |
| Independent non-executive Directors 獨立非執行董事 | | | | | | | |
| Mr. So Chi Hang | 蘇智恒先生 | 6/6 | 3/3 | 2/2 | 1/1 | 2/2 | 1/1 |
| Mr. Heng Ching Kuen Franklin | 幸正權先生 | 6/6 | 3/3 | 2/2 | 1/1 | 2/2 | 1/1 |
| Mr. Shing Wai Yip | 成偉業先生 | 6/6 | 3/3 | N/A不適用 | N/A不適用 | N/A不適用 | 1/1 |

AUDIT COMMITTEE

The Company established the Audit Committee on 22 August 2016 with written terms of reference in compliance with the CG Code. The Audit Committee has three members, all are independent non-executive Directors, namely Mr. So Chi Hang, Mr. Heng Ching Kuen Franklin and Mr. Shing Wai Yip. Mr. So Chi Hang has been appointed as the chairman of the Audit Committee. Mr. So Chi Hang possesses the appropriate professional qualifications required under the Listing Rules.

The primary responsibilities of the Audit Committee are to review the interim and annual results of the Company and to supervise the financial reporting process, risk management and internal control systems of the Group and make recommendations to the Board of the appointment and removal of the external auditors as well as corporate governance related matters. The Audit Committee has access to independent professional advice, if required, and is provided with sufficient resources to perform its duties.

股東大會

於本年度已舉行一次股東大會，即二零一九年十一月二十一日舉行之二零一九年股東週年大會（「二零一九年股東週年大會」）。各董事會成員於二零一九年股東週年大會的出席情況載於下文「董事會及董事會委員會會議以及股東大會的出席情況」一節。

董事會及董事會委員會會議以及股東大會的出席情況

各董事於本年度所舉行的全部董事會會議、董事會委員會會議以及股東大會的出席情況載列如下：

審核委員會

本公司於二零一六年八月二十二日成立審核委員會，並遵照企業管治守則制定書面職權範圍。審核委員會由三名成員組成，均為獨立非執行董事，即蘇智恒先生、幸正權先生及成偉業先生。蘇智恒先生獲委任為審核委員會的主席。蘇智恒先生擁有上市規則規定的適當專業資格。

審核委員會的主要職責為審閱本公司的中期及全年業績以及監察本集團之財務報告程序、風險管理及內部監控系統及就委任及罷免外聘核數師以及企業管治相關事宜向董事會作出推薦意見。審核委員會可獲取獨立專業意見（如有需要），並獲提供充足資源以履行其職責。

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The Audit Committee held three meetings during the Year, with all members present in person or through telephone communication. In addition to the Audit Committee meetings, the Audit Committee also dealt with matters by way of circulation during the Year.

A summary of the work performed by the Audit Committee during the Year is listed below:

- Review the terms of engagement of the Company's auditor;
- Assessed the independence of the Company's auditor;
- Discussed with external auditor the audit plan for the year ended 30 June 2020, and reviewed and approved the proposed audit fee for the audit of consolidated financial statements for the year ended 30 June 2020;
- Reviewed the Group's annual financial results for the year ended 30 June 2019 and interim financial results for the six months ended 31 December 2019;
- Reviewed the documents and other matters or issues raised by the Company's auditor, the significant issues on financial reporting and internal control, the continuing connected transactions carried out during the year ended 30 June 2019 and re-appointment of the Company's auditor; and
- Reviewed the Company's compliance with the CG Code during the year ended 30 June 2019 and the training and continuous professional development of the Directors and senior management of the Company.

The attendance of the Audit Committee members at the above meetings is set out in the above section headed "Attendance at Board and Board Committee Meetings and General Meeting".

REMUNERATION COMMITTEE

The Company established the Remuneration Committee on 22 August 2016 with written terms of reference in compliance with the CG Code. The Remuneration Committee has three members, two of them are independent non-executive Directors, namely Mr. So Chi Hang and Mr. Heng Ching Kuen Franklin, and one of them is an executive Director, namely, Mr. Lee Wai Sang. Mr. So Chi Hang has been appointed as the chairman of the Remuneration Committee. The Remuneration Committee has access to independent professional advice, if required, and is provided with sufficient resources to perform its duties.

The primary duties of the Remuneration Committee are to determine the policies in relation to human resources management, to review the Company's remuneration policies and to determine remuneration packages for Directors and senior management members of the Company.

審核委員會於本年度舉行三次會議，全體成員親身或以電話方式出席會議。除了審核委員會會議外，審核委員會於本年度亦以傳閱方式處理事宜。

審核委員會於本年度進行之工作概要具列如下：

- 審閱本公司核數師之委聘條款；
- 評估本公司核數師的獨立性；
- 與外聘核數師討論截至二零二零年六月三十日止年度之審核計劃以及審閱及批准審核截至二零二零年六月三十日止年度之綜合財務報表之建議審核費用；
- 審閱本集團截至二零一九年六月三十日止年度之全年財務業績以及截至二零一九年十二月三十一日止六個月之中期財務業績；
- 審閱文件及本公司核數師提出之其他事宜或議題、有關財務申報及內部監控之重大議題、於截至二零一九年六月三十日止年度進行之持續關連交易以及續聘本公司核數師；及
- 檢討本公司於截至二零一九年六月三十日止年度內遵守企業管治守則的情況以及董事及本公司高級管理層之培訓及持續專業培訓。

審核委員會成員出席上述會議的情況載於上文「董事會及董事會委員會會議以及股東大會的出席情況」一節。

薪酬委員會

本公司於二零一六年八月二十二日成立薪酬委員會，並遵照企業管治守則制定書面職權範圍。薪酬委員會由三名成員組成，其中兩名為獨立非執行董事（即蘇智恒先生及李正權先生），一名為執行董事（即李偉生先生）。蘇智恒先生獲委任為薪酬委員會的主席。薪酬委員會可獲取獨立專業意見（如有需要），並獲提供充足資源以履行其職責。

薪酬委員會的主要職能為釐定與人力資源管理有關的政策、審閱本公司的薪酬政策及釐定本公司董事及高級管理層成員的薪酬待遇。

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The remuneration of the Directors was determined with reference to their respective experience and responsibilities with the Group and the general market conditions. The Remuneration Committee has adopted the approach under code provision B.1.2(c)(ii) of the CG Code to make recommendations to the Board on remuneration packages of the Directors and the members of senior management.

The Remuneration Committee held two meetings during the Year, with all members present in person or through telephone communication, during which the following works were performed:

- Discussed and reviewed of the existing policy and structure of the remuneration for the Directors and senior management of the Company; and
- Reviewed and recommended to the Board the proposal for salary adjustments for executive Directors and senior management of the Company.

The attendance of the Remuneration Committee members at the above meetings is set out in the above section headed “Attendance at Board and Board Committee Meetings and General Meeting”.

NOMINATION COMMITTEE

The Company established the Nomination Committee on 22 August 2016 with written terms of reference in compliance with the CG Code. The Nomination Committee consists of three members, one of them is an executive Director, namely Mr. Lee Wai Sang, and two of them are independent non-executive Directors, namely Mr. So Chi Hang and Mr. Heng Ching Kuen Franklin. Mr. Lee Wai Sang has been appointed as the chairman of the Nomination Committee. The Nomination Committee has access to independent professional advice, if required, and is provided with sufficient resources to perform its duties.

The primary duties of the Nomination Committee are to review the structure, size and diversity (including the skills, knowledge and experience) of the Board on a regular basis and make recommendations to the Board regarding candidates to fill vacancies on the Board. In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the board diversity policy of the Company adopted by the Board on 22 August 2016 (“Board Diversity 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.

董事薪酬乃參考其各自於本集團的經驗及職責以及整體市場而釐定。薪酬委員會已採納企業管治守則第B.1.2(c)(ii)條守則條文項下之方法，以就董事及高級管理層成員的薪酬待遇向董事會作出推薦建議。

薪酬委員會於本年度舉行兩次會議，全體成員均親身或以電話方式出席。在此期間，進行下列工作：

- 討論及審閱目前的董事及本公司高級管理人員之薪酬政策及架構；及
- 審閱及向董事會建議執行董事及本公司高級管理層之薪金調整方案。

薪酬委員會成員出席上述會議的情況載於上文「董事會及董事會委員會會議以及股東大會的出席情況」一節。

提名委員會

本公司於二零一六年八月二十二日成立提名委員會，並遵照企業管治守則制定書面職權範圍。提名委員由三名成員組成，其中一名為執行董事（即李偉生先生），兩名為獨立非執行董事（即蘇智恒先生及幸正權先生）。李偉生先生獲委任為提名委員會的主席。提名委員會可獲取獨立專業意見（如有需要），並獲提供充足資源以履行其職責。

提名委員會主要職能為定期檢討董事會的架構、規模及多元化（包括技能、知識和經驗），以及就填補董事會空缺的候選人向董事會提供推薦建議。在評估董事會組成的過程中，提名委員會會考慮董事會於二零一六年八月二十二日採納的本公司董事會成員多元化政策（「董事會成員多元化政策」）所載之多個範疇。

為確保董事會的變更能夠在不受干擾的情況下進行，在甄選、委任及重選董事時的過程應為正式且審慎和具透明度，及有序地計劃繼承（如果認為有必要），當中包括定期審查該計劃。任命新董事（額外董事或填補臨時空缺）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。

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The criteria to be applied in considering whether a candidate is qualified shall be his or her 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:

- (a) participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- (b) taking the lead where potential conflicts of interests arise;
- (c) 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;
- (d) bringing a range of business and financial experience to the Board, giving the Board and any committee on which he or she serves the benefit of his or her skills, expertise, and varied backgrounds and qualifications and diversity through attendance and participation in the Board/Board Committee meetings;
- (e) scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance;
- (f) ensuring the committees on which he or she serves to perform their powers and functions conferred on them by the Board; and
- (g) 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.

The Nomination Committee held one meeting during the Year, with all members present in person or through telephone communication, 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 to the Board on the re-election of the retiring Directors at the 2019 AGM.

The executive Directors were appointed based on their qualification and experience in relation to the Group's business. The independent non-executive Directors were appointed based on their professional qualifications and experience in their respective areas.

考慮候選人是否符合資格建基於彼能否付出足夠時間和精力處理公司的事務，並有助於董事會成員多元化以及有效執行董事會職責，尤其是以下責任：

- (a) 參加董事會會議並就公司策略、政策、績效、問責制、資源、主要任命和行為守則等問題作出獨立判斷；
- (b) 出現潛在利益衝突時發揮領導作用；
- (c) 如為非執行董事候選人，倘受邀時，須在審核委員會、薪酬委員會和提名委員會以及其他相關董事會委員會任職；
- (d) 通過定期出席和參與董事會及其擔任成員的委員會會議並以其技能、專業知識、不同背景及資歷與多元化為董事會／董事會委員會帶來一系列的商業和財務經驗；
- (e) 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；
- (f) 確保所服務的委員會履行董事會賦予他們的權力和職能；及
- (g) 須遵守董事會不時訂明或載於本公司的組織章程文件，或法例規定，或根據上市規則(如適用)之任何規定、指示及規例。

提名委員會於本年度舉行一次會議，全體成員均親身或以電話方式出席。在此期間，進行下列工作：

- 審閱董事會的組成、規模及架構；
- 評核各獨立非執行董事的獨立性；及
- 就重選二零一九年股東週年大會上之退任董事向董事會作出建議。

執行董事已按彼等的資格及與本集團業務有關的經驗獲委任。獨立非執行董事則已按彼等的專業資格及彼等於各自領域的經驗獲委任。

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The attendance of the Nomination Committee members at the above meeting is set out in the above section headed “Attendance at Board and Board Committee Meetings and General Meeting”.

RISK MANAGEMENT COMMITTEE

The Company established the Risk Management Committee on 22 August 2016 with written terms of reference in compliance with the CG Code. The Risk Management Committee consists of three members, two of them are independent non-executive Directors, namely Mr. Heng Ching Kuen Franklin and Mr. So Chi Hang, and one of them is an executive Director, namely Mr. Lau King Lok. Mr. Heng Ching Kuen Franklin has been appointed as the chairman of the Risk Management Committee. The Risk Management Committee has access to independent professional advice, if required, and is provided with sufficient resources to perform its duties.

The primary duties of the Risk Management Committee are to review the Company’s risk management policies and standards and to monitor the Company’s exposure to sanctions law risks.

The Risk Management Committee held two meetings during the Year, with all members present in person or through telephone communication. The meetings were held to review the compliance by the Group with its undertaking to the Stock Exchange, further details of which are set out below:

- Reviewed, evaluated and confirmed the effectiveness of the internal control policies and procedures with respect to sanctions law matters;
- Reviewed and identified the Company’s risk exposure;
- Reviewed draft reports of internal control and risk management systems; and
- Reviewed the disclosure in the corporate governance report for the year ended 30 June 2019 relating to the compliance with risk management and internal control code provision of the CG Code.

The Company has undertaken to the Stock Exchange that it will comply with certain undertakings (the “Undertaking”) that it will not use the proceeds from the Share Offer as well as any other funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any countries (“Sanctioned Countries”) which are the targets of economic sanctions as administered by the U.S., the European Union (“EU”), the United Nations and Australia or certain persons and entities listed on the Specially Designated Nationals and Blocked Person List of the United States Department of Treasury’s Office of Foreign Assets Control (“OFAC”) or other restricted parties lists maintained by the EU, the United Nations or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions (“Sanctioned Persons”) (collectively, “International Sanctions”).

提名委員會成員出席上述會議的情況載於上文「董事會及董事會委員會會議以及股東大會的出席情況」一節。

風險管理委員會

本公司於二零一六年八月二十二日成立風險管理委員會，並遵照企業管治守則備有書面職權範圍。風險管理委員會由三名成員組成，其中兩名為獨立非執行董事（即幸正權先生及蘇智恒先生），一名為執行董事（即劉敬樂先生）。幸正權先生獲委任為風險管理委員會主席。風險管理委員會可獲取獨立專業意見（如有需要），並獲提供充足資源以履行其職責。

風險管理委員會的主要職責為檢討本公司的風險管理政策及準則以及監控本公司面對的制裁法律風險。

風險管理委員會於本年度舉行兩次會議，全體成員均親身或以電話方式出席。該等會議目的乃為檢討本集團是否遵守其對聯交所的承諾（進一步詳情載於下文）：

- 審閱、評估及確認有關制裁法律事宜的內部監控政策及程序的有效性；
- 審閱及識別本公司所面對的風險；
- 審閱內部監控及風險管理系統之報告草稿；及
- 審閱截至二零一九年六月三十日止年度於企業管治報告有關遵照企業管治守則之風險管理及內部監控守則條文之披露。

本公司已向聯交所承諾，其將遵守若干承諾（「承諾」），據此將不會使用股份發售所得款項以及經聯交所籌集之任何其他資金直接或間接為美國、歐盟（「歐盟」）、聯合國及澳洲實行經濟制裁的目標的任何國家（「受制裁國家」）或位列美國財政部海外資產控制辦公室（「美國財政部海外資產控制辦公室」）特定國民與禁止往來人員名單或歐盟、聯合國或澳洲頒發的其他限制方名單的若干人士及實體（包括但不限於屬任何美國財政部海外資產控制辦公室執行制裁目標的任何政府、個人或實體）（「受制裁人士」）（統稱「國際制裁」）進行或為其利益進行之活動或業務提供資金或融通。

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As disclosed in the Prospectus, the Board had developed its system on evaluating the sanctions risks prior to determining whether the Company should embark on any business opportunities in the Sanctioned Countries and with Sanctioned Persons. Under the system, advices from reputable external international legal counsels with necessary expertise and experience in matters relating to sanction-related laws and regulations issued by the U.S., the EU, Australia or the United Nations would be seek if the Company encounter any possible sanctions risk. During the Year, the Risk Management Committee had conducted a review of the system's effectiveness in preventing any prohibited or otherwise restricted sales to Sanctioned Countries and Sanctioned Persons.

The attendance of the Risk Management Committee members at the above meetings are set out in the above section headed "Attendance at Board and Board Committee Meetings and General Meeting".

BOARD DIVERSITY POLICY

The Board adopted the Board Diversity Policy on 22 August 2016. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on merit while taking into account diversity (including but not limited to skills, professional experience, educational background, knowledge, expertise, culture, independence, age and gender).

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 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, expected working capital requirements, capital expenditure requirements, liquidity position, future expansions plans, the amount of retained profits and distributable reserves of the Company, general economic conditions, business cycle of the Group's business, other internal or external factors that may have an impact on the business or financial performance and position of the Group and any other factors that the Board deems relevant.

Any declaration and payment of the dividends by the Company will be subject to any restrictions under the Companies Law of the Cayman Islands, the Company's memorandum and articles of association, the Listing Rules and any other applicable laws and regulations. The Company does not have any pre-determined dividend distribution ratio. The Company's dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Company in the future. The dividend policy shall in no way constitute a legally binding commitment by the Group in respect of its future dividend and/or in no way obligate the Group to declare a dividend at any time or from time to time.

誠如招股章程所披露，董事會於決定本公司是否應當在受制裁國家及受制裁人士開展任何業務機會之前，已完善其評估制裁風險的系統。於該系統下，倘本公司遇到任何潛在的制裁風險，將尋求擁有與美國、歐盟、澳洲或聯合國頒佈的有關制裁法律及法規的事宜有關的所需的專業知識及經驗的有聲望的外聘國際法律顧問意見。於本年度，風險管理委員會已對系統的有效性進行審核，以防止向受制裁國家及受制裁人士作出任何受禁止或其他受限的銷售。

風險管理委員會成員於上述會議的出席情況載於上述「董事會及董事會委員會會議以及股東大會的出席情況」一節。

董事會成員多元化政策

董事會於二零一六年八月二十二日採納董事會成員多元化政策。本公司明白並深信董事會成員多元化有助於提高其表現質素。一個真正成員多元化的董事會將納入及善用董事之不同技能、區域及行業經驗、背景、種族、性別及其他質素。該等差異將在釐定董事會之最佳組合時納入考量。董事會所有成員的委任將在基於其各自優勢的同時兼顧多元化（包括但不限於技能、專業經驗、教育背景、知識、專長、文化、獨立身分、年齡及性別）。

股息政策

本公司致力通過可持續的股息政策，在符合股東預期與審慎資本管理兩者之間保持平衡。本公司的股息政策旨在讓股東得以分享本公司的利潤，同時讓本公司預留足夠儲備供日後發展之用。在建議宣派任何股息時，本公司將考慮多項因素，包括但不限於本集團之整體營運業績、財務狀況、預期的營運資金需求、資本開支需求、流動資金狀況、未來擴展計劃、本公司的保留溢利及可供分派儲備之金額、整體經濟狀況、本集團業務的業務週期、可能影響本集團業務或財務表現及狀況的其他內在或外在因素及董事會認為合適的其他因素。

任何本公司宣派及派付股息均將受限於開曼群島公司法、本公司組織章程大綱及細則、上市規則以及任何其他適用法律及法規之任何限制。本公司並無任何預定股息分派比率。本公司之過往股息分派記錄不可用作釐定本公司於未來可能宣派或派付之股息水平之參考或基準。股息政策於任何情況下均不會構成本集團有關其未來股息之具法律約束力之承擔及／或於任何情況下均不會使本集團有責任於任何時間或不時宣派股息。

Corporate Governance Report

企業管治報告

TERM OF APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. So Chi Hang and Mr. Heng Ching Kuen Franklin, independent non-executive Directors, have been appointed for a term of one year, subject to renewal upon expiry of the existing term.

Mr. Shing Wai Yip, an independent non-executive Director, has been appointed for a term of three years, subject to renewal upon expiry of the existing term.

DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors has renewed his service contract with the Company for a term of one year commencing from 9 September 2019. Upon expiry of the term, each of them has further renewed his service contract with the Company for a term of one year commencing from 9 September 2020, which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the articles of association of the Company (the "Articles of Association").

Each of Mr. So Chi Hang and Mr. Heng Ching Kuen Franklin, the independent non-executive Directors, has renewed his letter of appointment with the Company for a term of one year commencing from 9 September 2019. Upon expiry of the term, each of them has further renewed his letter of appointment with the Company for a term of one year commencing from 9 September 2020, which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

Mr. Shing Wai Yip, the independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 25 January 2019, which may be terminated by not less than three months' notice served by either party on the other, and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association.

None of the Directors who is proposed for re-election at the forthcoming annual general meeting has any service agreement which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The rules and procedures governing the appointment, retirement, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board structure, size and composition and making recommendations to the Board on the appointment and re-appointment of Directors and succession planning for Directors.

獨立非執行董事之任期

獨立非執行董事蘇智恒先生及幸正權先生之任期為一年並可於現時任期屆滿後續任。

獨立非執行董事成偉業先生之任期為三年並可於現時任期屆滿後續任。

董事服務協議

各執行董事已與本公司重續服務合約，任期為一年，由二零一九年九月九日開始。於該任期屆滿後，彼等均已與本公司進一步重續服務合約，由二零二零年九月九日開始，為期一年，雙方均可以向對方發出不少於三個月之通知終止該等服務合約，並須受其中所載終止條文及本公司的章程細則（「章程細則」）所載董事輪值退任條文所規限。

獨立非執行董事蘇智恒先生及幸正權先生已與本公司重續委任函，任期為一年，由二零一九年九月九日開始。於該任期屆滿後，彼等均已與本公司進一步重續委任書，由二零二零年九月九日開始，為期一年，雙方均可以向對方發出不少於三個月之通知終止該等委任書，並須受其中所載終止條文及章程細則所載董事輪值退任條文所規限。

獨立非執行董事成偉業先生已與本公司訂立委任書，為期三年，由二零一九年一月二十五日開始，雙方均可以向對方發出不少於三個月之通知終止該等委任書，並須受其中所載終止條文及章程細則所載董事輪值退任條文所規限。

擬於應屆股東週年大會上膺選連任之董事均無訂有任何本集團不可於一年內免付補償（法定補償除外）而終止之服務協議。

監管董事之委任、退任、重選及罷免之規則及程序載於章程細則。提名委員會負責檢討董事會架構、人數及組成，並就董事之委任及重新委任以及繼任計劃向董事會提供建議。

Corporate Governance Report

企業管治報告

NOMINATION, APPOINTMENT, RETIREMENT AND RE-ELECTION OF DIRECTORS

In accordance with the Articles of Association, at least one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation and shall be eligible for re-election and re-appointment at each annual general meeting provided that each Director shall be subject to retirement by rotation at least once every three years. Any new Director so appointed to fill a causal vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any new Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting.

DIRECTORS' AND SENIOR MANAGEMENT'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company by the Directors and the Group's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Group or the Company's securities.

Upon specific enquiry, all the Directors confirmed that they have complied with the Model Code during the Year. In addition, the Board is not aware of any non-compliance of the Model Code by the senior management of the Group during the Year.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

Directors must keep abreast of their collective responsibilities. All Directors are aware of their responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. The Company continuously updates the Directors on the latest developments regarding the Listing Rules and other applicable regulatory and statutory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

All Directors have participated in continuous professional development and provided a record of training they received for the Year to the Company.

提名、委任、退任及重選董事

根據章程細則，當時為數至少三分之一的董事（或如董事人數並非三的倍數，則須為最接近但不少於三分之一的董事人數）須輪席退任，並合資格於各股東週年大會上重選及連任，惟各董事須最少每三年輪席退任一次。任何獲委任以填補臨時空缺的新董事，其任期僅直至其獲委任後的本公司首屆股東大會，並須於該大會上重選連任。任何獲委任作為現有董事會新增董事的董事，其任期僅直至其獲委任後本公司首屆股東週年大會為止，並符合資格於該大會上重選連任。

董事及高級管理層進行證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」）作為其董事及本集團高級管理層（因為他的職位或僱傭關係，乃有可能持有有關本集團或本公司證券的內幕消息）有關買賣本公司證券的行為守則。

經過具體詢問後，全體董事確認彼等於本年度已遵守標準守則。此外，董事會並無發現於本年度內本集團高級管理層有任何違反標準守則的行為。

董事的持續專業發展

董事須了解彼等的集體職責。全體董事均知悉彼等對股東的責任，並已審慎、有技巧及勤勉盡責地履行彼等的職責，致力於本集團的發展。本公司一直不時向董事提供有關上市規則及其他適用監管及法律規定之最新發展，以確保彼等遵守該等規則並提高彼等對良好企業管治常規的認知度。

全體董事已參與持續專業培訓並已向本公司提供彼等於本年度已接受培訓之記錄。

Corporate Governance Report

企業管治報告

The individual training record of each Director received for the Year is set out below: 各董事於本年度已接受培訓之個人記錄載列如下：

| Name of Director | 董事姓名 | Type of Training 培訓種類 |
|------------------------------|-------|--------------------------|
| Mr. Lee Wai Sang | 李偉生先生 | A, B |
| Mr. Lau King Lok | 劉敬樂先生 | A, B |
| Mr. Leung Pak Yin | 梁伯然先生 | A, B |
| Mr. So Chi Hang | 蘇智恒先生 | A, B |
| Mr. Heng Ching Kuen Franklin | 幸正權先生 | A, B |
| Mr. Shing Wai Yip | 成偉業先生 | A, B |

Notes:

- A. attending or participating in seminars/workshops/trainings relating to directors' duties and corporate governance
- B. reading materials/watch on webcasts of regulatory update

附註：

- A. 出席或參與有關董事職務及企業管治之研討會／工作坊／培訓
- B. 閱覽最新監管資料／觀看最新監管短片

DIRECTORS AND SENIOR MANAGEMENT EMOLUMENTS

董事及高級管理層酬金

For the Year, the emoluments of the Directors and members of the senior management within the following bands were as follows:

於本年度，於以下酬金範圍內的董事及高級管理層成員酬金如下：

| Emoluments Band | 酬金範圍 | For the year ended 30 June 2020 截至二零二零年 六月三十日止年度 |
|-------------------------------|---------------------------|---|
| HK\$1,000,000 and below | 1,000,000港元及以下 | 7 |
| HK\$1,000,001 – HK\$1,500,000 | 1,000,001港元 – 1,500,000港元 | 2 |
| HK\$1,500,001 – HK\$2,000,000 | 1,500,001港元 – 2,000,000港元 | – |
| HK\$2,000,001 and above | 2,000,001港元及以上 | 1 |

Further details of the remuneration of Directors and five highest paid individuals have been set out in notes 8 and 9 to the audited consolidated financial statements.

有關董事及五位最高薪人士酬金之進一步詳情載於財務報表附註8及9。

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

核數師酬金

An analysis of the remuneration paid or payable to BDO Limited is set out below:

有關已付或應付立信德豪會計師事務所有限公司的酬金分析載列如下：

| Services Rendered | 提供的服務 | Fee paid/payable for the year ended 30 June 2020 截至二零二零年六月三十日止年度已付／應付費用 (HK\$'000) (千港元) |
|--|------------------------|---|
| Annual audit service for the year ended 30 June 2020 | 截至二零二零年六月三十日止年度之年度審計服務 | 710 |

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

董事就綜合財務報表之責任

The Directors acknowledge that it is their responsibility to prepare accounts of the Group and other financial disclosures required under the Listing Rules and the Company's management will provide information and explanation to the Board to enable it to make informed assessments of the financial and other decisions.

董事確認，彼等負責根據上市規則規定，編制本集團賬目及其他財務披露，而本公司管理層將向董事會提供資料及解釋，讓董事會可對財務及其他決定作出知情評估。

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

董事並不知悉任何有關可能對本公司繼續經營構成重大疑問的事件或情況的重大不明朗因素。

The statement of the auditor of the Company in respect of its reporting responsibilities on the Company's audited consolidated financial statements for the Year is set out in the "Independent Auditor's Report" contained in this annual report.

本公司核數師就其對本公司於本年度之經審核綜合財務報表之申報責任之聲明載於本年報「獨立核數師報告」內。

INSURANCE ON DIRECTORS' AND OFFICERS' LIABILITIES

董事及高級職員的責任保險

The Company has arranged for liability insurance cover to indemnify the Directors and the senior management of the Company.

本公司已安排涵蓋賠償本公司董事及高級管理層的責任保險。

Corporate Governance Report

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

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 through the Audit Committee. The scope of such review covers all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programs and budget of the Group's accounting and financial reporting functions are adequate. However, the Board recognizes that no cost effective internal control and risk management systems will preclude all errors and irregularities as such 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.

Main Features of the Risk Management and Internal Control Systems

The internal control system and procedures of the Company are designed to meet specific business needs and to minimize risk exposure. The Company adopted different internal guidelines, along with written policies and procedures to monitor and reduce the impact of risks which are relevant to the Group's business and control daily business operations.

During the Year, Richard Poon & Partners Risk Management Limited, an independent consultant, had been engaged for an enterprise risk assessment, which was conducted under the approach adopted in the "COSO Enterprise Risk Management – Integrated Framework". According to the assessment result, management has established an enterprise risk register, submitted an assessment report containing recommendations to the Board and to enable the Board to effectively monitor the business risks and understand how management responds and mitigates the risks.

Process used to Identify, Evaluate and Manage Significant Risks

The management of the Company is the ultimate risk management decision-making body. The Risk Management Committee is responsible for deciding the risk level and risk appetite of the Group and considering the Group's risk management strategies and giving guidelines where appropriate. It also has the responsibility of overseeing the Company's risk management and internal control systems on an ongoing basis and ensure that a review of the effectiveness of the risk management and internal control systems of the Group has been conducted at least annually.

內部監控及風險管理

董事會有關風險管理及內部監控系統之責任

董事會確認其負責風險管理及內部監控系統並持續監察有關系統，同時確保至少每年透過審核委員會對此等本集團系統的成效進行一次審查。有關審查的範圍涵蓋所有重大監控措施，包括財務、營運和合規控制，以確保本集團的會計和財務報告職能的資源、員工資格和經驗、培訓計劃和預算為足夠。然而，董事會明白並無具成本效益的內部監控及風險管理系統能夠完全排除所有錯誤和不合規行為，因為有關系統旨在管理風險，而非消除未能實現業務目標的風險，對於防止重大錯報或損失只能提供合理而非絕對的保證。

風險管理及內部監控系統的主要特點

本公司的內部監控系統和程序之設計是旨在滿足特定的業務需要並盡量減低風險。本公司採納不同的內部指引連同書面政策和程序，以監察和減低與本集團業務及日常業務運作相關的風險。

於本年度，獨立顧問潘偉雄風險管理有限公司獲委聘進行企業風險評估，此乃根據「COSO企業風險管理一綜合框架」中採用的方針進行。根據評估結果，管理層已制訂企業風險登記冊及向董事會提交載有推薦建議的評估報告，讓董事會能夠有效地監控業務風險，了解管理層如何應對和減輕風險。

用於識別、評估和管控重大風險的程序

本公司管理層是最終的風險管理決策機構。風險管理委員會負責決定本集團的風險水平和風險偏好，並考慮本集團的風險管理策略以及於合適情況提供指引。其亦負責持續監督本公司的風險管理及內部監控系統，確保至少每年對本集團的風險管理及內部監控系統的成效進行一次檢討。

Corporate Governance Report

企業管治報告

The Company has formulated an enterprise risk management process to effectively manage the risks faced by the Company. The process clearly defines four procedures for the Company's management of risks, including identification, assessment, monitoring and reporting.

In the event of risk identification, management communicates with the operational functions and collects significant risk factors affecting the Company from bottom to top. These risk factors are included as enterprise risk register.

Management evaluates the risks in the register and prioritizes them for follow-up actions according to their potential impact, occurrence opportunity and sufficiency of current measures tackling the risks. The risk register is reviewed at least once a year, new risks are added while existing risks are removed, if necessary, after the assessment.

The changes are reported to the Board at a timely manner. This process can effectively ensure that the Company takes the initiative to manage the risks it faces and that all risk holders are aware of their liability so that they can develop appropriate and effective measures in time to control the risks.

Process used to Review the Effectiveness of the Risk Management and Internal Control Systems and to Resolve Material Internal Control Defects

The Company has implemented an internal control system to minimize the risks to which the Company is exposed to and used as a management tool for day-to-day business operation. Review is conducted once a year.

The Company engaged an independent consultant, Richard Poon & Partners Risk Management Limited, to carry out the analysis and independent appraisal of the adequacy and effectiveness of the Company's risk management and internal control systems for the year ended 30 June 2020. The results of the independent review and assessment were reported to the Board and Board Committees.

Based on the review results for the Year, the management has made a confirmation to the Board that the Company's risk management and internal control systems are effective and sufficient. The Board, through the Risk Management Committee and the Audit Committee, had conducted review on the effectiveness of the risk management and internal control systems of the Group for the year ended 30 June 2020. The Board was satisfied with the review results and considered the risk management and internal control systems are effective and adequate, in particular, for financial reporting and Listing Rules compliance. No significant areas of concern that might affect the financial, operational, compliance controls, and risk management functions of the Group were identified.

本公司已制訂企業風險管理程序，以有效管理本公司面對的風險。該程序明確規定本公司管理風險的四個程序，包括識別、評估、監察和報告。

在風險識別時，管理層與不同業務職能進行溝通，並以從下至上的方式蒐集影響本公司的重大風險因素。此等風險因素已列入企業風險登記冊。

管理層評估登記冊所載的風險，根據不同風險的潛在影響、發生機會及目前為應對風險所採取之措施是否足夠而對有關風險訂出應對的先後次序，以採取跟進行動。風險登記冊至少每年檢討一次，經評估後，將於必要時剔除現有風險及加入新風險的資料。

此等變化乃適時地向董事會報告。此程序能夠有效地確保本公司主動管控其面對的風險，並確保所有風險承擔者均明白本身之責任所在，以適時地制訂適當有效的措施來控制風險。

用於審視風險管理及內部監控系統之成效以及解決重大內部監控缺點之程序

本公司已實行內部監控系統，以盡量減低本公司面對的風險，並以此作為日常業務運作的管理工具。檢討乃每年進行一次。

本公司已委聘獨立顧問潘偉雄風險管理有限公司，對本公司風險管理及內部監控系統於截至二零二零年六月三十日止年度是否足夠及成效如何進行分析和獨立評估。有關獨立檢討及評估之結果已向董事會及董事會委員會匯報。

根據本年度之檢討結果，管理層已向董事會確認，本公司之風險管理及內部監控系統為有效及足夠。董事會透過風險管理委員會及審核委員會對於本集團風險管理及內部監控系統於截至二零二零年六月三十日止年度之成效進行檢討。董事會信納檢討結果，並認為風險管理及內部監控系統為有效及足夠，特別是就財務報告和上市規則合規而言。並無確定可能影響本集團的財務、營運、合規控制和風險管理職能的重大關注領域。

Corporate Governance Report

企業管治報告

The Board will continue to review and improve the Company's risk management and internal control systems in accordance with the existing regulatory requirements, the interests of Shareholders and the growth and development of the Company's business.

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 Group (i) carries out its daily operation with regards to the "Guidelines on Disclosure of Inside Information" issued by the SFC; and (ii) closely communicate with its legal advisor regarding whether the relevant information is likely to have impact on the price of the Shares or their trading volume and thus is considered as inside information that needs to be disclosed pursuant to the Inside Information Provisions under Part XIVA of the SFO and the Listing Rules.

To comply with the SFO, the Company has also developed internal control mechanisms for handling and disseminating inside information, including information flow and reporting processes, confidentiality arrangement, disclosure procedures and staff trainings. In addition, whistleblowing policy has been adopted. Accordingly, effective channels will be set up to encourage employees to report incidents of alleged misconduct or fraud.

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.

TRAINING FOR COMPANY SECRETARY

The Board is of the view that Mr. Lau King Lok, the Company Secretary and also an executive Director, is qualified and has appropriate experience to discharge his duties. Mr. Lau King Lok had received not less than 15 hours of relevant professional training during the Year. The Company will provide Mr. Lau King Lok with sufficient resources to receive not less than 15 hours of professional training for every financial year as required by the Rule 3.29 of the Listing Rules.

董事會將繼續按照現行監管規定、本著股東利益為推動本公司業務之增長及發展，對本公司之風險管理及內部監控系統進行檢討並將之不斷完善。

處理及發放內幕消息之程序及內部監控

就處理及發放內幕消息之程序及內部監控而言，本集團(i)按照證監會發表的「內幕消息披露指引」而進行日常運作；及(ii)與其法律顧問密切溝通，以就相關資料是否相當可能對股份價格或股份交易量產生影響，因此被視為內幕消息而須根據證券及期貨條例第XIVA部之內幕消息條文以及上市規則予以披露。

為遵守證券及期貨條例，本公司亦已制訂內部監控機制，用於處理及發放內幕消息，包括消息流程和報告流程、保密安排、披露程序和員工培訓。此外，本公司已採納舉報政策。因此，將建立有效的渠道，鼓勵僱員舉報涉嫌不當行為或欺詐的事件。

內部審核職能

本公司並無內部審核部門。董事會已評估對內部審核職能之需要，並認為鑒於本集團業務的規模、性質及複雜程度，相對於將資源撥予成立一個單獨的內部審核部門，委任外部獨立專業人士就本集團風險管理及內部監控系統的足夠程度及有效性進行獨立審查將更具成本效益。然而，董事會將繼續每年最少一次評估對內部審核部門之需要。

公司秘書之培訓

董事會認為，公司秘書兼執行董事劉敬樂先生有資格及適當的經驗履行其職責。於本年度，劉敬樂先生已接受不少於15個小時的相關專業培訓。按上市規則第3.29條的要求，本公司將向劉敬樂先生提供充足的資源，讓其每個財政年度接受不少於15個小時的相關專業培訓。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Convening of extraordinary general meeting on requisition by the Shareholders

Pursuant to article 64 of the Articles of Association, shareholder(s) holding at the date of the deposit of the requisition not less than one-tenth of the paid up capital of the company having the right of voting at general meetings of the company shall at all times have the right, by written requisition to the board or the company secretary, to require an extraordinary general meeting to be called by the board. The written requisition must specify the business to be transacted on the meeting, which shall be held within two months after the deposit of such requisition.

If within 21 days from the date of the deposit of the requisition, the Board fails to proceed to convene an extraordinary general meeting, the Shareholder(s) concerned may themselves convene an extraordinary general meeting, and all reasonable expenses incurred by the Shareholder(s) making the requisition as a result of the failure of the Board shall be reimbursed to such Shareholder(s) by the Company.

Save for the procedures for Shareholders to convene an extraordinary general meeting as set out above, there are no provisions allowing Shareholders to put forward proposals at the general meeting under the Articles of Association. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition. The written requisition must state the objects of the meeting, and must be signed by the relevant Shareholder(s) and deposited to the Company Secretary at the Company's principal place of business in Hong Kong, 20th Floor, 625 King's Road, North Point, Hong Kong.

Procedures for directing Shareholders' enquiries to the Board

Shareholder(s) may at any time send their enquiries and concerns to the Board in writing through the Company Secretary by post at 20th Floor, 625 King's Road, North Point, Hong Kong, or via email at the contact information as provided on the website of the Company.

The Company Secretary shall forward the Shareholder(s)' enquiries and concerns to the Board and/or relevant Board Committees, where appropriate, to respond to the Shareholder(s)' questions.

股東權利

應股東要求召開股東特別大會

根據章程細則第64條，於遞呈要求日期持有不少於本公司繳足資本（附有於本公司股東大會表決的權利）十分之一的股東，於任何時候有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會。該書面要求須訂明待於會上處理的事項，而該大會應於遞呈有關要求後兩個月內舉行。

倘自遞呈要求日期起21日內，董事會未有召開股東特別大會，則有關股東可自發召開股東特別大會，而遞呈要求股東因董事會未有召開大會而合理產生的所有開支須由本公司向彼等作出償付。

除上述股東召開股東特別大會的程序外，根據章程細則，概無其他條文准予股東於股東大會上進一步提出建議。股東可遵循上文所載的程序就該等書面要求內所指定之事宜召開股東特別大會。該書面要求必須說明會議目的，並須由相關股東簽署並送交予公司秘書（彼於本公司於香港的主要營業地點為香港北角英皇道625號20樓）。

向董事會送達股東查詢的程序

股東可隨時以書面形式通過平郵將彼等的查詢及關注事項寄往香港北角英皇道625號20樓，或透過本公司網站所提供的聯絡方式寄發郵件，經公司秘書轉交予董事會。

公司秘書將轉交股東的查詢及關注事項予董事會及／或相關董事會委員會（若適當），以便回覆股東的問題。

Corporate Governance Report

企業管治報告

INVESTOR RELATIONS

The Company believes that effective and proper investor relations play a vital role in creating Shareholders' value, enhancing the corporate transparency as well as establishing market confidence. The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate and complete, thereby enabling Shareholders, investors as well as the public to make rational and informed decisions. Updated key information and business development of the Group are also available on the Company's website to enable Shareholders and investors to have timely access to information about the Group.

The Company also endeavours to maintain an on-going dialogue with Shareholders and in particular, through general meetings which provides a forum for Shareholders to raise comments and exchange views with the Board. Directors (or their delegates as appropriate) will be available at the general meetings of the Company to address Shareholders' queries.

The Company will continue to take measures to ensure effective Shareholders' communication and transparency.

There has been no change in the Articles of Association since 12 September 2016, being the date on which the Shares are listed on the Stock Exchange, and up to date version of the Articles of Association is available on the websites of the Stock Exchange and the Company.

投資者關係

本公司相信，與投資者建立有效及適當的關係對創造股東價值、提高公司透明度及建立市場信心起著重要作用。本公司根據上市規則披露資料，及根據有關法律及法規向公眾刊發定期報告及公告。本公司盡力確保及時披露資料，而有關資料實屬公正、準確及完整，務求使股東、投資者及公眾能作出合理的知情決定。本集團最新的重要資料及業務發展亦會刊登於本公司網站，以使股東及投資者及時獲得有關本集團的資料。

本公司亦竭力與股東保持持續對話，尤其是，透過股東大會為股東提供提出意見及與董事會交換意見的討論會。董事（或其代表（如適用））將於本公司股東大會上處理股東的疑問。

本公司將繼續採取措施確保有效的股東交流及透明度。

自二零一六年九月十二日（股份於聯交所上市之日期）起，章程細則並無變動，並可於聯交所及本公司網站獲取章程細則的最新版本。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THE REPORT

CROSSTEC Group Holdings Limited (the “Company”, together with its subsidiaries hereinafter the “Group” and “We”) is a one-stop provider of interior design solutions and the majority of our clients are global luxury goods and high-end fashion brands with retail stores across the world. Our served clients base with footprints in various parts of the world including Hong Kong, China, the United States, Europe, Middle East and other Asian countries. The Group recognises that it is of paramount importance to integrate ESG into our business operations and our value chain in pursuit of sustainable business development and positive impacts to the environment and community. With the implementation of our ESG practices and initiatives, we continue our efforts in addressing environmental and social issues in a responsible manner, as well as effective communication with key stakeholders in meeting their needs and expectations.

We are pleased to publish our fourth environmental, social and governance report (the “ESG Report”) and provide the information of the Group’s ESG management approaches, environmental and social performance from the period of 1 July 2019 to 30 June 2020 (the “Reporting Period”, “2019/20”). The scope of the ESG report covers our five major business services, including 1) millwork and furniture provision, 2) facade development and fabrication, 3) interior solutions, 4) design and project consultancy and 5) maintenance services. For the disclosure of environmental performance data, the Group mainly focuses on the business operation in Hong Kong office. For information on our corporate governance, please refer to the “Corporate Governance Report” on pages 25 to 42 in the annual report.

Reporting Standard

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We have set up an ESG working group comprising our senior management and members from different departments who have sufficient knowledge in both ESG matters and our business operations. The Board of Directors has reviewed and approved the ESG Report to ensure all material issues and impacts on sustainability development are fairly presented.

Contact and Feedback

Your opinions will be highly valued by the Group. You are welcome to provide your advice and suggestions to this ESG report or our ESG initiatives via:

Website: <http://www.crosstec.com.hk>
Tel: (852) 2690-1223
Email: info@crosstec.com.hk

關於本報告

易緯集團控股有限公司（「本公司」，連同其附屬公司統稱為「本集團」或「我們」）為一站式的室內設計解決方案供應商，本集團的主要客戶為於全球範圍內設有零售店舖的全球高端消費品及高端時尚品牌商。我們的客戶群足跡遍及世界不同地區，包括香港、中國、美國、歐洲、中東及其他亞洲國家。本集團明白，為追求業務的可持續發展，同時為環境及社區帶來正面影響，將環境、社會及管治融入業務營運及價值鏈為最重要的一環。隨著實施環境、社會及管治常規和措施，我們繼續以負責任的方式處理環境及社會議題，並促進與主要持份者的有效溝通，以滿足他們的需求及期望。

我們欣然刊發本集團第四份環境、社會及管治報告（「環境、社會及管治報告」），並就本集團於二零一九年七月一日至二零二零年六月三十日期間（「報告期」或「二零一九／二零年度」）的環境、社會及管治管理方法以及環境及社會績效提供資料。環境、社會及管治報告的範圍涵蓋本集團的五項主要業務，包括：1) 金屬、玻璃及木製品及傢俱供應；2) 幕牆開發及製造；3) 室內解決方案；4) 設計及項目諮詢；及5) 保養服務。本集團所披露的環境績效數據主要集中於香港辦公室的業務運作。有關企業管治的資料，請參閱本年報第25至42頁的「企業管治報告」。

報告準則

環境、社會及管治報告乃根據香港聯合交易所有限公司證券上市規則附錄27所載的《環境、社會及管治報告指引》（「環境、社會及管治報告指引」）編製。

我們已成立環境、社會及管治工作小組，由充份掌握環境、社會及管治事宜以及業務營運的高級管理人員及各部門成員組成。董事會已審閱並批准環境、社會及管治報告，確保公正地呈列所有重大事宜及對可持續發展的影響。

聯絡及意見反饋

本集團非常重視閣下的寶貴意見。歡迎閣下以下列方式就本環境、社會及管治報告或措施提供意見及建議：

網頁：<http://www.crosstec.com.hk>
電話：(852) 2690-1223
電子郵件：info@crosstec.com.hk

Environmental, Social and Governance Report

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT

The Group believes that maintaining two-way and constructive dialogue with our stakeholders can better understand and serve their evolving needs, their concerns and perspectives toward the business operations and development, ESG management and performance.

During the Reporting Period, we identified our key stakeholder groups as customers, business partners, employees, shareholders and investors, government and regulators and the community. To ensure our quality communications with our stakeholders, we engaged our stakeholders via the following channels:

持份者參與

本集團相信，與持份者保持互相溝通及具建設性的對話，有助了解並滿足他們變化不斷的需求，同時跟進他們對於業務營運及發展和環境、社會及管治管理及績效的關注及看法。

於報告期內，我們識別了主要的持份者為客戶、業務夥伴、僱員、股東及投資者、政府及監管機構以及社區。為確保與持份者的良好溝通，我們透過以下渠道與持份者聯繫：

| Stakeholders 持份者 | Communication channels 溝通渠道 |
|---|---|
| Customers 客戶 | <ul style="list-style-type: none"> Company website 公司網頁 Client interviews 客戶訪問 Regular meetings 定期會面 Customer feedback and complaints 客戶意見反饋及投訴 Mutual visit and site survey 互訪及現場調查 |
| Business partners (Service providers and contractors) 業務夥伴（服務供應商及承包商） | <ul style="list-style-type: none"> On-going direct engagement 持續直接聯繫 Supplier selection and performance assessment 挑選供應商及績效評估 Procurement and tendering 採購及招標 Site inspection 現場檢測 |
| Employees 僱員 | <ul style="list-style-type: none"> Emails 電子郵件 Regular meetings 定期會面 Business briefings 業務簡報 Annual staff performance review 年度員工表現評估 Employee training 僱員培訓 Employee activities 僱員活動 |

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STAKEHOLDER ENGAGEMENT (continued)

持份者參與(續)

| Stakeholders 持份者 | Communication channels 溝通渠道 |
|--------------------------------------|--|
| Shareholders and investors 股東及投資者 | <ul style="list-style-type: none"> • Company website 公司網頁 • Annual general meetings 股東週年大會 • Investor relation meetings 投資者關係會議 • Corporate announcements and communications 公司公告及溝通 • Annual and interim reports 年度報告及中期報告 |
| Government and regulators 政府及監管機構 | <ul style="list-style-type: none"> • Regular document submission 定期提交文件 • Regular communication with regulatory authorities 與監管機構定期溝通 • Compliance inspections and assessments 合規檢查及評估 • Circulars, standards and guidelines 通函、準則及指引 • Forum, seminar and conference 論壇、研討會及會議 |
| Community 社區 | <ul style="list-style-type: none"> • Emails and phones 電子郵件及電話 • Charitable activities and voluntary services 慈善活動及義工服務 |

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT

Environment is a foundation for mankind to live and develop. With principal engagement in interior design solutions service provision, the Group highly values the impact of corporate development on the environment.

Apart from complying with the relevant environmental laws and regulations where we operate such as Waste Disposal Ordinance (Cap. 354) of Hong Kong Special Administrative Region (“HKSAR”), Noise Control Ordinance (Cap. 400) of HKSAR and Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) of HKSAR, the Group is committed to working to emission reduction, energy and resources conservation encompasses every aspect of our operation. By the implementation of environmental management system accredited with ISO 14001:2015 certification along the business operations, we enable to identify the environmental risks and opportunities, formulate corresponding management procedures to mitigate the adverse impact of different environmental aspects, as well as making continual improvement by regular performance review.

We have also become a member of the Hong Kong Green Building Council, to further understand the value of green buildings features, actively participate in green environmental protection activities, and to convey the value of energy conservation and environmental protection to our customers, leading more enterprises and individuals to reduce resource consumption.

During the Reporting Period, the Group was not aware of any breaches of relevant laws and regulations relating to air and greenhouse gas (GHG) emissions, discharge into water and land, and generation of hazardous and non-hazardous waste.

我們的環境

環境是人類賴以為生及繁衍不息的基本條件。本集團主要從事提供室內設計解決方案服務，尤其注重企業發展對環境的影響。

本集團不僅遵守經營所在地區的相關環保法律及法規，如香港特別行政區《廢物處理條例》(第354章)、香港特別行政區《噪音管制條例》(第400章)及香港特別行政區《汽車引擎空轉(定額罰款)條例》(第611章)，更致力將減排、節省能源及資源融入營運的每個層面。透過在業務營運中實施獲ISO 14001:2015認證的環境管理體系，我們能夠識別環境風險及機遇並制定相應的管理程序，盡量減輕各環境層面的不利影響，同時定期進行績效檢討，事事精益求精。

我們亦成為香港綠色建築協會的成員，以進一步認識綠色建築特色的價值、積極參與綠色環保活動，以及向客戶傳達節能環保的價值，引領更多企業及個人減少消耗資源。

於報告期內，本集團並無發現任何違反有關廢氣及溫室氣體排放、向水及土地的排污以及產生有害及無害廢棄物的相關法律法規的事件。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT (continued)

Emissions

Air Emission

The type of air emission was mainly generated from the transportation of company vehicles for site inspection and daily travel. The Group properly plans the route and journey on the factory visits and ensure regular vehicle inspections are maintained to the vehicles performance and reduce the pollutants emission.

Air emission generated by mobile vehicles during the Reporting Period is illustrated in the below table:

| Emission 污染物排放 | Unit 單位 | 2018/19 二零一八/一九年度 | 2019/20 二零一九/二零年度 |
|---------------------------------|------------|----------------------|----------------------|
| Nitrogen oxides (NOx) 氮氧化物 | kg 公斤 | 6.38 | 4.06 |
| Sulphur oxides (SOx) 硫化物 | kg 公斤 | 0.14 | 0.13 |
| Particulate Matters (PM) 顆粒物 | kg 公斤 | 0.47 | 0.30 |

Greenhouse Gas Emission

In our daily business operation, the main carbon emissions come from the fuel consumption of mobile vehicles, electricity use of daily office operation and business travel. The Group has initiated energy saving practices to cut down the energy consumption and adopted video conference for meetings through the communication technology application (e.g. Skype, Zoom or WeChat) as possible to reduce the frequency of business travels, in turn to reduce the GHG emission.

我們的環境(續)

排放物

廢氣排放

廢氣排放主要來自公司車輛於實地考察及日常出行的交通。本集團妥善規劃訪廠路線及行程，並確保定期檢查車輛性能，減少排放污染物。

下表載列報告期內車輛產生的廢氣污染物排放量：

溫室氣體排放

在日常業務營運中，我們的碳排放主要來自車輛的燃料消耗、日常辦公室營運的用電及出差。本集團已開始採取節能常規以減少能源消耗，並盡量透過通訊技術軟件(如 Skype、Zoom 或微信)進行視像會議，減少出差次數，從而減少溫室氣體排放。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT (continued)

Greenhouse Gas Emission (continued)

The GHG emission of the Group during the Reporting Period is illustrated in the below table:

| GHG Emission 溫室氣體排放 | Unit 單位 | 2018/19 二零一八/一九年度 | 2019/20 二零一九/二零年度 |
|--|---|----------------------|----------------------|
| Scope 1 ¹ 範圍1 ¹ | Tonnes of carbon dioxide equivalent (“tCO ₂ e”) 噸二氧化碳當量 | 55.29 | 22.85 |
| Scope 2 ² 範圍2 ² | tCO ₂ e 噸二氧化碳當量 | 57.49 | 60.20 |
| Scope 3 ³ 範圍3 ³ | tCO ₂ e 噸二氧化碳當量 | 74.19 ⁴ | 38.12 |
| Total GHG emission ⁵ 溫室氣體總排放量 ⁵ | tCO ₂ e 噸二氧化碳當量 | 186.97 | 121.17 |
| Intensity ⁶ 密度 ⁶ | tCO ₂ e/HK\$'000,000 噸二氧化碳當量/每百萬港元收入 | 1.18 | 1.54 |
| | tCO ₂ e/full-time employee ⁷ 噸二氧化碳當量/每名全職僱員 ⁷ | 3.32 | 2.77 |

我們的環境(續)

溫室氣體排放(續)

下表載列本集團於報告期內的溫室氣體排放量：

Notes:

- Scope 1: Direct emission includes the mobile combustion of company vehicles.
- Scope 2: Energy indirect emission includes the purchased electricity consumed by the Group in Hong Kong office.
- Scope 3: Other indirect emissions includes the business travel by the Group only.
- The figure of Scope 3 emission in 2018/19 is restated for the consistency and enhancement of GHG data calculation.
- Scopes 1 and Scope 2 GHG emissions are calculated in accordance with the Hong Kong Government's Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings in Hong Kong (2010 Edition). Scope 2 GHG emission is calculated based on the electricity consumed in Hong Kong office. The emission factors for Hong Kong Electric were 0.80 kg CO₂e/kWh in 2019.
- The GHG intensity is the sum of Scope 1 and 2 emission divided by the annual revenue and the number of full-time employees. The intensity of 2018/19 is restated for the consistency and enhancement of GHG data calculation.
- The number of full-time employees based in Hong Kong office as at 30 June 2020 were 30.

附註：

- 範圍1：直接排放包括公司車輛的移動源燃料燃燒。
- 範圍2：能源間接排放包括本集團在香港辦公室所消耗的外購電力。
- 範圍3：其他間接排放僅包括本集團的出差。
- 為保持溫室氣體數據計算程序一致並加以改良，範圍3於二零一八/一九年度的排放量數據已經重列。
- 範圍1及範圍2的溫室氣體排放量是根據香港政府的《香港建築物的溫室氣體排放及減除的核算和報告指引》(二零一零年版)計算而得出。而範圍2的溫室氣體排放量是根據香港辦公室的用電量計算而得出。香港電燈於二零一九年的排放系數為0.80公斤二氧化碳當量/千瓦時。
- 溫室氣體密度為範圍1及範圍2排放量總和除以年度收入及全職僱員人數。為保持溫室氣體數據計算程序一致並加以改良，二零一八/一九年度的溫室氣體密度已經重列。
- 截至二零二零年六月三十日，香港辦公室的全職僱員人數為30名。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT (continued)

Greenhouse Gas Emission (continued)

Waste Management

The major waste production from the Group comes from daily office operation. We have adopted guidelines for our employees to promote awareness to the environment. The Group also advocates green office with the 3R principles (Reduce, Reuse and Recycle) and has taken measures to reduce the waste generation. We have set up the recycling facilities (e.g. recycle collection box for plastic bottles, recycle paper bag and collection box for single-sided printing paper next to the copier machines) in office areas to facilitate our employees in waste sorting, reuse and recycling. On the other hand, we provide reusable cutlery and plates in our pantry for our employees to minimise the use of disposable appliance. All the recyclable materials will be collected regularly and consigned to licensed waste collectors or property management company for handling and treatment. Limited amount of cartridges and Waste Electrical and Electronic Equipment were generated in office operation and such kinds of waste were collected by the service providers and/or recyclers for processing.

我們的環境(續)

溫室氣體排放(續)

廢棄物管理

本集團的廢棄物主要來自日常辦公室營運。我們已制定多項指引，以提高僱員對環境的認識，並提倡綠色辦公室及3R原則(減少使用、重複使用及回收再用)，同時採取減少廢棄物產生的措施。我們在辦公區域設立回收設備(如膠樽回收箱、回收紙袋、打印機旁的單面打印紙收集箱)，方便僱員將廢棄物分類、重複使用及回收再用。此外，我們在茶水間提供可重用餐具及餐碟，僱員能夠藉此減少使用即棄餐具。本集團定期收妥可回收物料，並交由持牌廢棄物收集商或物業管理公司處理及加工。來自辦公室營運的墨盒及廢電器電子產品為數不多，該等廢棄物由服務供應商及/或回收商收集並處理。

| Waste Generation 產生之廢棄物 | Unit 單位 | 2018/19 二零一八/一九年度 | 2019/20 二零一九/二零年度 |
|------------------------------|---------------------------------------|----------------------|----------------------|
| Hazardous waste 有害廢棄物 | Tonnes 噸 | 0.0198 | 0.0169 |
| Hazardous waste 有害廢棄物 | Tonnes/m ² 噸/平方米 | 0.000018 | 0.000015 |
| | Tonnes/full-time employee 噸/每名全職僱員 | 0.00058 | 0.00056 |
| Non-hazardous waste 無害廢棄物 | | | |
| General waste 一般廢棄物 | Tonnes 噸 | 3.64 | 3.54 |
| Intensity 密度 | Tonnes/m ² 噸/平方米 | 0.0033 | 0.0032 |
| | Tonnes/full-time employee 噸/每名全職僱員 | 0.11 | 0.12 |

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT (continued)

Use of Resources

Despite our business operations are mainly housed in office and contribute to limited environmental impacts, the Group promotes green office practices to maximise the resources efficiency in daily operation. We expect all our employees to oblige the shared responsibility and participation to achieve the goal. Besides, we recommend energy-saving strategies to our customers in assisting to achieve energy saving and reduce GHG emissions.

Energy Use

For energy conservation, the Group attaches energy saving signages and posters nearby the office equipment and working area to remind our employees about the importance of energy saving. Green tips are written into the staff handbook and relevant training is regularly provided to all the staff to cultivate energy-saving habits. Some key measures of energy saving are highlighted as follows:

- Turn off the lightings, air conditioning and office equipment before leaving the office;
- Set office appliance in energy saving mode by default;
- Procure and use energy efficient office equipment;
- Unplug the unused mobile phone charger or other charging device; and
- Use LED lighting.

The energy consumption of the Group during the Reporting Period is shown in the below table:

| Energy 能源 | Unit 單位 | 2018/19 二零一八/一九年度 | 2019/20 二零一九/二零年度 |
|-------------------------------------|--------------------------------------|----------------------|----------------------|
| Purchased electricity 外購電力 | MWh 兆瓦時 | 72.77 | 75.25 |
| Mobile fuel consumption 汽車燃料消耗 | MWh 兆瓦時 | 197.36 | 83.26 |
| Total energy consumption 能源總消耗總量 | MWh 兆瓦時 | 270.13 | 158.51 |
| Intensity 密度 | MWh/m ² 兆瓦時/平方米 | 0.15 | 0.14 |
| | MWh/full-time employee 兆瓦時/每名全職僱員 | 8.07 | 5.28 |

我們的環境(續)

資源使用

儘管我們的業務營運主要在辦公室內進行，對環境造成的影響有限，本集團仍推廣綠色辦公常規以提高日常營運的資源效率。為實現目標，我們期望每位僱員都能一起分擔責任，親力親為。同時，我們亦向客戶推薦節能策略，協助他們節能及減少排放溫室氣體。

能源使用

為節約能源，本集團在辦公設備及工作範圍附近貼上節能標示及海報，提醒僱員節能的重要性。員工手冊載有綠色貼士，而全體員工亦定期接受相關培訓，有助他們培養節能習慣。以下為主要節能措施的摘要：

- 離開辦公室前關掉照明、空調及辦公設備；
- 將辦公室電器預設為節能模式；
- 購置並使用節能辦公設備；
- 拔掉非使用中的手提電話充電器或其他充電設備；及
- 使用LED照明。

下表載列本集團於報告期內的能源消耗：

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT (continued)

Use of Resources (continued)

Water Use

Water is the finite and precious resource that everyone should treasure. We encourage all staff to actively implement water conservation measures by avoiding washing hands under running tap, tightening the faucet to prevent water dripping and reporting the water pipelines leaking phenomenon to the property management company in time.

During the Reporting Period, the Group did not face any problem in water sourcing as all water consumed in our office is under the control of the property management. Meanwhile, the water charges of our office are borne by the property management company and hence there was no available water consumption data for disclosure.

Packaging Materials

Based on the business nature of the Group, the amount of packaging materials consumption is relatively low. During the Reporting Period, we reuse the carton boxes and plastic bags received from our suppliers for material storage and transportation and thus reduced the new purchase and use of packaging materials.

The packaging materials use of the Group during the Reporting Period is shown as follows:

| Packaging Materials 包裝物料 | Unit 單位 | 2018/19 二零一八/一九年度 | 2019/20 二零一九/二零年度 |
|-----------------------------|-------------|----------------------|----------------------|
| Paper 紙箱 | Tonnes 噸 | 0.0021 | – |
| Plastic 膠袋 | Tonnes 噸 | 0.0193 | – |
| Stretch film 拉伸薄膜 | Tonnes 噸 | – | 0.015 |
| Bubble Wrap 氣泡布 | Tonnes 噸 | – | 0.001 |
| Tape 膠帶 | Tonnes 噸 | – | 0.0056 |
| Total 總計 | Tonnes 噸 | 0.0214 | 0.022 |

我們的環境(續)

資源使用(續)

用水

水資源屬有限和寶貴的資源，亦是人人都應珍惜的。我們鼓勵全體員工積極實行節水措施，洗手時避免長開水喉沖洗；擰緊水龍頭以防漏水；並及時向物業管理公司報告漏水跡象。

於報告期內，由於本集團辦公室的食水均由物業管理公司負責，本集團並無任何有關用水的問題。同時，本公司辦公室的水費由物業管理公司支付，因此並無可供披露的用水量數據。

包裝物料

基於本集團的業務性質，包裝物料的用量相對較少。於報告期內，本公司重複使用由供應商提供的紙箱及膠袋，作儲存物料及運輸之用，從而減少購入並使用新的包裝材料。

下表載列本集團於報告期內的包裝物料用量：

Environmental, Social and Governance Report

環境、社會及管治報告

OUR ENVIRONMENT (*continued*)

The Environment and Natural Resources

We acknowledge the environmental sustainability is interconnected to our sustainable business growth. Every enterprise has its responsibility to conserve the environment without exception to us. Apart from the implementation of environmental management system and green office practices (e.g. encouraging our employees to use E-documents for projects meetings instead of printing copies), the adoption of facade pre-fabrication can enable us to strictly control the quality and reduce additional modifications or rework of the production. This practice not only reduces the operational cost and simultaneously mutually benefits to our environment due to the waste reduction. For the materials selection of the service provision of millwork and furniture, we opt for the materials with emit fewer irritating substances (e.g. formaldehyde) during installation or use to reduce the impact on the users and the environment.

OUR EMPLOYEES

Our employees are the most crucial assets to sustain our business development and meet the evolving needs in the changing business markets. As a leading provider of high-end interior design solutions, the Group devotes to fostering a corporate culture with employee care, offering safe working environment and assisting the employees to path their way in professional and personal development. The Group has formulated a series of human resources policies to ensure all our employment practices are complied with the statutory requirements of the regions we operate (e.g. the Employment Ordinance (Cap. 57) of HKSAR, Employees' Compensation Ordinance (Cap. 282) of HKSAR, Mandatory Provident Fund Schemes Ordinance (Cap. 485) of HKSAR and the Minimum Wage Ordinance (Cap. 608) of HKSAR) and create values to the overall workforce and business chain.

During the Reporting Period, the Group was not aware of any incidents or violations of the relevant labour laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

Employment Practices

Employee Terms and Benefits

The Group offers an attractive remuneration package, including monthly salary, leaves, fixed working hours, allowances, health and travel insurance, discretionary bonus or commission and Mandatory Provident Fund schemes or social insurance, to our full-time employees according to the applicable labour laws and regulations where we operate in order to attract and retain our high calibre talents. Apart from annual leaves, our employees are entitled to sick leave, maternity leave, paternity leave, compassionate leave and marriage leave. Our merit-based remuneration package is subject to annual review with reference to comparable market level and the result of staff performance appraisal to ensure employees are fairly rewarded with salary increment and/or promotion. The employment policies, terms and benefits are clearly stated in the staff Handbook and provide guidance for all employees.

我們的環境(續)

環境及天然資源

我們深明，環境可持續發展與我們業務的可持續增長相輔相成。作為企業，須肩負保護環境的責任，我們亦責無旁貸。除推行環境管理體系及綠色辦公常規(如鼓勵僱員在項目會議上以電子文件代替複印本)外，採用預製幕牆有助我們嚴格控制產品質素，減少額外修改或重新生產。該常規不僅降低營運成本，同時減少廢棄物亦對我們的環境有益。為所供應的金屬、玻璃及木製品以及傢俱挑選物料時，我們選擇在安裝或使用過程中釋放較少刺激性物質(如甲醛)的物料，減少對用家及環境造成影響。

我們的僱員

僱員對我們維持業務發展及滿足不斷變化的市場需求而言至關重要。作為高端室內設計解決方案的領先供應商，本集團致力建立關懷僱員的企業文化，提供安全的工作環境，並扶助僱員的事業及個人發展。本集團已制定一系列的人力資源政策，確保所有的僱員常規均遵守我們經營所在地區的法定要求(如香港特別行政區《僱傭條例》(第57章)、香港特別行政區《僱員補償條例》(第282章)、香港特別行政區《強制性公積金計劃條例》(第485章)及香港特別行政區《最低工資條例》(第608章))，為整體僱員及業務鏈創造價值。

於報告期內，本集團並無發現任何違反有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、歧視及其他待遇及福利的相關法律法規的事件。

僱傭常規

僱傭條款及福利

本集團根據經營所在地區的適用勞工法律法規，為全職僱員提供具吸引力的薪金待遇，包括月薪、假期、固定工時、津貼、健康及旅遊保險、酌情花紅或佣金及強制性公積金計劃或社會保險，以吸納並挽留優秀人才。除年假外，我們的僱員更享有病假、產假、陪產假、恩恤假及婚假。我們的薪津組合是建基於僱員的員工表現考核結果，並參照市場水平每年進行調整，以確保僱員公平地獲得加薪及/或晉升。員工手冊已註明僱傭條款、福利及政策，為所有僱員提供指引。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR EMPLOYEES (continued)

Employment Practices (continued)

Equal Opportunity and Anti-discrimination

As an equal opportunities employer, the Group has policies regarding to equal opportunity, diversity and anti-discrimination in place with an aim to offer a working environment that treats all employees with dignity and respect and is free from discrimination, victimisation or harassment. The Group strictly prohibited the discrimination or less favourable treatment to the employees or potential employees on the ground of their race, nationality, creed or colour, religion, sexual orientation, gender (including gender reassignment) marital or parental status, trade union membership (if any), social or economic class, rural or urban, political opinion, pathogen-carrier, age and disability under all the employment matters, including recruitment, transferal, promotion, training and development opportunities, performance review and dismissal. All the decisions are fairly determined by the personal merits and the objective criteria related to each position in respect of suitability and capability. We enact zero tolerance to any form of harassment, bullying and victimisation in our workplace. Employee who breaches the policies will face the disciplinary actions including summary dismissal.

Staff Retention

The Group believes that a dynamic and cohesive workforce can strengthen the productivity and creativity in our business operations. To enhance the sense of belonging of our employees, we organise birthday parties and festival celebrations to build up the team spirit and harmonious relationships among colleagues and the management team. Besides, The Group encourages frequent and meaningful communication between line managers and staff. This provides opportunities to understand the work progress, offer feedback and support that the staff is required and appropriately listen to the staff in order to address the issues and difficulties they faced. The Group has also implemented a complaint and grievance policy and enable our employees to raise the concerns and complaints related to the employment matter and work-related problems. We ensure the raised issues are addressed in a fair, effective and efficient manner. Upon the receipt of staff resignation request, exit interview would be arranged to understand the reason of leaving and to review the Group's human resources management strategies, the condition of workplace and implement necessary measures for staff retention.

Labour Standard

The Group puts great emphasis on the protection of the legitimate rights and interests of all employees. As such, the Group strictly follow the recruitment policy and conduct age and identity verification to ensure no child, forced and bonded labours are employed. We also require the employees and candidates providing appropriate documents (e.g. qualification certificate and job reference records) to prove their eligibility for work in related positions. All the employees voluntarily sign the labour contract upon the commencement of employment. We constantly review our recruitment policy as well as the employment practices of the engaged suppliers to ensure the compliance with statutory requirements and no employment of child and forced labour along our value chain.

我們的僱員(續)

僱傭常規(續)

平等機會及反歧視

作為平等機會僱主，本集團已制定有關平等機會、多元化及反歧視的政策，目的是提供一個給予所有僱員具尊嚴及尊重的工作環境，使他們免受歧視、傷害或騷擾。本集團嚴禁在所有僱傭事務(包括招聘、調職、晉升、培訓及發展機會、績效評估及解僱)中，基於種族、國籍、信仰或膚色、宗教、性取向、性別(包括變性)、婚姻或父母身份、工會成員資格(如有)、社會或經濟階層、農村或城市、政治立場、病原體帶菌者、年齡及殘疾等原因，歧視僱員或潛在僱員或給予較差的待遇。所有決定均按照個人長處及與各職位相關的客觀標準(合適程度及能力)公平地作出。我們絕不容忍任何形式的騷擾、欺凌及傷害。違反政策的僱員須面臨紀律處分，包括即時解僱。

挽留人才

本集團相信，充滿活力及凝聚力的僱員有助提升我們業務的生產力及創造力。為加強僱員的歸屬感，我們舉辦生日會及節日慶祝活動，為同事及管理團隊建立團結和諧的關係。此外，本集團鼓勵部門主管與員工多進行有意義的溝通，藉此能夠了解工作進度，提供員工所需的意見反饋及支持，並適時聽取員工的意見，為他們解決問題和困難。本集團亦已實施投訴及申訴政策，僱員能夠就僱傭事宜及工作上的問題提出疑問及投訴。我們確保以公平、有效及高效的方式處理所接獲的問題。在收到員工的辭呈後，我們會為離職僱員安排面談，了解其離職原因，並檢討本集團的人力資源管理策略、工作環境，採取必要的措施挽留員工。

勞工準則

本集團非常重視保障全體僱員的合法權益，因此，本集團恪守招聘政策，並核對年齡及身份，避免聘用童工、強迫勞工及抵債勞工。我們更要求僱員及應徵者提供合適的文件(如資格證書及過往工作記錄)，以證明他們合資格從事相關職位的工作。每位僱員於入職時均自願簽署勞工合約。我們不斷審視我們的招聘政策以及相關供應商的僱傭常規，確保我們遵守法定要求，價值鏈中一概不僱用童工及強迫勞工。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR EMPLOYEES (continued)

Employment Practices (continued)

Employee Profile

As of 30 June 2020, the Group had 38 employees, which consist of 37 full-time employees and 1 part-time employee. Our voluntary turnover rate was 3 percent. The detailed workforce profile by gender, age group, geographical region, employee category is illustrated as follows:

我們的僱員(續)

僱傭常規(續)

僱員概況

截至二零二零年六月三十日，本集團聘用共38名僱員，其中包括37名全職僱員及1名兼職僱員。我們的自然流失率為3%，下表載列按性別、年齡組別、地區及僱傭類型劃分的僱員概況詳情：

| Profile of workforce ¹ 僱員概況 ¹ | Headcount (Number) 僱員人數(數目) | Turnover rate ² (%) 流失率 ² (%) |
|--|--------------------------------|--|
| By gender 按性別劃分 | | |
| – Male – 男性 | 24 | 5 |
| – Female – 女性 | 14 | 9 |
| By age group 按年齡組別劃分 | | |
| – Under age 30 – 30歲以下 | 6 | 15 |
| – Age 30 to 50 – 30歲至50歲 | 20 | 6 |
| – Over age 50 – 50歲以上 | 12 | 8 |
| By geographical region 按地區劃分 | | |
| – Hong Kong – 香港 | 30 | 5 |
| – Mainland China – 中國內地 | 5 | 11 |
| – Germany – 德國 | 3 | 21 |
| By employment category 按僱傭類別劃分 | | |
| – Senior Management – 高級管理層 | 7 | 0 |
| – Middle Management – 中級管理層 | 21 | 5 |
| – General Staff – 一般員工 | 10 | 16 |

Notes:

- The figure of employee number and employee turnover is calculated based on the number of headcounts.
- The turnover rate covers employee voluntary resignations and retirements.

附註：

- 僱員人數及僱員流失率的數據乃按人數計算所得。
- 流失率計及自願辭職及退休。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR EMPLOYEES (continued)

Health and Safety

The Group is committed to offering a safe working environment for our employees to prevent injuries and illness and compliance with all the applicable health and safety laws and regulations. The Group has launched the office safety guidelines in place for our employees to follow and taken various measures to ensure the occupational health in office environment. For instance, we provide adjustable seat and computer equipment, maintain good housekeeping in working area and office area, sufficient storage space for a more spacious desk area and arrange regular office inspection and maintenance. Our office is equipped with first aid kits for minor injury treatment. Additionally, we provide a breakout area and gymnastics facilities in our office and enable our employees to get refreshment and prevent muscle pains, eye strains and fatigue due to the prolonged period for the use of computer.

Increasing the employees' safety awareness can properly prevent the occupational health and safety incidents and accidents in our office and site operations. We ensure the employees attended the Mandatory Basic Safety Training Courses training before entering different project work sites. We also require all our engaged suppliers must follow and work along the respective safety requirements under the landlord and/or property management company during the site work to safeguard the workers and prevent accidents. General safety orientation for new employees and the regular fire drills organised by property management office are arranged to our employees in order to equip their knowledge and skills of office safety and fire evacuation.

The Group concerns not only about the physical health of our employees, but also their mental health. The Group strives to promote the concept of work-life balance to our employees and encourages our employees to take part in sports activities or pursue personal interest so as to maintain a healthy lifestyle. We also organised some staff activities in order to allow our employees to make relaxation and stress out from work.

With the outbreak of coronavirus (COVID-19) started in early 2020, we strictly followed the guideline of the Health Advice on Prevention of Coronavirus disease in Workplace published by the Centre of Health Protection and implemented the precautionary measures at our workplace to minimise the risk of spreading COVID-19. We enhanced the environmental disinfection and regularly clean the touched surfaces of the commonly shared items such as the door handrails, handles, buttons and chairs. We also required all the employees and visitors to wear surgical mask before entering the office and maintaining good personal hygiene. Hand sanitizers are provided in the office to perform hand hygiene frequently. The Group adopted the recommendations from the government and enforced work from home policy, flexible working hour and staggered the lunch time in order to keep adequate social distancing and reduce the risks of infection.

我們的僱員(續)

健康及安全

本集團致力為僱員提供安全的工作環境，預防受傷及疾病，並遵守所有有關健康及安全的適用法律法規。本集團已為僱員制定辦公室安全指引，並採取各項措施確保辦公室內的職業健康。例如，我們提供可調式座椅及電腦設備，保持整潔的工作及辦公區域，安排足夠的儲存空間令辦公面積更見寬敞，並定期安排檢查及維護辦公室。我們的辦公室已配備急救箱，以備處理輕傷之用。此外，我們亦在辦公室為僱員提供休息空間及健身設備，讓僱員稍事休息，防止肌肉酸痛、眼睛疲勞及長時間使用電腦而引致的疲勞。

提高僱員對安全的意識能夠有效防止辦公室及工地內發生職業健康及安全事故。我們確保僱員在進入各項目工地之前，均已出席強制性基本安全培訓課程。我們亦要求各相關供應商在工地施工時，必須遵守業主及／或物業管理公司的安全要求，保障僱員安全，防止意外發生。本公司亦會安排新入職的僱員出席基本安全講座，以及由物業管理處安排的火警演習，僱員能夠藉此掌握有關辦公室安全及火警逃生的知識及技能。

本集團關心僱員的身心健康，致力向僱員灌輸工作與生活平衡的理念，並鼓勵僱員參加體育活動或培養個人興趣，保持健康的生活方式。我們更舉辦員工活動，讓僱員在工作之餘放鬆身心，紓解壓力。

由於冠狀病毒(COVID-19)在二零二零年初爆發，我們嚴格遵守由衛生防護中心刊發的《防疫上班攻略》指引，在工作場所實施預防措施，盡量降低COVID-19擴散的風險。我們對周圍環境加強消毒，並定期清潔常用物品的接觸面(例如門柄、扶手、按鈕及椅子)。我們亦要求所有僱員及訪客在進入辦公室前必須戴上外科口罩，並保持良好的個人衛生。辦公室內備有酒精搓手液，僱員能夠隨時清潔雙手。本集團採納政府的建議，實行在家工作政策、彈性上班時間及分批用膳，以保持適當的社交距離，降低感染風險。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR EMPLOYEES (continued)

Health and Safety (continued)

During the Reporting Period, the Group has complied with the applicable occupational health and safety laws and regulations (e.g. the Occupational Safety and Health Ordinance (Cap.509) of HKSAR) and there was no work-related fatality or lost days due to work injuries.

我們的僱員(續)

健康及安全(續)

於報告期內，本集團已遵守職業健康及安全的適用法律法規(如香港特別行政區《職業安全及健康條例》(第509章))，並無因工作關係死亡的事故或因工傷損失工作天數。

| | 2018/19 二零一八/一九年度 | 2019/20 二零一九/二零年度 |
|---|----------------------|----------------------|
| Number and rate of work-related fatalities 因工作關係死亡的人數及比率 | 0 | 0 |
| Rate of work-related fatalities 因工作關係死亡的比率 | 0 | 0 |
| Number of work injuries 工傷數目 | 2 | 0 |
| Lost days due to work injuries 因工傷損失工作日數 | 11 | 0 |

Staff Development and Training

With an inspiration to help an individual or a group of people to achieve quality of performance and service, the Group offers staff training and development programmes and equip employees with latest professional skills and knowledge to meet the evolving needs in the industry.

Our employees are required to receive annual staff performance appraisal which thoroughly assesses and review the employees' attributes, personal ability and performance at work. Through the staff performance evaluation, the Group can also determine the staff training needs and offer training programmes for our employees, in order to strengthen their professional capabilities, management and interpersonal skills in contribution to business success.

The Group provided various training programmes to our employees in different positions, including taxation updates, human resources management training, language training, safety training, market seminars and accounting standards updates seminars. To encourage our employees continuous learning, the Group offers educational subsidies to eligible staff for external training programmes organised by accredited professional institutions and professional membership fees.

The Group acknowledges building talent development with comprehensive career planning and effective job mobility can bring high productivity and low staff turnover. As such, internal promotion will be given priority to competent employees when there is a job vacancy in recognition of their achievements, aiming to maintain career lattices. The managers of different departments will consider selecting employees to move to a higher-level position which better matches their skills and aspirations for grooming further leaders and skill development.

員工發展及培訓

本集團貫徹協助個人或團體提升工作表現及服務質素的理念，為員工提供培訓及發展課程，讓他們掌握最新的專業技能及知識，以滿足行業內不斷變化的需求。

本集團要求僱員每年接受員工表現考核，藉此深入地評估及檢討僱員的特質、個人能力及工作表現。透過評估員工表現，本集團更能夠按照員工的需要而提供培訓課程，加強他們的專業能力、管理及人際關係技巧，為業務取得成功。

本集團為不同職級的僱員提供多個培訓課程，包括稅務最新資料、人力資源管理培訓、語言培訓、安全培訓、市場研討會及會計準則最新資料研討會。為鼓勵僱員不斷學習，本集團為合資格的員工提供教育補貼，補助他們參加由獲認可專業機構舉辦的外部培訓課程，並提供專業會員費。

本集團深明，透過全面的生涯規劃及有效的職位流動來推動人才發展，可提高生產力及降低員工流失率。為此，當出現職位空缺時，我們會優先考慮從內部提拔能幹僱員，以肯定僱員的表現，維持職場架構。各部門主管會挑選並提拔僱員到更符合其技能及志向的職位，培養更多領導人才及推動技能發展。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR EMPLOYEES (continued)

Staff Development and Training (continued)

In 2019/20, the Group has arranged a total of 734 hours of job-related training covering different professional areas with 37 percent of employee trained.

我們的僱員(續)

員工發展及培訓(續)

於二零一九/二零年度，本集團已安排合共734小時的工作相關培訓，涵蓋各個專業領域，受訓僱員佔37%。

| Employee Training 僱員培訓 | Unit 單位 | 2019/20 二零一九/二零年度 |
|---|-------------|----------------------|
| Total hours of employee training and percentage (%) of employees who received training 僱員受訓總時數及受訓僱員百分比 | Hours 小時 | 734 (37%) |
| Average hours of employee training 平均僱員受訓時數 | Hours 小時 | 52.4 |
| Average training hours by gender and percentage (%) of employees who received training 按性別劃分的平均受訓時數及受訓僱員百分比(%) | | |
| By gender 按性別劃分 | | |
| – Male – 男性 | Hours 小時 | 69.0 (64%) |
| – Female – 女性 | Hours 小時 | 22.3 (36%) |
| By employment category 按僱傭類別劃分 | | |
| – Senior Management – 高級管理層 | Hours 小時 | 14.0 (21%) |
| – Middle Management – 中級管理層 | Hours 小時 | 74.0 (50%) |
| – General Staff – 一般員工 | Hours 小時 | 43.5 (29%) |

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICES

With the mission of materialising the design concepts into the internal layout of clients' retail boutiques by providing bespoke interior design solutions, we strive to maintain all our projects with quality service, through stringent quality assurance, suppliers management and the latest technology application. To build the trust and loyalty with our clients, suppliers and the public, we are committed to upholding the high degree of corporate business ethics in all business activities and maintaining health, fair and open corporate culture.

Supply Chain Management

The Group seeks to ensure that the value of sustainable development permeates the entire supply chain. Potential new suppliers and contractors are required to undergo initial assessment to evaluate their qualification and competency, in term of the corporate reputation, professionals, product or service quality and reliability, the track records of project experience and regulatory compliance, to ensure our project quality and safety we provided. Suppliers and contractors who are obtained with the certificate of ISO 14001 Environmental Management System, ISO 9001 Quality Management System Certification, OHSAS 18001 or ISO 45001 Occupational Health and Safety Management System or other accreditation will be given preference. When there are suppliers and contractors with similar qualifications, the Group will be prior to the selection of local suppliers to reduce carbon footprint of delivery. We conduct supplier annual performance review to our existing suppliers and contractors based on their performance of prior year, with the criteria of the quality of the services and materials, on-time delivery time, attitude towards the customers, after-sale service as well as occupational health, to reassess their qualification. Our suppliers are expected to have strong commitments to good ESG practices concerning issues such as environmental sustainability, health and safety and ethical conduct. As of 30 June 2020, we engaged in total of 144 suppliers comprising 138 in Asia Pacific, 4 in Europe and 2 in the United States (US).

We have implemented Procurement and Tendering Procedures, aiming to ensure a fair, open and unbiased competition and develop long-term relationships with suppliers and contractors based on mutual trust. We adopt an effective monitoring system and management controls to make sure adequate quotation for comparison and impartial supplier and contractor selection, as well as preventing bribery, fraud or other malpractice in the procurement and tendering process.

營運常規

透過提供定制室內設計解決方案，使我們的客戶能夠將其設計概念轉化成其零售專賣店的室內佈局，我們憑藉嚴格的質素保證、供應商管理及採用最新技術，致力為所有項目提供優質服務。為建立客戶、供應商及公眾對我們的信任及信賴，我們承諾在所有商業活動中堅守高度的企業商業道德，並維持正面、公平及公開的企業文化。

供應鏈管理

本集團力求確保整個供應鏈的各環節均體現可持續發展的價值。潛在的供應商及承包商須接受有關資格及能力的初步評估，包括公司聲譽、專業、產品或服務質素及可靠性、項目經驗記錄及監管合規，以確保我們所提供項目的質素及安全。擁有ISO 14001環境管理體系認證、ISO 9001質素管理體系認證、OHSAS 18001或ISO 45001職業健康安全管理体系認證或其他認證的供應商將獲優先考慮。一旦供應商及承包商的資格相近，本集團將優先選擇本地供應商，以減少運輸過程的碳足印。本集團每年都會評估現有供應商及承包商於上一年度的表現，以服務及產品的質素、準時交付、對客戶的態度、售後服務及職業健康為準則，重新評估他們的資格。我們希望，供應商在環境的可持續發展、健康及安全以及道德操守等議題上，致力秉持良好的環境、社會及管治常規。截至二零二零年六月三十日，我們與合共144間供應商合作，其中138間位於亞太地區，4間位於歐洲，2間位於美國。

我們已制定採購及招標程序，旨在確保公平、公開及公正的競爭，並與供應商及承包商在互信的前提下建立長期合作關係。我們採取有效的監察體系及管理控制措施，以確保充分地比較報價以及公正地挑選供應商及承包商，並防止在採購及招標過程中發生賄賂、欺詐或其他不當行為。

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICES (continued)

Value of Our Clients

The Group places a high priority to ensure customer's satisfaction in terms of products and services we deliver. The Group has implemented the quality management system certified with ISO 9001:2015 international standard with policy along our business operations. With our stringent quality assurance process and continuous discussion with our clients to understand their needs and expectations, we endeavour to provide tailored services to build a long-term relationships and loyalty with our client with mouth of words and explore potential new business opportunities. During the Reporting Period, the Group was not aware of any material breaches of the laws and regulations related to the project quality and safety and data privacy, as well as no receipt of complaints or product recalls related to our provided products and services due to quality, safety and health reasons.

For our service of millwork and furniture provision, facade development and fabrication and interior solutions, we understand the client's design materials and specifications as well as carrying out onsite survey and measurement before offering the detailed design and planning for client confirmation. Once we have sought the client's approval, we commission the production through our suppliers in accordance with the design drawings, materials selection and specifications and/or onsite mechanical, electrical, construction and fit-out work. We conduct regular site inspections, safety testing and quality control assessments to ensure the products are meet the required standards and regulatory requirements. We encompass onsite testing and commissioning to ensure the proper installation and fitting.

For our design and project consultancy services, we formulate a dedicated project consultancy team and initiate discussions with our clients to understand their specific requirements or conceptual idea once a project is awarded. Our team will prepare design brief, layout plan, materials and colour boards, by taking into consideration of the factors such as spatial arrangement, lighting, materials use and security concerns, with several design options for client consideration. We maintain close and continuous discussion with our client and make modification of the project design plan based on their feedback to address their specific needs before reverting the final design proposal along with the cost estimation. This enable us to deliver a safe, functional, attractive and creative design proposal to our clients with the combination of our designers' creativity and technical knowledge, as well as developing long-lasting trust and confidence with our clients.

營運常規(續)

客戶的價值

確保客戶滿意我們提供的產品及服務是本集團的要務。本集團已在業務營運中實施ISO 9001:2015國際標準認證的質量管理體系，並制定相關政策。透過嚴格的品質保證程序，以及不斷與客戶探討以了解他們的需求及期望，我們致力為客戶提供度身訂造的服務，憑藉口碑與客戶建立長期的合作關係及信賴，開拓潛在業務機會。於報告期內，本集團並無發現任何違反有關項目質量及安全以及資料隱私的相關法律法規的重大事件，亦無就本集團提供的產品及服務因質量、安全及健康理由而接獲投訴或回收產品。

就金屬、玻璃及木製品及傢俱供應、幕牆開發及製造以及室內解決方案等服務而言，我們會了解客戶所選的設計物料及規格，並到現場勘察及測量，然後提供詳細的設計及計劃以供客戶確認。一旦獲得客戶同意，我們根據設計圖紙、選材及規格，委託供應商進行製作及／或到現場進行機械、電氣、施工及裝潢工程。我們定期進行現場檢測、安全測試及質量控制評估，以確保產品符合規定標準及監管要求。我們的業務亦包括現場檢測及調試以確保安裝及裝配適當。

就我們的設計及項目諮詢服務而言，一旦我們接獲項目，我們組成專門的項目諮詢團隊並且與客戶開始討論以了解其特定的需求或概念。我們的設計團隊隨後考慮空間安排、燈光、材料及安全問題等因素，以準備設計綱要、佈局規劃、材料及顏色板。在重新提交最終的設計方案及估計成本前，我們與客戶保持密切討論，並根據他們的意見反饋修改計劃，滿足客戶的特定需求。以上程序結合我們設計師的創意及技術知識，向我們客戶交付安全、實用、具吸引力及具創意的設計方案，並與客戶建立長久的信任及信心。

Environmental, Social and Governance Report

環境、社會及管治報告

OPERATING PRACTICES (continued)

Confidentiality

With the increasing public concerns of data privacy and protection, the Group puts great emphasis on information confidentiality and strictly comply with the laws and regulations relating to privacy matter, such as Personal Data (Privacy) Ordinance (Cap. 486) of HKSAR. Employees are strictly forbidden to disclose to any third parties or unauthorized personnel any confidential information, including but not limited to strategic business plans, financial plans and information, inside information, unpublished corporate information, contract designs and specifications, quotation documents, client information, either during their employment or any time thereafter without the Group's or client's prior written permission, unless with the Group's or client's prior written permission. The Group requires all employees to abide by the requirements of confidentiality as stated in employee handbook in treating the corporate confidential information.

In order to protect client's personal information, data collection principles are adopted when collecting, processing and using client's data, access to confidential information or documents are restricted and granted on a need-to-know basis.

Protection of Intellectual Property Rights

The Group respects intellectual property rights and strictly complies the relevant laws and regulations (e.g. Copyright Ordinance (Cap. 528) of HKSAR). The Group's has set the policy of the use of software by our information technology (IT) department. Under the policy, no installation of any unauthorised or illegal copy IT software in the company use computers is permitted.

Anti-corruption

The Group is committed to upholding the high standard of integrity and business ethics and does not tolerance any form of bribery and corruption practices. Our code of conduct in the staff handbook and relevant policies have clearly outlined the rules and standards of behaviours required from the Company in the business activities, with the objective to avoid the conflict of interest, allegation of bribery or money laundering and other misconduct. For instance, all employees or other representatives are strictly prohibited to accept or solicit gifts or favours, directly or indirectly, from people or organisations intending to or becoming as a supplier to the Company except from the prior declaration and reporting to Human Resources department and vice versa. The code of conduct is reviewed and overseen by the board of directors and human resources department regularly to ensure its relevancy and effectiveness of implementation. All the new employees are required to sign the declaration to acknowledge their understanding of the requirements as state in the code of conduct and abide by during the employment. Employees who breach the code of conduct will subject to disciplinary action including dismissal and may result in criminal prosecution.

營運常規(續)

保密

隨著公眾日益關注資料私隱及保護，本集團非常重視資料保密，並嚴格遵守有關私隱事宜的相關法律法規，例如香港特別行政區《個人資料(私隱)條例》(第486章)。除非事先獲得本集團或客戶的書面許可，否則於受僱期間或往後的任何時間內，我們嚴禁僱員向任何第三方或未經授權人士披露任何機密資料，包括但不限於策略業務計劃、財務計劃及資料、內幕消息、未公佈的公司資料、合約設計及規格、報價文件及客戶資料。本集團要求每位僱員在處理公司的機密資料時，必須遵守員工手冊中的保密要求。

為保護客戶的個人資料，我們在收集、處理及使用客戶資料時採取資料收集原則。僅必須知情的人士方可接觸機密資料或文件。

保障知識產權

本集團尊重知識產權，並嚴格遵守相關法律法規(如香港特別行政區《版權條例》(第528章))。本集團資訊科技部門就使用軟件制定政策。根據該政策，不得在本公司的電腦安裝任何未經授權或非法複製的資訊科技軟件。

反貪污

本集團堅守高標準的誠信及商業道德，絕不容忍任何形式的賄賂及貪污行為。員工手冊所載的行為準則及相關政策已清楚地註明本公司在商業活動中的行為規則及標準，旨在避免利益衝突、被指控賄賂或洗黑錢及其他不當行為。例如，除非事先向人力資源部門申報，每位僱員或其他代表嚴禁直接或間接地收受或索取有意成為或已成為本公司供應商的個人或組織的禮品或優待，反之亦然。董事會及人力資源部門定期檢討並監察行為準則，以確保其相關性及成效。每位新入職的僱員均須簽署聲明，以確認他們了解並會在工作中遵守行為準則中的要求。違反行為準則的僱員將受到紀律處分，包括解僱並可能招致刑事檢控。

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OPERATING PRACTICES (continued)

Anti-corruption (continued)

The Group has whistle blowing policy in place with reporting channels to encourage our employees to report any suspicious wrongdoings or misconducts in the business in good faith. The Group will put every effort to protect the whistle-blower and prevent from any recrimination (e.g. keeping the identity of whistle-blower and the reporting information in confidentiality). Our Chief Executive Officer is responsible to case investigation in validating the reported case and initiates appropriate remedial action(s) or transfer to the Chairman for further handling depending to the seriousness of the case.

During the Reporting Period, the Group strictly abides by the relevant anti-bribery laws and regulations (e.g. the Prevention of Bribery Ordinance (Cap.201) of HKSAR) where we operate and there were no prosecution or litigation regarding corruption.

OUR COMMUNITY

The Group is dedicated to leveraging our expertise and manpower to bring long-term positive influence in the society as well as our industry development. The Group strives to encourages our employees to take part in various community and public welfare affairs, care for the underprivileged and better serve our community.

On 20 October 2019, we participated in the charity walk named "AVS Run and Walk for Volunteering 2019" hosted by Agency for Volunteer Service Hong Kong to raise fund for the development of volunteerism. Through the event, we hope to deliver the message with the sharing care and love to the community and promote the importance of maintain work-life balance and a healthy lifestyle to our employees. With a contribution to caring for the people, the society and the environment, the Group were awarded the Caring Company logo for 2019-20 by the Hong Kong Council of Social Service.

Looking forward, the Group will continue our community through giving care to needy, grooming our professions in fostering the industry development through training and personal development, and promoting innovative ways to create a better community and future for everyone.

營運常規(續)

反貪污(續)

本集團已制定舉報政策並設有舉報渠道，以鼓勵僱員為正當目的舉報業務中任何可疑的錯誤或不當行為。本集團將盡一切努力保護舉報人(如將舉報人的身份及舉報資料保密)，使其免受追究。本公司行政總裁負責調查並核實所接獲案件，並按照案件的嚴重程度採取適當的補救措施或轉交主席作進一步處理。

於報告期內，本集團嚴格遵守經營所在地區的相關反賄賂法律法規(如香港特別行政區《防止賄賂條例》(第201章))，並無任何有關貪污的起訴或訴訟。

我們的社區

本集團透過善用我們的專業知識及人力資源，致力為社會及行業發展帶來長遠的正面影響。本集團不斷鼓勵僱員參與各種社區及公益事務，關愛弱勢群體，為社區作出更大貢獻。

於二零一九年十月二十日，我們參加由香港義工工作發展局主辦，名為「AVS義跑義行義2019」的慈善步行籌款活動，為推動義務工作發展而籌款。透過是次活動，我們希望向社區傳達關懷與愛心的訊息，並向僱員推廣維持工作與生活平衡及健康生活方式的重要性。憑藉對員工、社會及環境的關懷，本集團獲香港社會服務聯會頒發二零一九／二零年度「商界展關懷」計劃標誌。

展望未來，本集團繼續投身當地社區，關懷有需要人士，透過培訓及個人發展，在促進行業發展同時培養專業人才，並以創新方式為所有人締造更美好的社區及未來。

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ESG REPORTING GUIDE INDEX

環境、社會及管治報告索引

| ESG Reporting Guide 環境、社會及管治報告指引 | | Section/Explanation 章節／闡述 |
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| A. | Environment 環境 | |
| A1 | Emission 排放物 | |
| A1 | General Disclosure 一般披露 Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 遵守對發行人有重大影響的相關法律及規例的資料。 | Our Environment – Emission 我們的環境－排放物 |
| KPI A1.1 關鍵績效指標 A1.1 | The types of emissions and respective emission data. 排放物種類及相關排放數據。 | Our Environment –Emission (Air Emission) 我們的環境－排放物(廢氣排放) |
| KPI A1.2 關鍵績效指標 A1.2 | Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。 | Our Environment –Emission (Greenhouse Gas Emission) 我們的環境－排放物(溫室氣體排放) |
| KPI A1.3 關鍵績效指標 A1.3 | Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。 | Our Environment –Emission (Waste Management) 我們的環境－排放物(廢棄物管理) |
| KPI A1.4 關鍵績效指標 A1.4 | Total non-hazardous waste produced (in tonnes and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。 | Our Environment –Emission (Waste Management) 我們的環境－排放物(廢棄物管理) |
| KPI A1.5 關鍵績效指標 A1.5 | Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。 | Our Environment –Emission (Air Emission & Greenhouse Gas Emission) 我們的環境－排放物(廢氣排放及溫室氣體排放) |
| KPI A1.6 關鍵績效指標 A1.6 | Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。 | Our Environment –Emission (Waste Management) 我們的環境－排放物(廢棄物管理) |

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| A2 Use of Resources 資源使用 | | |
|---|--|--|
| A2 | General Disclosure 一般披露 Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。 | Our Environment – Use of Resources 我們的環境－資源使用 |
| KPI A2.1 關鍵績效指標 A2.1 | Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。 | Our Environment – Use of Resources (Energy Use) 我們的環境－資源使用(能源使用) |
| KPI A2.2 關鍵績效指標 A2.2 | Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。 | Our Environment – Use of Resources (Water Use) 我們的環境－資源使用(用水) |
| KPI A2.3 關鍵績效指標 A2.3 | Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。 | Our Environment – Use of Resources (Energy Use) 我們的環境－資源使用(能源使用) |
| KPI A2.4 關鍵績效指標 A2.4 | Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。 | Our Environment – Use of Resources (Water Use) 我們的環境－資源使用(用水) |
| KPI A2.5 關鍵績效指標 A2.5 | Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。 | Our Environment – Use of Resources (Packaging Materials) 我們的環境－資源使用(包裝物料) |
| A3 The Environment and Natural Resources 環境及天然資源 | | |
| A3 | General Disclosure 一般披露 Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。 | Our Environment –The Environment and Natural Resources 我們的環境－環境及天然資源 |
| KPI A3.1 關鍵績效指標 A3.1 | Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。 | Our Environment –The Environment and Natural Resources 我們的環境－環境及天然資源 |

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| B1 Employment 僱傭 | | |
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| B1 | <p>General Disclosure 一般披露</p> <p>Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 遵守對發行人有重大影響的相關法律及規例的資料。</p> | Our Employees – Employment Practices 我們的僱員－僱傭常規 |
| KPI B1.1 關鍵績效指標 B1.1 | <p>Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。</p> | Our Employees – Employment Practices 我們的僱員－僱傭常規 |
| KPI B1.2 關鍵績效指標 B1.2 | <p>Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。</p> | Our Employees – Employment Practices 我們的僱員－僱傭常規 |
| B2 Health and Safety 健康及安全 | | |
| B2 | <p>General Disclosure 一般披露</p> <p>Information on: 有關提供安全工作環境及保障僱員避免職業性危害的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 遵守對發行人有重大影響的相關法律及規例的資料。</p> | Our Employees – Health and Safety 我們的僱員－健康及安全 |
| KPI B2.1 關鍵績效指標 B2.1 | <p>Number and rate of work-related fatalities. 因工作關係死亡的人數及比率。</p> | Our Employees – Health and Safety 我們的僱員－健康及安全 |
| KPI B2.2 關鍵績效指標 B2.2 | <p>Lost days due to work injury. 因工傷損失工作日數。</p> | Our Employees – Health and Safety 我們的僱員－健康及安全 |
| KPI B2.3 關鍵績效指標 B2.3 | <p>Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。</p> | Our Employees – Health and Safety 我們的僱員－健康及安全 |

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| B3 Development and Training 發展及培訓 | | |
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| B3 | General Disclosure 一般披露 Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。 | Our Employees – Staff Development and Training 我們的僱員－員工發展及培訓 |
| KPI B3.1 關鍵績效指標 B3.1 | The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別劃分的受訓僱員百分比。(如高級管理層、中級管理層)。 | Our Employees – Staff Development and Training 我們的僱員－員工發展及培訓 |
| KPI B3.2 關鍵績效指標 B3.2 | The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每位僱員完成受訓的平均時數。 | Our Employees – Staff Development and Training 我們的僱員－員工發展及培訓 |
| B4 Labour Standard 勞工準則 | | |
| B4 | General Disclosure 一般披露 Information on: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 遵守對發行人有重大影響的相關法律及規例的資料。 | Our Employees – Employment Practices 我們的僱員－僱傭常規 |
| KPI B4.1 關鍵績效指標 B4.1 | Description of measures to review employment practices to avoid child and forced labour. 描述檢討僱傭慣例的措施以避免童工及強迫勞工。 | Our Employees – Employment Practices 我們的僱員－僱傭常規 |
| KPI B4.2 關鍵績效指標 B4.2 | Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。 | Our Employees – Employment Practices 我們的僱員－僱傭常規 |

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| B5 Supply Chain Management 供應鏈管理 | | |
| B5 | General Disclosure 一般披露 Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。 | Operating Practices – Supply Chain Management 營運常規－供應鏈管理 |
| KPI B5.1 關鍵績效指標 B5.1 | Number of suppliers by geographical region. 按地區劃分的供應商數目。 | Operating Practices – Supply Chain Management 營運常規－供應鏈管理 |
| KPI B5.2 關鍵績效指標 B5.2 | Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目，以及有關慣例的執行及監察方法。 | Operating Practices – Supply Chain Management 營運常規－供應鏈管理 |
| B6 Product Responsibility 產品責任 | | |
| B6 | General Disclosure 一般披露 Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 遵守對發行人有重大影響的相關法律及規例的資料。 | Operating Practices – Values of Our Clients, Confidentiality, Protection of Intellectual Property 營運常規－客戶的價值、保密、保障知識產權 |
| KPI B6.1 關鍵績效指標 B6.1 | Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。 | Operating Practices – Values of Our Clients 營運常規－客戶的價值 |
| KPI B6.2 關鍵績效指標 B6.2 | Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。 | Operating Practices – Values of Our Clients 營運常規－客戶的價值 |
| KPI B6.3 關鍵績效指標 B6.3 | Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。 | Operating Practices – Protection of Intellectual Property 營運常規－保障知識產權 |
| KPI B6.4 關鍵績效指標 B6.4 | Description of quality assurance process and recall procedures. 描述品質保證程序及產品回收程序。 | Operating Practices – Values of Our Clients 營運常規－客戶的價值 |
| KPI B6.5 關鍵績效指標 B6.5 | Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。 | Operating Practices – Confidentiality 營運常規－保密 |

Environmental, Social and Governance Report

環境、社會及管治報告

ESG Reporting Guide
環境、社會及管治報告指引

Section/Explanation
章節／闡述

| B7 Anti-corruption 反貪污 | | |
|---------------------------------|--|---|
| B7 | <p>General Disclosure 一般披露</p> <p>Information on: 有關賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) the policies; and 政策；及</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 遵守對發行人有重大影響的相關法律及規例的資料。</p> | Operating Practices – Anti-corruption 營運常規－反貪污 |
| KPI B7.1 關鍵績效指標 B7.1 | <p>Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於報告期間內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。</p> | Operating Practices – Anti-corruption 營運常規－反貪污 |
| KPI B7.2 關鍵績效指標 B7.2 | <p>Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察情況。</p> | Operating Practices – Anti-corruption 營運常規－反貪污 |
| B8 Community Investment 社區投資 | | |
| B8 | <p>General Disclosure 一般披露</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。</p> | Our Community 我們的社區 |

Report of the Directors

董事會報告

The Directors present their report and the audited consolidated financial statements of the Company for the Year.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The Group is principally engaged in the trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy and interior solutions services. Details of the principal activities of the subsidiaries of the Company are set out in note 1 to the audited consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the Year.

BUSINESS REVIEW

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, and development and future prospects of the Company's business are shown in the "Chairman's Statement" and the "Management Discussion and Analysis" sections of this annual report;
- (b) details of key performance indicators are shown in the sections headed "Financial Highlights" and "Management Discussion and Analysis" of this annual report;
- (c) the principal risks and uncertainties facing the Company are shown in the "Principal Risks and Uncertainties" set out in the following section of this report;
- (d) the Group's environmental policies and performance are shown in the "Environmental, Social and Governance Report" (the "ESG Report") of this annual report and the section headed "Environmental Policies" below;
- (e) the Group's key relationships with employees, customers and suppliers are shown in the "Environmental, Social and Governance Report" of this annual report and the section headed "Relationships with Key Stakeholders" below; and
- (f) the Group's compliance with the relevant laws and regulations are shown in the "Environmental, Social and Governance Report" of this annual report and the section headed "Compliance with Laws and Regulations" below.

董事會謹此提呈本年度之本公司董事會報告及經審核綜合財務報表。

主要業務

本公司為投資控股公司。本集團主要從事銷售金屬、玻璃及木製品、傢俱及幕牆製造以及提供室內設計、項目諮詢及室內解決方案服務。本公司附屬公司之主要業務詳情載於經審核綜合財務報表附註1。本集團主要業務性質於本年度概無重大變動。

業務回顧

有關本集團業務表現及與其財務狀況相關的重大因素以及本集團業務的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) 本公司的業務及財務狀況回顧，以及本公司業務的發展及未來前景列示於本年報「主席報告」及「管理層討論及分析」各節；
- (b) 主要表現指標的詳情列示於本年報「財務摘要」及「管理層討論及分析」等節；
- (c) 本公司面對的主要風險及不確定性列示於本報告「主要風險及不確定因素」一節；
- (d) 本集團的環境政策及表現列示於本年報「環境、社會及管治報告」（「環境、社會及管治報告」）及下文「環境政策」一節；
- (e) 本集團與僱員、客戶及供應商之主要關係列示於本年報「環境、社會及管治報告」及下文「與主要利益相關者之關係」一節；及
- (f) 本集團遵守相關法律法規之情況列示於本年報「環境、社會及管治報告」及下文「遵守法律法規」一節。

Report of the Directors

董事會報告

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

上述討論構成本董事會報告的一部分。

Details of important event occurring after the Year and up to the date of this annual report are set out in the “Management Discussion and Analysis” section of this annual report.

本年度後及直至本年報日期發生的重要事件之詳情載於本年報「管理層討論及分析」一節。

Key Risks and Uncertainties

The Board has overall responsibility for risk management and internal control. The process by which the Group identifies and manages risk is set out in more details in the corporate governance report of this annual report. The following highlights some of the key risks affect the Group’s business:

主要風險及不確定因素

董事會全體對風險管理及內部監控負責。本集團識別及管理風險的程序詳載於本年報內的企業管治報告中。以下概述影響本集團業務的若干主要風險：

- The Group’s business is project-based. The types of projects we carry out will vary and, in turn, our revenue mix may vary from time to time. Fee collection and profit margin depend on the terms of the quotation and may not be regular;
- The duration of our projects varies and our clients do not have long term commitments with us;
- We depend on our suppliers and contractors to complete our projects and to implement measures or procedures during the execution of our projects;
- Our success is dependent on the retention of key management personnel;
- Our business is dependent on the luxury goods sector and global economic conditions; and
- Luxury brands may reduce reliance on physical stores.
- 本集團的業務以項目為基礎。我們所進行的項目類型將會改變，因而我們的收入組合或會不時有變。收費及毛利率取決於報價之條款，且未必固定；
- 我們的項目持續時間不同，且客戶並無向我們作出長期承諾；
- 我們倚賴我們的供應商及承建商完成項目及於執行項目時落實措施或程序；
- 我們的成功取決於能否挽留主要管理人員；
- 我們的業務倚賴高端消費品行業及全球經濟狀況；及
- 高端消費品品牌或會降低對實體店的倚賴。

Please also refer to the note 29 to the audited consolidated financial statements for the financial risks facing by the Group.

有關本集團面對的金融風險，亦請參閱經審核綜合財務報表附註29。

Report of the Directors

董事會報告

RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group fully understands that employees, clients, suppliers and sub-contractors are the key to our sustainable and stable development. The Group is committed to establishing a close relationship with its employees, enhancing cooperation with our suppliers and sub-contractors and providing high-quality services to our customers so as to ensure the Group's sustainable development.

a) Employees

Human resources and talents are vital to the creative business of the Group. The Group offers a comprehensive range and attractive remuneration package, insurance benefits, training opportunities and clear career path with promotion opportunities to its employees. The Group also continues to improve and regularly review and update its policies on remuneration and benefits, training, occupational safety and health. The Group maintains a good relationship with its employees and the turnover rate is low.

b) Clients

The majority of the Group's clients are global luxury goods and high-end fashion brands with retail boutiques across the world. It is the Group's mission to satisfy different clients' needs. The Group has established business relationships with its five largest clients for an average of over five years.

The Group has also established procedures in handling clients' feedback and complaints to ensure that clients' opinions are dealt with in a prompt and timely manner.

c) Suppliers and Sub-contractors

The Group generally do not enter into long term contracts with its suppliers and its orders are placed on an as-needed basis depending on the project schedule. The Group has established a long term and stable relationships with its five largest suppliers and sub-contractors for over six years on average. Over the years, the Group has been working closely with them and have maintained good relationships.

In order to have a better and close monitoring of suppliers' performance, the Group's management regularly conducts performance reviews targeting the Group's major suppliers and sub-contractors and communicates with them for rectification and improvements.

Further discussions on the relationship with key stakeholders is set out in the ESG Report.

與主要利益相關者之關係

本集團充分認識到僱員、客戶、供應商及分承建商為我們的可持續穩定發展之關鍵所在。本集團致力於與其僱員建立緊密的關係、加強與我們供應商及分承建商的合作以及向我們的客戶提供高質量服務，從而確保本集團的可持續發展。

a) 僱員

人力資源及人才對本集團的創意業務尤為重要。本集團為其僱員提供全面且具有吸引力的薪金待遇、保險福利、培訓機會及具備晉升機會的明確職業發展道路。本集團亦不斷改善和定期檢討及更新薪酬及福利、培訓、職業安全及健康方面的政策。本集團與其僱員維持良好關係且僱員流失率較低。

b) 客戶

本集團的主要客戶為於全球範圍內設有零售專賣店之全球高端消費品及高端時尚品牌商。滿足不同客戶的需求為本集團的使命。本集團已與其五大客戶建立平均五年以上的業務關係。

本集團亦設立有關處理客戶反饋及投訴的程序，從而確保客戶的意見得到迅速且及時的處理。

c) 供應商及分承建商

本集團通常不與其供應商訂立長期合約，而其訂單根據項目時間表按照需要基準作出。本集團已與其五大供應商及分承建商建立平均六年以上的長期及穩定合作關係。多年來，本集團一直與彼等緊密合作並維持良好合作關係。

為更好地及更密切地監察供應商的表現，本集團的管理層定期針對本集團的主要供應商及分承建商開展表現檢討，並就整改工作與其交流。

有關與主要持份者之間的關係之進一步討論乃載於環境、社會及管治報告。

Report of the Directors

董事會報告

ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimize its environmental impact by saving electricity and encouraging recycle of office supplies and other materials. The Group believes that it is essential for it to be as environmentally responsible as possible in the execution of its projects. The fit-out construction services provided by its sub-contractors in Hong Kong are subject to certain laws and regulations relating to environmental protection.

Further discussions on the environmental policies is set out in the ESG Report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries with projects located in various locations such as Hong Kong, Asia (excluding Hong Kong and the PRC), Europe and the Middle East. The Group's establishment and operations accordingly shall comply with all applicable laws in the jurisdictions where it has operations. To the best of the Directors' knowledge, information and belief on the date of this annual report, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

Further discussions on the compliance with laws and regulations is set out in the ESG Report.

RESULTS AND DIVIDENDS

The results of the Group for the Year and the state of affairs of the Group at that date are set out in the audited consolidated financial statements on pages 91 to 171 of this annual report.

The Board does not recommend the payment of any dividend for the Year.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 20 November 2020 (the "2020 AGM"), the register of members of the Company will be closed from Tuesday, 17 November 2020 to Friday, 20 November 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the 2020 AGM, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 16 November 2020.

環境政策

本集團致力於建設環境友好型企業，對保護自然資源非常關注。本集團努力通過節約用電及鼓勵辦公用品及其他材料回收再用將對環境造成的影響減至最低。本集團相信，我們在執行項目時盡可能對環境負責尤為重要。我們在香港的分承建商所提供的室內裝潢建設服務受若干環境保護相關的法律及法規所規限。

有關環境政策之進一步討論乃載於環境、社會及管治報告。

遵守法律法規

本集團的營運主要通過本公司於各地區（如香港，亞洲（香港及中國除外）、歐洲及中東）擁有項目之附屬公司進行。本集團的建立與營運應相應遵守其經營所在司法管轄權區的所有適用法律。據董事所知、所悉及所信，於本年報日期，本集團在重大方面已遵守相關對本公司業務及營運具有重大影響之法律法規。

有關遵守法律法規之進一步討論乃載於環境、社會及管治報告。

業績及股息

本年度本集團之業績以及本集團於年結日之財務狀況載於本年報之經審核綜合財務報表的第91至171頁。

董事會並無建議派發本年度之任何股息。

暫停辦理股份過戶登記手續

為釐定出席本公司謹訂於二零二零年十一月二十日（星期五）舉行的應屆股東週年大會（「二零二零年股東週年大會」）並於會上投票的資格，本公司將於二零二零年十一月十七日（星期二）至二零二零年十一月二十日（星期五）（包括首尾兩日）暫停辦理股份過戶登記，期間不會辦理股份過戶登記手續。股東如欲符合資格出席二零二零年股東週年大會並投票，所有股份過戶文件連同相關股票必須不遲於二零二零年十一月十六日（星期一）下午四時三十分送交本公司於香港的股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心54樓）以辦理登記手續。

Report of the Directors

董事會報告

FINANCIAL SUMMARY

A summary of the published financial results and of the assets and liabilities of the Group for the Year, together with summary of the financial results and of the assets and liabilities of the Group for the four years ended 30 June 2019 is set out on page 172 of this annual report. This summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the Year are set out in note 13 to the audited consolidated financial statements.

SHARE CAPITAL

As at 30 June 2020, the Company's issued share capital was HK\$28,800,000 and the number of its issued ordinary shares was 2,880,000,000 of HK\$0.01 each.

Details of movements in the Company's share capital during the Year are set out in note 21 to the audited consolidated financial statements. Details of change in the capital structure of the Company are set out in the paragraph headed "Liquidity, Financial Resources and Capital Structure" in the section headed "Management Discussion and Analysis" of this annual report.

RESERVES

Details of movements in the reserves of the Group and the Company during the Year are set out in the consolidated statement of changes in equity and in notes 22 and 30(a) to the audited consolidated financial statements, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2020, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$14.5 million. Such amount represented the sum of the Company's share premium and accumulated losses, which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary of business.

PRE-EMPTIVE RIGHTS

There is no provisions for pre-emptive rights under the Articles of Association or applicable laws of the Cayman Islands where the Company is incorporated.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities during the Year.

財務概要

本年度本集團的已公佈財務業績與資產及負債的概要連同截至二零一九年六月三十日止四個年度本集團的財務業績與資產及負債的概要載於本年報第172頁。本概要並不構成經審核綜合財務報表的一部份。

物業、廠房及設備

本集團於本年度之物業、廠房及設備之變動詳情載於經審核綜合財務報表附註13。

股本

於二零二零年六月三十日，本公司之已發行股本為28,800,000港元而已發行普通股數目為2,880,000,000股每股面值0.01港元之普通股。

本公司於本年度之股本變動詳情載於經審核綜合財務報表附註21。本公司資本架構變動之詳情載於本年報「管理層討論及分析」一節內「資本流動性、財務資源及資本架構」一段。

儲備

本集團及本公司於本年度之儲備變動詳情分別載於綜合權益變動表及經審核綜合財務報表附註22及30(a)。

可供分派儲備

於二零二零年六月三十日，本公司的可供分派儲備（根據開曼群島法律第22章公司法（一九六一年第3號法律，經綜合及修訂）約為14.5百萬港元。有關金額代表本公司股份溢價及累計虧損之和，並將會在緊接建議分派股息之日期後，本公司將有能力償還日常業務範圍的到期債務時，方可作出分派。

優先認購權

章程細則或本公司註冊所在地開曼群島適用法律項下並無優先購股權之條文。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於本年度概無購買、贖回或出售本公司之上市證券。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, revenue derived from the Group's five largest clients accounted for approximately 69.3% of the total revenue of the Group for the Year and revenue derived from the largest client for the Year amounted to approximately HK\$16.4 million, representing approximately 30.5% of the Group's total revenue for the Year. Purchases from the Group's five largest suppliers accounted for approximately 62.7% of the total costs for the Year and purchase from the largest supplier for the Year amounted to approximately HK\$8.3 million, representing approximately 22.6% of the Group's total direct costs for the Year.

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

DIRECTORS

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

Executive Directors

Mr. Lee Wai Sang (*Chairman and Chief Executive Officer*)
Mr. Lau King Lok
Mr. Leung Pak Yin

Independent non-executive Directors

Mr. So Chi Hang
Mr. Heng Ching Kuen Franklin
Mr. Shing Wai Yip

In accordance with Article 108(a) of the Articles of Association, Mr. Lee Wai Sang and Mr. Leung Pak Yin will retire by rotation at the 2020 AGM. All of the retiring Directors, being eligible, will offer themselves for re-election at 2020 AGM.

主要客戶及供應商

本年度，來自本集團五大客戶的收入佔本集團本年度總收入約69.3%，以及本年度來自最大客戶的收入約為16.4百萬港元，佔本集團本年度總收入約30.5%。從本集團五大供應商採購的成本佔本年度成本總額約62.7%，以及本年度來自最大供應商採購的成本約為8.3百萬港元，佔本集團本年度直接成本總額約22.6%。

概無董事、彼等之任何緊密聯繫人或任何股東（就董事所知擁有本公司已發行股本逾5%者）於本集團之五大客戶或五大供應商擁有任何實益權益。

董事

於本年度及直至本年報日期，董事為：

執行董事

李偉生先生 (*主席兼行政總裁*)
劉敬樂先生
梁伯然先生

獨立非執行董事

蘇智恒先生
幸正權先生
成偉業先生

根據章程細則之細則第108(a)條，李偉生先生及梁伯然先生將於二零二零年股東週年大會輪值退任。所有退任董事均符合資格及願意於二零二零年股東週年大會上重選連任。

Report of the Directors

董事會報告

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against it Directors and senior management arising out of corporate activities.

Pursuant to the Articles of Association, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty in their respective offices; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

Save for the above, at no time during the Year and up to the date of this annual report, there was or is, any permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) being in force for the benefit at any of the Directors (whether made by the Company or otherwise) or any of the directors of an associated company (if made by the Company).

DIRECTORS' PROFILES

Details of the Directors' profiles are set out in the section headed "Profile of Directors and Senior Management" of this annual report.

DIRECTORS' EMOLUMENTS

Details of the Directors emoluments are set out in note 8 to the audited consolidated financial statements.

No Director has waived or has agreed to waive any emoluments and no emoluments were paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office during the Year.

DIRECTORS' SERVICE CONTRACTS OR LETTERS OF APPOINTMENT

Each of the executive Directors has renewed his service contract with the Company for a term of one year commencing from 9 September 2019. Upon expiry of the term, each of them has further renewed his service contract with the Company for a term of one year commencing from 9 September 2020, which may be terminated by not less than three months' notice served by either party on the other.

Each of Mr. So Chi Hang and Mr. Heng Ching Kuen Franklin, being independent non-executive Directors, has renewed his letter of appointment with the Company for a term of one year commencing from 9 September 2019. Upon expiry of the term, each of them has further renewed his letter of appointment for a term of one year commencing from 9 September 2020, which may be terminated by not less than three months' notice served by either party on the other.

獲准許的彌償條文

本公司已為董事及職員安排合適之責任保險，就其董事及高級管理層因企業活動而遭提出之法律行動提供保障。

根據章程細則，各董事均可從本公司之資產獲得彌償，該等人士或任何該等人士就各自之職務執行其職責或假定職責時因所作出、發生之作為或不作為而招致或蒙受之所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害；惟本彌償保證不延伸至任何與上述人士欺詐或不忠誠有關之事宜。

除上述外，於本年度及截至本年報日期止任何時間，概無曾或現存在以何董事（不論是否由本公司或以其他方式制定）或聯營公司任何董事（倘由本公司制定）為受益人生效的任何獲准許之彌償條文（定義見香港法律第622D章《公司（董事報告）規例》第9條）。

董事資料

董事資料之詳情載於本年報「董事及高級管理層資料」一節。

董事酬金

董事酬金之詳情載於經審核綜合財務報表附註8。

本年度，並無董事放棄或同意放棄任何酬金，以及本集團並無向董事支付酬金作為加入或於加入本集團時之獎勵或離職補償。

董事服務合約或委任函

各執行董事已與本公司重續服務合約，任期為一年，由二零一九年九月九日開始。於該任期屆滿後，彼等均已與本公司進一步重續服務合約，任期為一年，由二零二零年九月九日開始，可由任何訂約方向另一訂約方發出不少於三個月的通知予以終止。

獨立非執行董事蘇智恒先生及辛正權先生已與本公司重續委任函，任期為一年，由二零一九年九月九日開始。於該任期屆滿後，彼等均已與本公司進一步重續委任函，任期為一年，由二零二零年九月九日開始，可由任何訂約方向另一訂約方發出不少於三個月的通知予以終止。

Report of the Directors

董事會報告

Mr. Shing Wai Yip, being independent non-executive Director, has entered into a letter of appointment with the Company for a term of three years commencing from 25 January 2019, which may be terminated by not less than three months' notice served by either party on the other.

No Director proposed for re-election at the 2020 AGM has a service contract with the Company which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

CONFIRMATION OF INDEPENDENCE FROM THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. Based on such confirmations, the Company considers all of the independent non-executive Directors are independent in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save for transaction as disclosed in the section headed "Non-Exempt Continuing Connected Transactions" in this report, no transaction, arrangements or contract of significance to the business of the Group to which the Company or any of its subsidiaries or fellow subsidiaries was a party, and in which a Director or his connected entity had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

CONTRACTS OF SIGNIFICANCE

Save for transaction as disclosed in the section headed "Non-Exempt Continuing Connected Transactions" in this report, no contract of significance had been entered into between the Company, or any of its subsidiaries, and the Controlling Shareholder(s) or any of its subsidiaries at the end of the Year or at any time during the Year.

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or in existence as at the end of the Year or at any time during the Year.

獨立非執行董事成偉業先生已與本公司訂立委任函，任期為三年，由二零一九年一月二十五日開始，可由任何訂約方向另一訂約方發出不少於三個月的通知予以終止。

概無擬於二零二零年股東週年大會上接受重選的董事與本公司訂有不可由本集團於一年內免付補償（法定補償除外）予以終止的服務合約。

獨立非執行董事之獨立確認

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出的獨立書面確認。根據該等書面確認，根據上市規則第3.13條，本公司認為全體獨立非執行董事均為獨立人士。

董事之交易、安排或合約權益

除本報告「非豁免持續關聯交易」一節披露之交易外，本公司或其任何附屬公司或同系附屬公司概無訂立於年末或年內任何時間訂立仍然生效而董事或其關聯實體於當中（不管直接或間接）擁有重大權益且對本集團業務屬重大的交易、安排或合約。

重大合約

除本報告「非豁免持續關聯交易」一節披露之交易外，本公司或其任何附屬公司並無於年末或年內任何時間與控股股東或其任何附屬公司訂立重大合約。

管理合約

於年末或年內任何時間，並無就本集團全部或任何重要業務的管理及行政工作訂立或存有任何合約。

Report of the Directors

董事會報告

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

As at 30 June 2020, 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, were as follows:

Long Position

| Name of Director | The Company/Name of associated corporation | Capacity/Nature of interest | Name and class of Shares held/ interested in the Company/ associated corporation 於本公司/相聯法團持有之股份名稱和類別/權益 | Approximately percentage of shareholding |
|------------------|--|---|--|--|
| 董事姓名 | 本公司/相聯法團名稱 | 身份/權益性質 | | 概約股權百分比 |
| Lee Wai Sang | The Company | Interest in a controlled corporation and interest of spouse | 1,800,000,000 Shares (Note) | 62.50% |
| 李偉生 | 本公司 | 受控制法團權益及配偶權益 | 1,800,000,000股股份(附註) | 62.50% |
| | CGH (BVI) Limited | Beneficial owner and interest of spouse | 100 ordinary shares of US\$1 each (Note) | 100% |
| | CGH (BVI) Limited | 實益擁有人及配偶權益 | 100股每股1美元普通股(附註) | 100% |

Note: Such Shares were registered in the name of CGH (BVI), a company owned as to 50% and 50% by Mr. Lee and Ms. Leung. By virtue of the provisions of Part XV of the SFO, Mr. Lee is deemed to be interested in all the Shares held by CGH (BVI). Besides, Mr. Lee is the spouse of Ms. Leung. By virtue of the provisions of Part XV of the SFO, Mr. Lee is deemed to be interested in the same number of Shares in which Ms. Leung is deemed to be interested. Each of Mr. Lee and Ms. Leung is a director of CGH (BVI). Mr. Lee is also deemed to be interested in the shares of CGH (BVI) held by Ms. Leung.

Save as disclosed above, as at 30 June 2020, 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.

董事及主要行政人員在本公司或其相聯法團的股份、相關股份及債券所擁有的權益及淡倉

於二零二零年六月三十日，本公司董事及主要行政人員在本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中擁有記錄於本公司根據證券及期貨條例第352條規定存置的登記冊的權益或淡倉，或根據標準守則知會本公司及聯交所的權益及淡倉如下：

好倉

附註：該等股份以CGH (BVI)名義登記。CGH (BVI)是一間由李先生及梁女士各自擁有50%的權益的公司。根據證券及期貨條例第XV部的條文，李先生被視為擁有CGH (BVI)所擁有全部股份之權益。此外，李先生為梁女士的配偶。根據證券及期貨條例第XV部的條文，李先生被視為於梁女士被視為擁有權益的相同數目股份中擁有權益。李先生及梁女士各自為CGH (BVI)董事。李先生亦被視為於梁女士在CGH (BVI)所持有的股份中擁有權益。

除上述所披露者外，於二零二零年六月三十日，本公司董事及/或行政總裁及彼等的聯繫人概無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)的股份、相關股份或債權中擁有或被視作擁有須根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例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條規定須記錄在該條所述之登記冊之權益或淡倉，或根據標準守則須知會本公司及聯交所之權益或淡倉。

Report of the Directors

董事會報告

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

As at 30 June 2020, to the best knowledge of the Directors and the senior management of the Company, the table below listed out the persons (other than the Directors or chief executive of the Company), who had interests in the Shares and underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Division 2 and 3 of Part XV of the SFO, or as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Long Position

| Name of Shareholder | Capacity/Nature of interest | Number of Shares held/interest in 持有/擁有權益的股份數目 | Approximately percentage of shareholding 概約持股百分比 |
|----------------------|---|--|--|
| 股東名稱 | 身份/權益性質 | | |
| CGH (BVI) Limited | Beneficial Owner | 1,800,000,000 (Note) | 62.50% |
| CGH (BVI) Limited | 實益擁有人 | 1,800,000,000 (附註) | 62.50% |
| Leung Mo Shan Jackie | Interest in a controlled corporation and interest of spouse | 1,800,000,000 (Note) | 62.50% |
| 梁慕珊 | 受控制法團權益及配偶權益 | 1,800,000,000 (附註) | 62.50% |

Note: Such Shares were registered in the name of CGH (BVI), which is owned as to 50% and 50% by each of Mr. Lee and Ms. Leung. By virtue of the provisions of Part XV of the SFO, Ms. Leung is deemed to be interested in all the Shares held by CGH (BVI). Besides, Ms. Leung is the spouse of Mr. Lee. By virtue of the provisions of Part XV of the SFO, Ms. Leung is deemed to be interested in the same number of Shares in which Mr. Lee is deemed to be interested.

Save as disclosed above, as at 30 June 2020, the Directors and the senior management of the Company are not aware of any other person who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section "Share Option Scheme" below, at no time during the Year was the Company or its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of acquisitions of Shares in, or debentures of, the Company or any other body corporate.

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於二零二零年六月三十日，就本公司董事及高級管理層所深知，下表載列於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露或記錄於本公司根據證券及期貨條例第336條規定存置的權益登記冊的權益的人士(不包括本公司董事或主要行政人員)如下：

好倉

| Number of Shares held/interest in 持有/擁有權益的股份數目 | Approximately percentage of shareholding 概約持股百分比 |
|--|--|
| 1,800,000,000 (Note) | 62.50% |
| 1,800,000,000 (附註) | 62.50% |
| 1,800,000,000 (Note) | 62.50% |
| 1,800,000,000 (附註) | 62.50% |

附註：該等股份乃以CGH (BVI)的名義登記，CGH (BVI)由李先生及梁女士各自擁有50%的權益。根據證券及期貨條例第XV部條例，梁女士被視為於CGH (BVI)所持有的所有股份中擁有權益。此外，梁女士為李先生的配偶。根據證券及期貨條例第XV部條例，梁女士被視為於李先生被視為擁有權益的相同數目的股份中擁有權益。

除上文所披露者外，於二零二零年六月三十日，本公司董事及高級管理層並不知悉任何其他人士於本公司股份或相關股份中擁有記錄於本公司根據證券及期貨條例第336條存置之登記冊內之權益或淡倉。

董事購買股份或債券之權利

除下文「購股權計劃」一節所披露外，本公司或其控股公司、附屬公司或同系附屬公司概無於本年度任何時間訂立任何安排令本公司董事或主要行政人員或彼等聯繫人可透過購買本公司或任何其他法團的股份或債券的方式獲利。

Report of the Directors

董事會報告

SHARE OPTION SCHEME

On 22 August 2016, the Company adopted the Share Option Scheme, which falls within the ambit of, and is subject to the regulations under Chapter 17 of the Listing Rules. The Share Option Scheme is valid and effective during the period commencing on 12 September 2016 and ending on 11 September 2026, being the date falling ten years from the date on which the Share Option Scheme became unconditional. A summary of the Share Option Scheme is as follows:

- (1) The purpose of the Share Option Scheme is to recruit and retain high-calibre employees, to attract human resources that are valuable to the Group, to provide additional incentive or rewards to employees (full-time and part-time), directors, consultants, advisors, contractors, suppliers, customers and shareholders of the Group.
- (2) The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, contractor, supplier, consultant, advisor, customer or shareholder of the Group options to subscribe for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of the Group.
- (3) An offer for the grant of options must be accepted within 7 days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$10.
- (4) Unless otherwise determined by the Directors and stated in the offer of grant of the share options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of a share option before it can be exercised.
- (5) The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

購股權計劃

於二零一六年八月二十二日，本集團採納購股權計劃，該購股權計劃符合上市規則第17章項下規定的範圍及須受限於該等規定。購股權計劃於自二零一六年九月十二日開始至二零二六年九月十一日（為購股權計劃成為無條件之日起計第十年當日）結束期間為有效力及效用。購股權計劃的概要如下所示：

- (1) 購股權計劃旨在招募及挽留高素質僱員，吸引對本集團有重要作用的人力資源，向本集團僱員（全職及兼職）、董事、諮詢人員、顧問、承建商、供應商、客戶及股東提供額外獎勵或獎金。
- (2) 董事會可全權酌情按其認為適合的條款，向本集團任何僱員（全職或兼職）、董事、承建商、供應商、諮詢人員、顧問、客戶或股東授出購股權，使彼等可根據購股權計劃的條款，認購董事會可能指定數目的股份。董事會（或獨立非執行董事，視情況而定）可不時根據個別參與者對本集團發展及增長所作出或可能作出的貢獻決定獲授任何購股權的任何參與者的資格。
- (3) 授出購股權的要約限於作出有關要約日期（包括當日）起七日內接納。購股權承授人須於接納要約時就獲授的購股權向本公司支付10港元。
- (4) 除非董事另行決定並在向承授人授出購股權要約時說明，購股權計劃並無規定在行使前所需持有認股權之最短期限。
- (5) 根據購股權計劃授出的任何特定購股權的股份認購價由董事會全權釐定並通知參與者，但不得低於下列最高者：(i) 股份於購股權授出日期（必須為營業日）於聯交所每日報價表所報收市價；(ii) 股份於緊接購股權授出日期前五個營業日在聯交所每日報價表所報的平均收市價；及(iii) 股份於購股權授出日期的面值。

Report of the Directors

董事會報告

- (6) The maximum number of Shares which may be allotted and issued pursuant to the Share Option Scheme is as follows:
- (a) subject to sub-paragraph 6(b) and 6(c) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Shares in issue, being 2,400,000,000 Shares as at 12 September 2016, being the date on which the Shares are listed on the Stock Exchange (the "General Scheme Limit"). Based on the number of Shares in issue on 12 September 2016, being the date on which the Shares are listed on the Stock Exchange, the General Scheme Limit of the Share Option Scheme is 240,000,000 Shares.
- (b) The General Scheme Limit may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit.
- (c) The Company may seek separate approval of the Shareholders in general meeting for granting options beyond the General Scheme Limit provided the options in excess of the General Scheme Limit are granted only to grantees specifically identified by the Company before such approval is sought.
- (d) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in such 30% limit being exceeded.
- (6) 根據購股權計劃而可予配發及發行的股份最高股份數目如下所示：
- (a) 在下文第6(b)及6(c)分段的規限下，購股權計劃及本公司任何其他購股權計劃(就此而言，不包括因已授出但根據購股權計劃或本公司任何其他購股權計劃條款已失效的購股權獲行使而可予發行的股份)授出之所有購股權予以行使時發行之股份最高數目，合計不得超過本公司於二零一六年九月十二日(即股份於聯交所上市之日期)已發行的所有股份(即2,400,000,000股股份)之10%(「一般計劃限制」)。根據於二零一六年九月十二日(即股份於聯交所上市之日期)已發行的股份數目，購股權計劃的一般計劃限制為240,000,000股股份。
- (b) 一般計劃限制可隨時經股東在股東大會上批准後更新，但因行使根據購股權計劃及本公司任何其他購股權計劃授出的全部購股權而可能發行的股份總數，不得超過批准經更新上限當日已發行股份的10%。計算經更新10%上限時，先前根據購股權計劃及本公司任何其他購股權計劃授出的購股權(包括根據購股權計劃或本公司任何其他購股權計劃的條款尚未行使、已註銷或已失效的購股權)不會計算在內。
- (c) 本公司可於股東大會另行徵求股東批准授出超逾一般計劃限制之購股權，惟僅可向本公司於徵求批准前特別指明之承授人授出超逾一般計劃限制之購股權。
- (d) 根據購股權計劃及本公司任何其他購股權計劃授出但尚未行使之所有購股權獲行使時可予發行之股份總數，不得超過不時已發行股份之30%。倘根據購股權計劃或本公司任何其他購股權計劃授出購股權將導致超過該30%，則不得授出購股權。

Report of the Directors

董事會報告

(7) The total number of Shares issued and to be issued upon exercise of options granted to any participant (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting.

A share option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed 10 years from the date of grant subject to the provisions for early termination thereof.

No options had been granted under the Share Option Scheme since its adoption. As such, the total number of Shares available for issue upon exercise of the share options to be granted under the Share Option Scheme was 240,000,000 Shares, representing 8.3% of the Shares in issue as at the date of this annual report.

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Group undertaken in the normal course of business are set out in note 25 to the audited consolidated financial statements.

During the Year, certain related party transactions set out in note 25 to the audited consolidated financial statements are regarded as connected transactions or continuing connected transactions of the Group. Save for those as disclosed below, none of which is required to be disclosed under Chapter 14A of the Listing Rules. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Given that Mr. Lee is an executive Director and a controlling shareholder (as defined under the Listing Rules) of the Company, Mr. Lee and his associates are “connected persons” of the Company under Rules 14A.07(1) and (4) of the Listing Rules.

As disclosed in the Prospectus and the announcements of the Company dated 26 June 2018 and 11 July 2018, the Group has carried out the following continuing connected transactions (other than the continuing connected transactions that are fully exempted under Rule 14A.76(1) of the Listing Rules) with Mr. Lee’s associates during the Year:

(7) 截至授出日期止任何12個月期間內，因任何參與者行使根據購股權計劃授出的購股權（包括已行使及尚未行使的購股權）而發行及將予發行的股份總數，不得超過已發行股份的1%。任何額外授出超過該上限的購股權必須經股東於股東大會上另行批准，該承授人及其聯繫人士必須放棄投票。

承授人可於董事會可能釐訂的期間，隨時根據購股權計劃的條款行使購股權，惟有關期間不得超過授出日期起計十年，並受有關提前終止條文所規限。

自購股權計劃獲採納以來並無根據計劃授出購股權。因此，購股權計劃下授出的購股權獲行使後可予發行的股份總數為240,000,000股，即於本年報日期已發行股份之8.3%。

關聯方交易

本集團於一般業務過程中進行的重大關聯方交易詳情載於經審核綜合財務報表附註25。

於本年度，經審核綜合財務報表附註25所載的若干關聯方交易被視為本集團的關連交易或持續關連交易。除下文所披露者外，概無任何交易須根據上市規則第14A章予以披露。本公司確認其已遵守上市規則第14A章之披露規定。

非豁免持續關連交易

鑑於李先生為本公司執行董事兼控股股東（定義見上市規則），根據上市規則第14A.07(1)及(4)條，李先生及其聯繫人為本公司之「關連人士」。

誠如招股章以及本公司日期為二零一八年六月二十六日及二零一八年七月十一日之公告所披露，本集團於年內已與李先生的聯繫人開展以下持續關連交易（根據上市規則第14A.76(1)條獲全面豁免的持續關連交易除外）：

Report of the Directors

董事會報告

1. Max Contracting Framework Agreement

On 26 June 2018, the Company as purchaser entered into a framework agreement (“Max Contracting Framework Agreement”) with Max Contracting Limited (“Max Contracting”) as supplier for the purchase of furniture, fixture and woodwork by the Group from Max Contracting for a term of three years commencing from 1 July 2018 to 30 June 2021. The price for woodwork, furniture and fixture to be supplied to the Group under the Max Contracting Framework Agreement, has been and continue to be determined by reference to the costs of materials plus a markup within the range of 10% to 25% to be agreed on an arm’s length basis.

As Max Contracting is owned as to approximately 33.3% by Mr. Lee, Max Contracting is an associate of Mr. Lee, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Max Contracting Framework Agreement thereby constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The annual cap for the transaction amount with Max Contracting under the Max Contracting Framework Agreement for the year ended 30 June 2020 is HK\$7,200,000. For the year ended 30 June 2020, the actual transaction amount paid/payable to Max Contracting amounted to approximately HK\$18,000.

2. Max Furniture Framework Agreement

On 26 June 2018, the Company as purchaser entered into a framework agreement (“Max Furniture Framework Agreement”) with Max Furniture Shenzhen Company Limited (宏大家具(深圳)有限公司) (“Max Furniture”) as supplier for the purchase of furniture, fixture and woodwork by the Group from Max Furniture for a term of three years commencing from 1 July 2018 to 30 June 2021. The price of woodwork to be supplied to the Company under the Max Furniture Framework Agreement has been and continue to be determined by reference to the costs of materials plus a markup within the range of 10% to 25% to be agreed on an arm’s length basis.

As Max Furniture is a wholly-owned subsidiary of Max Contracting and Max Contracting is in turn owned as to approximately 33.3% by Mr. Lee, Max Furniture is an associate of Mr. Lee, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Max Furniture Framework Agreement thereby constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The annual cap for the transaction amount with Max Furniture under the Max Furniture Framework Agreement for the year ended 30 June 2020 is HK\$100,000. For the year ended 30 June 2020, the actual transaction amount paid/payable to Max Furniture amounted to approximately HK\$nil.

1. 宏大設計工程框架協議

於二零一八年六月二十六日，本公司(作為買方)與宏大設計工程有限公司(「宏大設計工程」)(作為供應商)就本集團向宏大設計工程購買傢俱、裝置及木製品訂立框架協議(「宏大設計工程框架協議」)，其年期為三年，由二零一八年七月一日起，直至二零二一年六月三十日。根據宏大設計工程框架協議，供應予本集團的木製品、傢俱及裝置的價格，已經並且繼續經公平協商後在材料成本的基礎上上調10%至25%而予以釐定。

由於李先生擁有宏大設計工程約33.3%的股權，宏大設計工程為李先生的聯繫人，因而為本公司的關連人士。因此，根據上市規則第14A章，宏大設計工程框架協議項下擬進行的交易構成本公司的持續關連交易。

截至二零二零年六月三十日止年度宏大設計工程框架協議項下有關與宏大設計工程的交易金額的年度上限為7,200,000港元。截至二零二零年六月三十日止年度已付/應付予宏大設計工程的實際交易金額約為18,000港元。

2. 宏大家具框架協議

於二零一八年六月二十六日，本公司(作為買方)與宏大家具(深圳)有限公司(「宏大家具」)(作為供應商)就本集團向宏大家具購買傢俱、裝置及木製品訂立框架協議(「宏大家具框架協議」)，其年期為三年，由二零一八年七月一日起，直至二零二一年六月三十日。根據宏大家具框架協議，供應予本公司的木製品的價格，已經並且繼續經公平協商後在材料成本的基礎上上調10%至25%而予以釐定。

由於宏大家具為宏大設計工程的全資附屬公司，而宏大設計工程由李先生擁有約33.3%的股權，宏大家具為李先生的聯繫人，因而為本公司的關連人士。因此，根據上市規則第14A章，宏大家具框架協議項下擬進行的交易構成本公司的持續關連交易。

截至二零二零年六月三十日止年度宏大家具框架協議項下有關與宏大家具的交易金額的年度上限為100,000港元。截至二零二零年六月三十日止年度已付/應付予宏大家具的實際交易金額約為零港元。

Report of the Directors

董事會報告

Annual Review of Continuing Connected Transactions

The independent non-executive Directors have reviewed and confirmed that for the Year, the continuing connected transactions as set out above:

- 1) have been entered into in the ordinary and usual course of business of the Group;
- 2) were on normal commercial terms or better; and
- 3) have been carried out in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company's auditor, was engaged to report on the continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter to the Board containing their findings and conclusions in respect of the above continuing connected transactions under Rule 14A.56 of the Listing Rules. The Company has provided a copy of the auditor's letter to the Stock Exchange as required under Rule 14A.57 of the Listing Rules.

持續關連交易的年度審核

獨立非執行董事已審核及確認，於本年度，上文所載持續關連交易：

- 1) 已於本集團日常及一般營業過程中訂立；
- 2) 已按一般商業條款或更佳條款訂立；及
- 3) 已根據規管有關交易的相關協議訂立，協議條款公平合理，並且符合本公司及股東的整體利益。

本公司核數師已獲委聘遵照香港會計師公會頒布的《香港核證工作準則》第3000號（經修訂）「審核或審閱歷史財務資料以外之核證工作」，及參照《實務說明》第740號「關於上市規則所規定的持續關連交易的核數師函件」就持續關連交易出具報告。該核數師已向董事會發出一份無保留意見函件，當中載有根據上市規則第14A.56條有關上述持續關連交易的發現及結論。本公司已根據上市規則第14A.57條向聯交所提供該核數師函件的副本。

Report of the Directors

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained the prescribed public float under the Listing Rules throughout the Year and has continued to maintain such float as at the date of this annual report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

None of the Directors and Controlling Shareholders 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 pursuant to Rule 8.10 of the Listing Rules during the Year.

COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the Prospectus, each of the controlling shareholders (se defined under the Listing Rules) of the Company, namely, Mr. Lee, Ms. Leung and CGH (BVI) have entered into the deed of non-competition (“Deed of Non-competition”) in favour of the Company on 22 August 2016 pursuant to which the Controlling Shareholders irrevocably undertake to the Group that they will not and will procure their close associates (except any member of the Group) not to, directly or indirectly (whether in the capacity of principal or agent, whether for its own benefit or jointly with or on behalf of any person, firm or company, whether within or outside China), commence, engage in, participate in or acquire any business which competes or may compete directly or indirectly with the core business of the Group, being interior design business (“Restricted Business”) or own any rights or interests in such business.

Details of the Deed of Non-competition have been set out in the paragraph headed “Relationship with our controlling shareholders – Non-competition Undertaking” of the Prospectus.

The Company has received a written confirmation from each of these controlling shareholders (as defined under the Listing Rules) of the Company in respect of their respective compliance and that of their respective close associates with the Deed of Non-competition during the Year. The independent non-executive Directors, having reviewed the confirmations and the status of compliance, were satisfied that all the undertakings under the Deed of Non-competition have been complied with by the Controlling Shareholders and duly enforced during the Year.

足夠的公眾持股量

基於本公司可得的公開資料及據董事所知，本公司於本年度內一直維持上市規則所訂明的公眾持股量以及於本年報日期仍繼續維持有關公眾持股量。

董事於競爭業務的權益

於本年度，根據上市規則第8.10條規定，董事及控股股東及彼等各自的聯繫人概無於任何直接或間接與本集團的業務構成競爭或可能構成競爭的業務中擁有權益。

遵守及執行控股股東作出的不競爭承諾

誠如招股章程所披露，於二零一六年八月二十二日，本公司各控股股東（定義見上市規則）（即李先生、梁女士及CGH (BVI)）為本公司利益訂立不競爭契據（「不競爭契據」），據此，控股股東向本集團不可撤銷地承諾，其不會，並將促使其緊密聯繫人（本集團任何成員公司除外）不會直接或間接（無論以當事人或代理的身份，無論為自身利益或會同或代表任何人士、商號或公司，無論在中國境內或境外）開展、從事、參與或收購與或可能與本集團核心業務（即室內設計業務）構成直接或間接競爭的任何業務（「受限制業務」），或在該等業務中擁有任何權利或利益。

有關不競爭契據的詳情已載於招股章程「與控股股東的關係—不競爭承諾」一段。

於本年度，本公司已接獲此等本公司控股股東（定義見上市規則）各自就彼等及其各自緊密聯繫人遵守不競爭契據而發出的書面確認書。獨立非執行董事已審閱有關確認書及遵守情況，並確認控股股東已遵守不競爭契據項下的所有承諾，而該不競爭契據於本年度已正式生效。

Report of the Directors

董事會報告

CORPORATE GOVERNANCE

The Company recognizes the importance of good corporate governance for enhancing the management of the Company as well as preserving the interests of its Shareholders as a whole. The Company has adopted and committed to the code provisions set out in the CG Code contained in Appendix 14 to the Listing Rules and has prepared the corporate governance report, which is set out in the section headed "Corporate Governance Report" of this annual report. The Board will continue to review and monitor the practices of the Company with an aim to maintaining the highest standard of corporate governance.

AUDITOR

The consolidated financial statements for the Year have been audited by BDO Limited, who will retire, and being eligible, offer themselves for re-appointment at the 2020 AGM. A resolution for the re-appointment of BDO Limited as auditor of the Company is to be proposed at the 2020 AGM.

On behalf of the Board

Lee Wai Sang
Chairman

Hong Kong, 25 September 2020

企業管治

本公司認同良好的企業管治對提升本公司的管理水平以及保障其股東的整體利益極其重要。本公司已採納及致力執行上市規則附錄十四所載企業管治守則的守則條文，及編制企業管治報告，有關內容載於本年報「企業管治報告」一節。董事會將繼續審閱及監察本公司的實行情況，以維持最高水平的企業管治。

核數師

本年度的綜合財務報表已由香港立信德豪會計師事務所有限公司審核。香港立信德豪會計師事務所有限公司將於二零二零年股東週年大會上屆滿告退，惟符合資格並願意膺選連任。香港立信德豪會計師事務所有限公司連任本公司核數師的決議案將於二零二零年股東週年大會上提呈。

代表董事會

主席
李偉生

香港，二零二零年九月二十五日

Independent Auditor's Report

獨立核數師報告



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TO THE SHAREHOLDERS OF CROSSTEC GROUP HOLDINGS LIMITED
(易緯集團控股有限公司)
(incorporated in the Cayman Islands with limited liability)

致易緯集團控股有限公司股東

(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Crosstec Group Holdings Limited (the "Company") and its subsidiaries (hereafter collectively referred to as the "Group") set out on pages 91 to 171, which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

意見

吾等已審核易緯集團控股有限公司(「貴公司」)及其附屬公司(下文統稱「貴集團」)載於第91至171頁的綜合財務報表，此綜合財務報表包括於二零二零年六月三十日的綜合財務狀況表、截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註(其中包括重大會計政策概要)。

吾等認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公平地反映貴集團於二零二零年六月三十日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥善編製。

意見基礎

吾等按照香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核工作。吾等根據該等準則承擔的責任詳述於本核數師報告「核數師就審核綜合財務報表承擔的責任」一節。根據香港會計師公會的「專業會計師道德守則」(「守則」)，吾等獨立於貴集團，且吾等已根據守則履行其他道德責任。吾等相信，吾等所獲得的審核憑證充足且可適當為吾等的審核意見提供基礎。

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，對當期綜合財務報表的審核最為重要的事項。該等事項乃於吾等審核綜合財務報表的整體內容及出具吾等根據該等內容而發表的意見時獲處理。吾等不會對該等事項提供單獨的意見。

Independent Auditor's Report

獨立核數師報告

Revenue recognition on contracts from interior solutions projects

Refer to Note 3.1 (g), 3.2 (a) and 5 to the consolidated financial statements.

For the year ended 30 June 2020, the Group's revenue from interior solutions projects amounted to approximately HK\$25,423,000.

The Group recognised revenue of contracts from interior solutions projects over time by reference to the progress towards complete satisfaction of the relevant performance obligation using input method, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Accordingly, revenue recognition on contracts from interior solutions projects involves a significant degree of management estimates and judgement, with estimates being made to assess the total contract costs and stage of completion of the contract.

Our response:

- Obtaining an understanding of and evaluating internal controls on recognition of contract revenue and costs;
- Discussing with project managers and the Group's management about the progress of the on-going contracts;
- Checking the contract sum to the underlying contracts entered into with the customers and other relevant correspondences and supporting documents in respect of variations in contract works or price adjustments, on a sample basis;
- Evaluating the reasonableness of approved budgeted costs, including (i) for subcontracting costs contracted for, agreeing the budgeted costs to the underlying contracts; (ii) for estimation of costs not supported by contracts, checking that the costs are included in accordance with the contracts; and (iii) comparing the budgeted data with the actual data recorded, taking into account the stage of completion achieved, on a sample basis;
- Assessing the reasonableness of contract revenue recognised and the stage of completion by reference to the actual cost incurred to date over the approved budgeted costs on sample basis;
- Checking on a sample basis the progress billings and the actual costs incurred on contract works to the underlying supporting documents during the reporting period; and
- Reviewing financial budget prepared by the Group's management for each on-going contract to assess whether expected loss on contract was properly recognised as an expense immediately.

確認室內解決方案項目合約收入

謹此提述綜合財務報表附註3.1(g)、3.2(a)及5。

貴集團截至二零二零年六月三十日止年度的室內解決方案項目收入約為25,423,000港元。

貴集團參照完全履行相關履約責任的進度以輸入法隨時間確認室內解決方案項目合約收入，並按迄今已進行工程產生的合約成本佔估計總合約成本的比例計量。因此，確認室內解決方案項目合約收入涉及重大程度的管理層估計及判斷，以及評估總合約成本及合約完成階段的估計。

以下為吾等的應對：

- 了解及評價對確認合約收入及成本所進行的各項內部監控；
- 與項目經理及貴集團管理層討論有關持續合約的進度；
- 以抽樣方式根據與客戶所訂立合約以及有關工程變動或價格調整的其他相關書信函件及證明文件查核合約金額；
- 以抽樣方式評價經批准的預算成本的合理性，包括(i)就已訂約的分包成本而言，同意相關合約的預算成本；(ii)就合約中未提供佐證的估算成本而言，檢查該當成本已按照合約包含在內；及(iii)比較預算數字與實際錄得的數字，當中計及已完工程度；
- 參考迄今錄得的實際成本相對於經批准的成本而抽樣評估已確認合約收入及完工程度的合理性；
- 抽查相關證明文件中於報告期內的進度付款及實際工程成本；及
- 審閱貴集團管理層就各進行中合約編製的財務預算，以評估合約預期虧損有否即時正確確認為開支。

Independent Auditor's Report

獨立核數師報告

Impairment assessment of property, plant and equipment

Refer to Note 3.1 (j), 3.2 (c) and 13 to the consolidated financial statements.

As at 30 June 2020, the Group had property, plant and equipment with carrying amounts of approximately HK\$18,960,000 after impairment.

Management is required to perform impairment assessment on the property, plant and equipment where indicators of impairment are identified. For the purpose of assessing impairment, certain assets were tested at cash generating unit ("CGU") level while some assets were tested individually for impairment, where applicable, and management has assessed the recoverable amount of these assets based on higher of value in use and fair value less costs of disposal. In carrying out the impairment assessments, significant management judgement was used to appropriately identify CGU and to determine the key assumptions and estimations. In addition, for the impairment assessment of the Group's leasehold property, management has engaged independent qualified professional valuer as the management's expert in assisting the assessment of the recoverable amount of this property. Based on above assessment performed, for the year ended 30 June 2020, management concluded that total impairment loss of approximately HK\$8,525,000 was made in respect of the Group's property, plant and equipment.

Our response:

- Evaluating the appropriateness of the methodologies applied in determining the recoverable amount of the CGU to which property, plant and equipment have been allocated or individual asset, where applicable, in the impairment test;
- Assessing the appropriateness of the management's identification of CGU based on our understanding of the Group's business;
- Checking the appropriateness of key input data used in the assessment of the recoverable amounts;
- Assessing the reasonableness of key assumptions and estimations used;
- Checking the mathematical accuracy of the calculation of the recoverable amount of the CGU or individual asset, where applicable; and
- Evaluating the competency, capabilities and objectivity of the management's expert

物業、廠房及設備之減值評估

謹此提述綜合財務報表附註3.1(j)、3.2(c)及13。

於二零二零年六月三十日，貴集團之物業、廠房及設備在減值後之賬面值約為18,960,000港元。

管理層須於發現減值跡象時對物業、廠房及設備進行減值評估。就評估減值而言，若干資產是於現金產生單位（「現金產生單位」）層面進行測試及部份資產是個別地進行減值測試（如適用），而管理層已根據使用價值及公平值減出售成本兩者中較高者評估該等資產之可收回金額。在進行減值評估時，管理層作出重大判斷，以適當地識別現金產生單位，並釐定主要假設及估計。此外，就對本集團之租賃物業進行減值評估而言，管理層已委聘獨立合資格專業估值師作為管理層的專家，協助評估此物業的可收回金額。根據所進行之上述評估，截至二零二零年六月三十日止年度，管理層得出之結論是，就貴集團之物業、廠房及設備作出總減值虧損約8,525,000港元。

以下為吾等的應對：

- 評估釐定在減值測試中分配至物業、廠房及設備之現金產生單位或個別資產（如適用）之可收回金額所採用之方法是否適當；
- 根據吾等對貴集團業務之瞭解而評估現金產生單位識別是否合適；
- 檢查評估可收回金額時使用的關鍵輸入數據是否適當；
- 評估所使用之關鍵假設和估計是否合理；
- 檢查計算現金產生單位或個別資產（如適用）之可收回金額之數學準確性；及
- 評估管理層的專家之才幹、能力及客觀性。

Independent Auditor's Report

獨立核數師報告

Other Information in the Annual Report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

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

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

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

年報中的其他信息

董事須對其他信息負責。其他信息由 貴公司年報所包含的信息構成，惟不包括綜合財務報表及吾等就此出具的核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他信息，且吾等並不就有關信息發表任何形式的核證結論。

結合吾等對綜合財務報表的審核，吾等的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或吾等在審核過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於吾等已執行的工作，如果吾等認為其他信息存在重大錯誤陳述，吾等需要報告該事實。於此方面，吾等並無任何報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定妥為編製真實而公平的綜合財務報表，及實施董事認為必要的該等內部監控，以使所編製的綜合財務報表不存在任何由於欺詐或錯誤而導致的重大錯誤陳述。

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

董事亦負責監察 貴集團的財務報告程序。審核委員會協助董事履行彼等於有關方面的責任。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審核綜合財務報表承擔的責任

吾等的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅按照吾等的委聘條款向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，惟不能保證按香港核數準則進行的審核在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期該等錯誤陳述個別或匯總起來可能影響綜合財務報表使用者所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港核數準則進行審核的過程中，吾等運用了專業判斷，保持專業懷疑態度。吾等亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及取得充足和適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟目的並非對貴集團內部監控的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者對綜合財務報表中的相關披露資料的關注。假若有關的披露資料不足，則吾等須出具非無保留意見的核數師報告。吾等的結論是基於截至核數師報告日止所取得的審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。

Independent Auditor's Report

獨立核數師報告

Auditor's responsibilities for the audit of the consolidated financial statements (*continued*)

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

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

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

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

BDO Limited
Certified Public Accountants
Lo Ngai Hang
Practising Certificate Number P04743

Hong Kong, 25 September 2020

核數師就審核綜合財務報表承擔的責任(續)

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露資料，以及綜合財務報表是否公允反映交易和事項。
- 就 貴集團中實體或業務活動的財務資料獲取充分、適當的審核證據，以對 貴集團財務報表發表意見。吾等負責指導、監督和執行 貴集團審核。吾等對審核意見承擔全部責任。

吾等與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括吾等在審核期間識別出內部監控的任何重大缺陷。

吾等亦向審核委員會作出聲明，指出吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與董事溝通的事項中，吾等釐定對本年度綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，則吾等決定不應在報告中傳達該事項。

香港立信德豪會計師事務所有限公司
執業會計師
盧毅恒
執業證書編號：P04743

香港，二零二零年九月二十五日

Consolidated Financial Statements

綜合財務報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

綜合損益及其他全面收益表

截至二零二零年六月三十日止年度

| | | | 2020 | 2019 |
|--|--------------------------------|-------|-----------------|----------------|
| | | Notes | HK\$'000 | HK\$'000 |
| | | 附註 | 千港元 | 千港元 |
| Revenue | 收入 | 5 | 53,789 | 95,336 |
| Direct costs | 直接成本 | | (36,662) | (64,073) |
| Gross profit | 毛利 | | 17,127 | 31,263 |
| Other income | 其他收入 | 5 | 997 | 682 |
| Other gain/(loss), net | 其他收益/(虧損)淨額 | 5 | (8,980) | (558) |
| Administrative expenses | 行政開支 | | (36,708) | (40,993) |
| Finance costs | 融資成本 | 6 | (802) | – |
| Loss before income tax expense | 除所得稅開支前虧損 | 7 | (28,366) | (9,606) |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 10 | 162 | (28) |
| Loss for the year and attributable to owners of the Company | 年內及本公司擁有人應佔虧損 | | (28,204) | (9,634) |
| Item that may be reclassified subsequently to profit or loss | 其後可重新分類至損益的項目 | | | |
| Exchange differences on translating foreign operations | 對外業務換算產生的匯兌差額 | | 8 | 247 |
| Other comprehensive income for the year and attributable to owners of the Company, net of tax | 年內及本公司擁有人應佔其他全面收入(扣除稅項) | | 8 | 247 |
| Total comprehensive income for the year and attributable to owners of the Company | 年內及本公司擁有人應佔全面收入總額 | | (28,196) | (9,387) |
| Losses per share | 每股虧損 | | | |
| Basic and diluted (HK cents) | 基本及攤薄(港仙) | 12 | (1.13) | (0.40) |

Consolidated Financial Statements

綜合財務報表

Consolidated Statement of Financial Position

As at 30 June 2020

綜合財務狀況表

於二零二零年六月三十日

| | | 2020 | | 2019 | |
|---------------------------------------|-------------|-------|----------|----------|--|
| | | Notes | HK\$'000 | HK\$'000 | |
| | | 附註 | 千港元 | 千港元 | |
| Non-current assets | 非流動資產 | | | | |
| Property, plant and equipment | 物業、廠房及設備 | 13 | 18,960 | 4,589 | |
| Deposits | 按金 | 15 | 1,817 | 2,816 | |
| | | | 20,777 | 7,405 | |
| Current assets | 流動資產 | | | | |
| Trade and other receivables | 應收貿易及其他款項 | 15 | 6,488 | 14,044 | |
| Income tax recoverable | 可收回稅項 | | 211 | 221 | |
| Pledged and restricted bank deposits | 已抵押及受限制銀行存款 | 16 | 7,920 | – | |
| Cash and cash equivalents | 現金及現金等價物 | 17 | 19,541 | 40,009 | |
| | | | 34,160 | 54,274 | |
| Total assets | 總資產 | | 54,937 | 61,679 | |
| Current liabilities | 流動負債 | | | | |
| Trade and other payables | 應付貿易及其他款項 | 18 | 14,495 | 20,280 | |
| Contract liabilities | 合約負債 | 19 | 4,317 | 4,274 | |
| Lease liabilities | 租賃負債 | 14 | 4,470 | – | |
| Income tax payable | 應付所得稅 | | – | 38 | |
| | | | 23,282 | 24,592 | |
| Net current assets | 流動資產淨值 | | 10,878 | 29,682 | |
| Total assets less current liabilities | 總資產減流動負債 | | 31,655 | 37,087 | |
| Non-current liabilities | 非流動負債 | | | | |
| Other payable | 其他應付款項 | 18 | – | 450 | |
| Lease liabilities | 租賃負債 | 14 | 12,560 | – | |
| Deferred tax liabilities | 遞延稅項負債 | 20 | – | 194 | |
| | | | 12,560 | 644 | |
| Total liabilities | 負債總額 | | 35,842 | 25,236 | |
| NET ASSETS | 資產淨值 | | 19,095 | 36,443 | |
| Capital and reserves | 資本及儲備 | | | | |
| Share capital | 股本 | 21 | 28,800 | 24,000 | |
| Reserves | 儲備 | 22 | (9,705) | 12,443 | |
| TOTAL EQUITY | 總權益 | | 19,095 | 36,443 | |

On behalf of the board of directors

代表董事會

Mr. Lee Wai Sang
李偉生先生
Director
董事

Mr. Leung Pak Yin
梁伯然先生
Director
董事

Consolidated Financial Statements

綜合財務報表

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

綜合權益變動表

截至二零二零年六月三十日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | |
|--|-----------------------|---|--|---|---|---|-----------------|
| | | Share capital 股本 | Share premium (Note 22(i)) (附註22(i)) | Merger reserve (Note 22(ii)) (附註22(ii)) | Exchange reserve (Note 22(iii)) (附註22(iii)) | Accumulated losses (Note 22(iv)) (附註22(iv)) | 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 | HK\$'000 千港元 |
| As at 1 July 2018 | 於二零一八年七月一日 | 24,000 | 56,615 | 5,329 | (81) | (40,033) | 45,830 |
| Loss for the year | 年內虧損 | - | - | - | - | (9,634) | (9,634) |
| Other comprehensive income for the year | 年內其他全面收入 | | | | | | |
| Exchange differences on translating foreign operations | 對外業務換算產生的匯兌差額 | - | - | - | 247 | - | 247 |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | - | 247 | (9,634) | (9,387) |
| As at 30 June 2019 and 1 July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | 24,000 | 56,615 | 5,329 | 166 | (49,667) | 36,443 |
| Loss for the year | 年內虧損 | - | - | - | - | (28,204) | (28,204) |
| Other comprehensive income for the year | 年內其他全面收入 | | | | | | |
| Exchange differences on translating foreign operations | 對外業務換算產生的匯兌差額 | - | - | - | 8 | - | 8 |
| Total comprehensive income for the year | 年內全面收入總額 | - | - | - | 8 | (28,204) | (28,196) |
| Proceeds from placing of new shares (Note 21) | 配售新股份之所得款項(附註21) | 4,800 | 6,384 | - | - | - | 11,184 |
| Issuing expenses of placing of new shares (Note 21) | 配售新股份之發行開支(附註21) | - | (336) | - | - | - | (336) |
| As at 30 June 2020 | 於二零二零年六月三十日 | 28,800 | 62,663 | 5,329 | 174 | (77,871) | 19,095 |

Consolidated Financial Statements

綜合財務報表

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

綜合現金流量表

截至二零二零年六月三十日止年度

| | | 2020 | 2019 |
|--|------------------------|-----------------|-----------------|
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動所得現金流量 | | |
| Loss before income tax expense | 除所得稅開支前虧損 | (28,366) | (9,606) |
| Adjustments for: | 調整： | | |
| Interest income | 利息收入 | 5 (161) | (298) |
| Interest on lease liabilities | 租賃負債利息 | 6 802 | – |
| Rent concessions | 租金減免 | 14 (5) | – |
| Impairment loss on property, plant and equipment and right-of-use assets | 物業、廠房及設備以及使用權資產減值虧損 | 7 8,525 | – |
| Impairment loss on financial assets | 金融資產減值虧損 | 7 522 | – |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 13 7,243 | 1,569 |
| Unrealised exchange loss, net | 未經變現匯兌虧損淨額 | – | 692 |
| Bad debt written off | 撇銷壞賬 | 7 – | 172 |
| Operating loss before working capital changes | 營運資金變動前之經營虧損 | (11,440) | (7,471) |
| Decrease/(increase) in trade and other receivables | 應收貿易及其他款項減少／(增加) | 8,033 | (512) |
| Decrease in trade and other payables | 應付貿易及其他款項減少 | (5,626) | (557) |
| Increase in contract liabilities | 合約負債增加 | 43 | 4,274 |
| Decrease in amounts due from customers for contract work | 應收客戶合約工程款項減少 | – | 424 |
| Decrease in amounts due to customers for contract work | 應付客戶合約工程款項減少 | – | (1,216) |
| Cash used in operations | 經營所用現金 | (8,990) | (5,058) |
| Income tax (paid)/refunded | (已付)／退回所得稅 | (60) | 662 |
| Net cash used in operating activities | 經營活動所用現金淨額 | (9,050) | (4,396) |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動所得現金流量 | | |
| Interest received | 已收利息 | 161 | 298 |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | (9,253) | (292) |
| Increase in pledged and restricted bank deposits | 已抵押及受限制銀行存款增加 | (7,920) | – |
| Net cash (used in)/generated from investing activities | 投資活動(所用)／所得現金淨額 | (17,012) | 6 |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動所得現金流量 | | |
| Repayment of principal portion of lease liabilities | 償還租賃負債的本金部份 | 26 (4,460) | – |
| Repayment of interest portion of lease liabilities | 償還租賃負債的利息部份 | 26 (802) | – |
| Proceeds from placing of new shares | 配售新股份的所得款項 | 11,184 | – |
| Issuing expenses of placing of new shares | 配售新股份的上市開支 | (336) | – |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 5,586 | – |

Consolidated Financial Statements

綜合財務報表

Consolidated Statement of Cash Flows (continued)

For the year ended 30 June 2020

綜合現金流量表(續)

截至二零二零年六月三十日止年度

| | | | 2020 | 2019 |
|---|---------------------------|-------------|-----------------|-----------------|
| | | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| NET DECREASE IN CASH AND CASH EQUIVALENT | 現金及現金等價物減少淨額 | | (20,476) | (4,390) |
| Effect of exchange rate on cash and cash equivalents | 匯率對現金及現金等價物的影響 | | 8 | (392) |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | | 40,009 | 44,791 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末現金及現金等價物 | | 19,541 | 40,009 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物結餘之分析 | | | |
| Cash and bank balances | 現金及銀行結餘 | 17 | 14,541 | 27,989 |
| Non-pledged time deposits with original maturity of less than three months when acquired | 於取得時原到期日少於三個月 之無抵押定期存款 | 17 | 5,000 | 12,020 |
| Cash and cash equivalents as stated in the consolidated statement of cash flows | 綜合現金流量表所列之現金及 現金等價物 | | 19,541 | 40,009 |

Notes to Financial Statements

財務報表附註

1. GENERAL INFORMATION

Crosstec Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 18 March 2016, as an exempted company with limited liability under the Companies Law (2004 revision) Chapter 22 of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at the offices of P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands. The headquarter and principal place of business in Hong Kong is located at 20th Floor, 625 King’s Road, North Point, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (collectively as the “Group”) is principally engaged in the trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy, maintenance and interior solutions services.

In the opinion of the directors of the Company, the Company’s immediate and ultimate holding company is CGH (BVI) Limited, a company incorporated in the British Virgin Islands (the “BVI”).

1. 一般資料

易緯集團控股有限公司（「本公司」）為於二零一六年三月十八日根據開曼群島法律第22章公司法（二零零四年修訂版）於開曼群島註冊成立的獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）主板上市。本公司的註冊辦事處位於P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands的辦事處。香港總部及主要營業地點位於香港北角英皇道625號20樓。

本公司為投資控股公司。本公司及其附屬公司（統稱「本集團」）主要從事銷售金屬、玻璃及木製品、傢俱及幕牆製造以及提供室內設計、項目諮詢、保養及室內解決方案服務。

本公司董事認為，本公司之直接及最終控股公司為CGH (BVI) Limited，一間於英屬維京群島（「英屬維京群島」）註冊成立的公司。

Notes to Financial Statements

財務報表附註

1. GENERAL INFORMATION (continued)

Information about subsidiaries

Details of the Company's subsidiaries are as follows:

1. 一般資料(續)

有關附屬公司的資料

本公司附屬公司的詳情如下：

| Name of entity 實體名稱 | Place and date of incorporation and form of business structure 註冊成立地點及日期以及 業務架構形式 | Percentage of equity attributable to the Company 本公司應佔股權百分比 | | | | Issued and fully paid ordinary share capital or registered capital 已發行及繳足普通股 股本或註冊資本 | Principal activities and principal place of business 主要活動及主要營業地點 |
|---|---|---|----------------|--------------|----------------|--|--|
| | | 2020 | | 2019 | | | |
| | | Direct 直接 | Indirect 間接 | Direct 直接 | Indirect 間接 | | |
| Crosstec (BVI) Limited | BVI, 21 March 2016, limited liability company | 100% | - | 100% | - | HK\$100 divided into 100 shares of HK\$1 each | Investment holding, Hong Kong |
| Crosstec (BVI) Limited | 英屬維京群島， 二零一六年三月 二十一日，有限公司 | | | | | 100港元拆分為100股 每股面值1港元的股份 | 投資控股，香港 |
| Crosstec Group Limited 易緯集團有限公司 | Hong Kong, 10 May 2007, limited liability company 香港，二零零七年 五月十日，有限公司 | - | 100% | - | 100% | Ordinary shares of HK\$100,000 100,000港元普通股 | Investment holding, Hong Kong 投資控股，香港 |
| Crosstec International Limited 易緯國際有限公司 | Hong Kong, 17 May 2007, limited liability company 香港，二零零七年 五月十七日，有限公司 | - | 100% | - | 100% | Ordinary shares of HK\$100,000 100,000港元普通股 | Trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy, maintenance and interiors solutions services, Hong Kong 出售金屬、玻璃及木製品、傢俱以及 幕牆製造以及提供室內設計、項目 諮詢、保養及室內解決方案服務，香港 |
| C2 Concept Limited 怡居空間概念有限公司 | Hong Kong, 22 January 2019, limited liability company 香港，二零一九年 一月二十二日，有限公司 | - | 100% | - | 100% | Ordinary shares of HK\$1 1港元普通股 | Provision of interiors solutions services, Hong Kong 提供室內解決方案服務，香港 |
| CPI Holdings Limited CPI Holdings Limited | Hong Kong, 22 March 2018, limited liability company 香港，二零一八年 三月二十二日，有限公司 | - | 100% | - | 100% | Ordinary shares of HK\$1 1港元普通股 | Investment holding, Hong Kong 投資控股，香港 |
| Crosstec Business Management Limited 易緯商業管理有限公司 | Hong Kong, 21 April 1999, limited liability company 香港，一九九九年 四月二十一日，有限公司 | - | 100% | - | 100% | Ordinary shares of HK\$100,000 100,000港元普通股 | Provision of labour and management services, Hong Kong 提供勞動力及管理服務，香港 |

Notes to Financial Statements

財務報表附註

1. GENERAL INFORMATION (continued)

Information about subsidiaries (continued)
Details of the Company's subsidiaries are as follows: (continued)

1. 一般資料(續)

有關附屬公司的資料(續)
本公司附屬公司的詳情如下:(續)

| Name of entity 實體名稱 | Place and date of incorporation and form of business structure 註冊成立地點及日期以及 業務架構形式 | Percentage of equity attributable to the Company 本公司應佔股權百分比 | | | | Issued and fully paid ordinary share capital or registered capital 已發行及繳足普通股 股本或註冊資本 | Principal activities and principal place of business 主要活動及主要營業地點 |
|--|--|---|----------------|----------------------|----------------|--|--|
| | | 2020 Direct 直接 | Indirect 間接 | 2019 Direct 直接 | Indirect 間接 | | |
| Crosstec Trading Shenzhen Company Limited ("宏經 緯貿易深圳有限公司") 宏經緯貿易(深圳)有限 公司 | People's Republic of China ("PRC") 4 December 2009, limited liability company 中華人民共和國(「中國」), 二零零九年十二月四日, 有限公司 | - | 100% | - | 100% | Registered capital of HK\$1,500,000 1,500,000港元註冊資本 | Trading of millworks and furniture, PRC 出售金屬、玻璃及木製品及傢俱, 中國 |
| Crosstec (Shenzhen) Contracting Company Limited ("易緯(深圳)裝 飾工程有限公司") 易緯(深圳)裝飾工程 有限公司 | PRC, 5 December 2017, limited liability company 中國, 二零一七年 十二月五日, 有限公司 | - | 100% | - | 100% | Registered capital of RMB2,000,000 人民幣2,000,000元註冊資本 | Furniture and facade fabrication and provision of interior design, project consultancy and interiors solutions services, PRC 傢俱以及幕牆製造以及提供室內 設計、項目諮詢及室內解決方案 服務, 中國 |
| CX (Macau) Limited ("宏經緯(澳門) 一人有限公司") 宏經緯(澳門)一人有限 公司 | Macau, 17 December 2013, limited liability company 澳門, 二零一三年 十二月十七日, 有限公司 | - | 100% | - | 100% | Registered capital of Macao Patacas ("MOP")25,000 25,000澳門幣 (「澳門幣」)註冊資本 | Trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy and interiors solutions services, Macau 出售金屬、玻璃及木製品、傢俱以及 幕牆製造以及提供室內設計、 項目諮詢及室內解決方案服務, 澳門 |
| Crosstec Design Consultants Limited 易緯設計顧問有限公司 | Hong Kong, 3 October 2016, limited liability company 香港, 二零一六年十月三日, 有限公司 | - | 100% | - | 100% | Ordinary shares of HK\$100,000 100,000港元普通股 | Provision of interior design services, Hong Kong 提供室內設計服務, 香港 |
| Crosstec Overseas Holdings B.V. Crosstec Overseas Holdings B.V. | Amsterdam, the Netherlands, 28 November 2016, limited liability company 荷蘭阿姆斯特丹, 二零一六年 十一月二十八日, 有限公司 | - | 100% | - | 100% | EUR1, divided into 1 share of EUR1 each 1歐元拆分為1股 每股面值1歐元的股份 | Investment holding, Netherland 投資控股, 荷蘭 |
| Crosstec Milano s.r.l. (Note (i)) Crosstec Milano s.r.l. (附註(i)) | Milano, Italy, 9 November 2016, limited liability company 意大利米蘭, 二零一六年 十一月九日, 有限公司 | - | - | - | 100% | EUR10,000, divided into 10,000 shares of EUR1 each 10,000歐元拆分為10,000股 每股面值1歐元的股份 | Provision of marketing and liaising services to the inter-group companies, Italy 向集團內公司提供市場推廣及 聯絡服務, 意大利 |

Notes to Financial Statements

財務報表附註

1. GENERAL INFORMATION (continued)

Information about subsidiaries (continued)
Details of the Company's subsidiaries are as follows: (continued)

1. 一般資料(續)

有關附屬公司的資料(續)
本公司附屬公司的詳情如下:(續)

| Name of entity 實體名稱 | Place and date of incorporation and form of business structure 註冊成立地點及日期以及 業務架構形式 | Percentage of equity attributable to the Company 本公司應佔股權百分比 | | Issued and fully paid ordinary share capital or registered capital 已發行及繳足普通股 股本或註冊資本 | Principal activities and principal place of business 主要活動及主要營業地點 | |
|---|---|---|------------------------|--|---|--|
| | | 2020 Direct 直接 | 2019 Indirect 間接 | | | |
| Crosstec USA Inc. (Note (ii)) | Delaware, The United States, 19 December 2016, limited liability company | - | - | 100% | USD10, divided into 1,000 shares of USD0.01 each | Provision of marketing and liaising services to the inter-group companies, The United States |
| Crosstec USA Inc. (附註(ii)) | 美國特拉華州，二零一六年 十二月十九日，有限公司 | | | | 10美元拆分為1,000股每股 面值0.01美元的股份 | 向集團內公司提供市場推廣及 聯絡服務，美國 |
| Crosstec Design Solution GMBH | Berlin, Germany, 20 January 2017, limited liability company | - | 100% | - | 100% EUR25,000, divided into 25,000 shares of EUR1 each | Provision of marketing and liaising services to the inter-group companies, Germany |
| Crosstec Design Solution GMBH | 德國柏林，二零一七年 一月二十日，有限公司 | | | | 25,000歐元拆分為25,000股 每股面值1歐元的股份 | 向集團內公司提供市場推廣及 聯絡服務，德國 |
| Crosstec (London) Limited (Formerly known as Cyclo Technology Limited) (Note(iii)) | England & Wales, 23 July 2015, limited liability company | - | 100% | - | 100% GBP100, divided into 100 shares of GBP1 each | Dormant, United Kingdom |
| Crosstec (London) Limited (前稱Cyclo Technology Limited) (附註(iii)) | 英格蘭及威爾斯，二零一五年 七月二十三日，有限公司 | | | | 100英鎊拆分為100股每股 面值1英鎊的股份 | 暫無營業，英國 |
| Davenport (HK) Holdings Limited | Hong Kong, 6 April 2018, limited liability company | - | 100% | - | 100% Ordinary shares of HK\$1 | Investment holding, Hong Kong |
| Davenport (HK) Holdings Limited | 香港，二零一八年四月六日， 有限公司 | | | | 1港元普通股 | 投資控股，香港 |
| Trinity Facade Sustainability Technology (Hong Kong) Limited | Hong Kong, 2 May 2019, limited liability company | - | 100% | - | 100% Ordinary shares of HK\$1 | Provision of facade management services, Hong Kong |
| 李三記幕牆可持續科技 (香港)有限公司 | 香港，二零一九年 五月二日，有限公司 | | | | 1港元普通股 | 提供幕牆管理服務，香港 |
| Trinity Facade Sustainability Technology Limited | Hong Kong, 5 September 2018, limited liability company | - | 100% | - | 100% Ordinary shares of HK\$1 | Investment holding, Hong Kong |
| 李三記幕牆可持續 科技有限公司 | 香港，二零一八年 九月五日，有限公司 | | | | 1港元普通股 | 投資控股，香港 |

Notes:

- (i) During the year, a subsidiary, Crosstec Milano s.r.l. has been deregistered.
- (ii) During the year, a subsidiary, Crosstec USA Inc. has been deregistered.
- (iii) During the year, the name of a subsidiary, Cyclo Technology Limited was changed to Crosstec (London) Limited.

附註:

- (i) 年內，附屬公司Crosstec Milano s.r.l.已撤銷註冊。
- (ii) 年內，附屬公司Crosstec USA Inc.已撤銷註冊。
- (iii) 年內，附屬公司Cyclo Technology Limited已易名為Crosstec (London) Limited。

Notes to Financial Statements

財務報表附註

2.1. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis. The measurement bases are fully described in the accounting policies below.

(c) Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company, and all values are rounded to the nearest thousands, except when otherwise indicated. Each entity in the Group maintains its books and records in its own functional currency.

2.2 ADOPTION OF HKFRSs

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

| | |
|---|---|
| HKFRS 16 | Leases |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments |
| Amendments to HKFRS 9 | Prepayment Features with Negative Compensation |
| Amendment to HKFRS 16 | COVID-19-Related Rent Concessions (early adopted) |
| Amendments to HKAS 19 | Plan Amendment, Curtailment or Settlement |
| Amendments to HKAS 28 | Long Term Interest in Associates and Joint Ventures |
| Amendments to HKFRS 3, HKFRS 11, HKAS 12, and HKAS 23 | Annual Improvements to HKFRSs 2015-2017 Cycle |

The impact of the adoption of HKFRS 16 “Leases” and Amendments to HKFRS 16 “COVID-19-Related Rent Concessions” have been summarised in below. The other new or amended HKFRSs that are effective from 1 July 2019 did not have any significant impact on the Group’s accounting policies.

2.1 編制基準

(a) 合規聲明

綜合財務報表已根據香港會計師公會頒佈之所有適用的香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」),以及香港公司條例(「公司條例」)之披露規定而編制。此外,綜合財務報表包括聯交所證券上市規則(「上市規則」)所規定之適用披露。

(b) 計量基準

綜合財務報表已按歷史成本基準編制。計量基準詳列於下文所載之會計政策。

(c) 功能及呈列貨幣

綜合財務報表以本公司之功能貨幣港元(「港元」)呈列,除另有註明外,所有數值均四捨五入至最接近之千位數。本集團各實體以其本身之功能貨幣維持賬簿及記錄。

2.2 採納香港財務報告準則

(a) 採納新訂/經修訂香港財務報告準則 – 於二零一九年七月一日生效

| | |
|---|----------------------------|
| 香港財務報告準則第16號 | 租賃 |
| 香港(國際財務報告詮釋委員會) – 詮釋第23號 | 所得稅處理之不確定性 |
| 香港財務報告準則第9號之修訂 | 負債補償之預付特點 |
| 香港財務報告準則第16號之修訂 | 2019冠狀病毒病相關租金減免(提前採納) |
| 香港會計準則第19號之修訂 | 計劃修訂、縮減或清償 |
| 香港會計準則第28號之修訂 | 於聯營公司及合營企業之長期權益 |
| 香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 | 香港財務報告準則二零一五年至二零一七年週期之年度改進 |

採納香港財務報告準則第16號「租賃」及香港財務報告準則第16號之修訂「2019冠狀病毒病相關租金減免」的影響於下文概述。其他自二零一九年七月一日起生效的新訂香港財務報告準則或香港財務報告準則之修訂對本集團的會計政策並無任何重大影響。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases

(i) Impact of the adoption of HKFRS 16

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

The Group has initially applied HKFRS 16 as from 1 July 2019. The Group has elected to use the modified retrospective approach. The right-of-use asset is recognised at the date of initial application (1 July 2019) at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position immediately before the date of initial application. Comparative information has not been restated and continues to be reported under HKAS 17.

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號—租賃

(i) 採納香港財務報告準則第16號的影響

香港財務報告準則第16號為租賃會計法的會計處理帶來重大改變，主要涉及承租人會計法。香港財務報告準則第16號取代香港會計準則第17號「租賃」(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會)—詮釋第4號「釐定安排是否包含租賃」、香港(常務詮釋委員會)—詮釋第15號「經營租賃—優惠」及香港(常務詮釋委員會)—詮釋第27號「評估涉及租賃法律形式交易的內容」。從承租人角度，絕大部分租賃於財務狀況表內確認為使用權資產及租賃負債，而此一原則的有限豁免包括相關資產價值低或確定為短期的租賃。從出租人角度，會計處理大致沿用香港會計準則第17號。有關香港財務報告準則第16號對租賃的新定義、其對本集團會計政策的影響及本集團根據香港財務報告準則第16號項下所允許採納的過渡方法的詳情，請參閱本附註第(ii)至(v)節。

本集團自二零一九年七月一日起初次應用香港財務報告準則第16號。本集團選擇使用經修訂回溯法。使用權資產於初次應用日期(二零一九年七月一日)按等於租賃負債的金額確認，並就與緊接初次應用日期前於綜合財務狀況表所確認的該租賃相關預付或應計租賃付款金額作出調整。並無重列比較資料，及繼續根據香港會計準則第17號呈列。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases (continued)

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

The following tables summarised the impact of transition to HKFRS 16 on consolidated statement of financial position as of 30 June 2019 to that of 1 July 2019 as follows (increase/(decrease)).

| | | HK\$'000 千港元 |
|---|------------------------|-----------------|
| <i>Consolidated statement of financial position as at 1 July 2019</i> | 於二零一九年七月一日的 綜合財務狀況表 | |
| Right-of-use assets presented in property, plant and equipment | 列入物業、廠房及設備的 使用權資產 | 19,802 |
| Trade and other payables | 應付貿易及其他款項 | (609) |
| Lease liabilities (current) | 租賃負債(流動) | 5,235 |
| Lease liabilities (non-current) | 租賃負債(非流動) | 15,176 |

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 at the end of 30 June 2019 could be reconciled to the lease liabilities at the date of initial application recognised in the consolidated statement of financial position as at 1 July 2019:

| | | HK\$'000 千港元 |
|--|-----------------------------|-----------------|
| <i>Reconciliation of operating lease commitment to lease liabilities</i> | 經營租賃承擔與租賃負債的對賬 | |
| Operating lease commitment as of 30 June 2019 | 於二零一九年六月三十日的經營租賃承擔 | 18,646 |
| Less: short term leases for which lease terms end within 30 June 2020 | 減：租期於二零二零年六月三十日前 結束的短期租賃 | (23) |
| Add: adjustments on non-lease components | 加：非租賃部份的調整 | 3,517 |
| Less: future interest expenses | 減：未來利息開支 | (1,729) |
| Total lease liabilities as of 1 July 2019 | 於二零一九年七月一日的租賃負債總額 | 20,411 |

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognised in the statement of financial position as at 1 July 2019 is 4.50%.

以下對賬闡釋於二零一九年六月三十日結束時應用香港會計準則第17號披露的經營租賃承擔與於初始應用日期二零一九年七月一日的綜合財務狀況表確認的租賃負債的對賬：

就於二零一九年七月一日的財務狀況表確認的租賃負債應用的加權平均承租人遞增借貸利率為4.50%。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases (continued)

(ii) The new definition of a lease

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

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

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

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號—租賃(續)

(ii) 新租賃定義

根據香港財務報告準則第16號，租賃界定為讓渡一項在一段時間內使用一項資產(相關資產)的權利以換取代價的合約或部分合約。倘客戶於使用期內一直：(a)有權從使用已識別資產獲得絕大部分經濟利益及(b)有權指示使用已識別資產，則合約已讓渡在一段時間內使用已識別資產的控制權。

就含有租賃組成部分以及一個或多個額外租賃或非租賃組成部分的合約而言，承租人應以租賃組成部分的相對單獨價格及非租賃組成部分的總單獨價格為基礎，將合約內的代價分配至各租賃組成部分，除非承租人採用實際權宜方法使承租人可按相關資產類別選擇不從租賃組成部分中分開非租賃組成部分，而是將各租賃組成部分及任何相關非租賃組成部分作為單一租賃組成部分入賬。

本集團已選擇不分開非租賃組成部分並就所有租賃將全部各租賃組成部分及任何相關非租賃組成部分作為單一租賃組成部分入賬。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases (continued)

(iii) Accounting as a lessee

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

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

The Group recognised a right-of-use asset and a lease liability at the date of adoption of HKFRS 16, i.e. 1 July 2019.

Right-of-use asset

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

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號—租賃(續)

(iii) 承租人會計法

根據香港會計準則第17號，承租人須根據租賃資產所有權附帶的風險及回報歸屬於出租人或承租人的情況，將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，則承租人於租期內將經營租賃的租賃付款確認為開支。承租人的財務狀況表內不會確認租賃資產。

根據香港財務報告準則第16號，所有租賃（不論屬經營租賃或融資租賃）均須於財務狀況表內資本化，作為使用權資產及租賃負債，惟根據香港財務報告準則第16號，實體亦可選擇不將以下各項資本化的會計政策：(i)短期租賃；及／或(ii)相關資產價值低的租賃。本集團已選擇不就低價值資產及於開始日期的租期為12個月以下的租賃確認使用權資產及租賃負債。與該等租賃有關的租賃付款於租期內以直線法支銷。

本集團已於採納香港財務報告準則第16號的日期（即二零一九年七月一日）確認使用權資產及租賃負債。

使用權資產

使用權資產應按成本確認，並將包括：(i)初始計量租賃負債的金額（見下文有關將租賃負債入賬的會計政策）；(ii)於開始日期或之前作出的任何租賃付款減去任何已收租賃獎勵；(iii)承租人產生的任何初始直接成本；及(iv)承租人拆除及移除相關資產以符合租賃條款及條件所規定情況時將產生的估計成本，除非該等成本乃為生產存貨而產生則作別論。除符合投資物業定義的使用權資產外，本集團應用成本模型計量使用權資產。根據成本模型，本集團按成本減去任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases (continued)

(iii) Accounting as a lessee (continued)

Right-of-use asset (Continued)

For leasehold land and buildings which is held for own use would continue to be accounted for under HKAS 16 and would be carried at cost less any accumulated depreciation and any impairment losses. The adoption of HKFRS 16 therefore does not have any significant impact on these right-of-use assets. Other than the above right-of-use assets, the Group also has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

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

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

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

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號—租賃(續)

(iii) 承租人會計法(續)

使用權資產(續)

就持作自用的租賃土地及樓宇，其將繼續根據香港會計準則第16號列賬及按成本減任何累計折舊及任何減值虧損列賬。因此，採納香港財務報告準則第16號對該等使用權資產並無任何重大影響。除上述使用權資產外，本集團亦根據租賃協議租賃多項物業，而本集團作出判斷及釐定其屬於獨立於持作自用的租賃土地及樓宇的單獨資產類別。因此，來自租賃協議下物業的使用權資產乃按折舊成本列賬。

租賃負債

租賃負債應按於租賃開始日期未支付的租賃付款的現值確認。租賃付款應採用租賃內含的利率(如可隨時釐定)貼現。倘該利率無法隨時釐定，則本集團應使用其遞增借貸利率。

下列並非於租賃開始日期支付的租期內相關資產使用權付款被視為租賃付款：(i) 固定付款減任何應收租賃優惠；(ii) 取決於某一指數或比率的可變租賃付款，初始按於開始日期的指數或比率計量；(iii) 承租人預期根據剩餘價值擔保支付的金額；(iv) 購買選擇權的行使價(如承租人合理地確定行使該選擇權)；及(v) 就終止租賃支付的罰款(如租期反映承租人行使選擇權終止租賃)。

於開始日期後，承租人應按以下方式計量租賃負債：(i) 增加賬面金額以反映租賃負債的利息；(ii) 減少賬面金額以反映所作出的租賃付款；及(iii) 重新計量賬面金額以反映任何重新評估或租賃修改，例如未來租賃付款因指數或比率變動而有變、租期有變、實質固定租賃付款有變或購買相關資產的評估有變。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases (continued)

(iv) Accounting as a lessor

The accounting under HKFRS 16 for a lessor is substantially unchanged from the requirements under HKAS 17. The Group did not enter into leases as lessor during the year. The adoption of HKFRS 16 does not have significant impact on these financial statements.

(v) Transition

As mentioned above, the Group has applied HKFRS 16 using the modified retrospective approach where the right-of-use asset is recognised at the date of initial recognition as an amount equal to the lease liability, using the lessee's prevailing incremental borrowing rate at the date of initial application (1 July 2019), adjusted for any prepaid or accrued lease payments relating to that lease that were recognised in the statement of financial position immediately before the date of initial application (1 July 2019). The comparative information presented in 2019 has not been restated and continues to be reported under HKAS 17 and related interpretations as allowed by the transition provision in HKFRS 16.

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

The Group has elected to recognise all the right-of-use assets at 1 July 2019 for leases previously classified operating leases under HKAS 17. The Group chooses, on a lease-by-lease basis, to measure that right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application. HKAS 36 was applied to right-of-use assets at the date of initial application.

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號—租賃(續)

(iv) 出租人會計法

香港財務報告準則第16號項下之出租人會計法與香港會計準則第17號的規定大致相同。本集團於年內並無以出租人身份訂立租賃。採納香港財務報告準則第16號對該等財務報表並無重大影響。

(v) 過渡

誠如上文所述，本集團透過採用經修訂追溯法應用香港財務報告準則第16號，據此，於初次確認日期使用初次應用日期(二零一九年七月一日)的承租人現行遞增借貸利率，按等於租賃負債的金額確認使用權資產，並就緊接初次應用日期(二零一九年七月一日)前於財務狀況表已確認的該租賃相關預付或累計租賃付款作出調整。在香港財務報告準則第16號的過渡條文允許下，本集團並無重列二零一九年的比較資料，而是繼續根據香港會計準則第17號及相關詮釋報告。

本集團已於二零一九年七月一日就先前應用香港會計準則第17號分類為經營租賃的租賃確認租賃負債，並按餘下租賃付款的現值(以承租人於二零一九年七月一日的遞增借貸利率貼現)計量該等租賃負債。

本集團已選擇於二零一九年七月一日就先前應用香港會計準則第17號分類為經營租賃的租賃確認所有使用權資產。本集團按個別租賃基準選擇按等於租賃負債的金額確認使用權資產，並就緊接初次應用日期前於財務狀況表已確認的該租賃相關預付或累計租賃付款作出調整。香港會計準則第36號已於首次採納日期應用於使用權資產。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

HKFRS 16 – Leases (continued)

(v) Transition (continued)

The Group has also applied the follow practical expedients: (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics and (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 July 2019) and accounted for those leases as short-term leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease" and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int4.

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號—租賃(續)

(v) 過渡(續)

本集團亦已應用下列實際權宜方法：(i)對具備合理相似特徵的租賃組合應用單一貼現率；及(ii)應用不就年期將於由初始應用日期(即二零一九年七月一日)起計12個月內結束的租賃確認使用權資產及租賃負債的豁免，並將該等租賃入賬列為短期租賃。

此外，本集團亦已應用實際權宜方法，致使：(i)對本集團所有先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)—詮釋第4號「釐定安排是否包含租賃」識別為租賃之租賃合約應用香港財務報告準則第16號及(ii)不對先前根據香港會計準則第17號及香港(國際財務報告詮釋委員會)—詮釋第4號並無識別為包含租賃之租賃應用香港財務報告準則第16號。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

Amendment to HKFRS 16 – COVID-19-Related Rent Concessions

The Group elected to early adopt amendment to HKFRS 16 “COVID-19 – Related Rent Concessions” which is effective for annual reporting periods beginning on or after 1 June 2020.

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would if they were not lease modifications.

The practical expedient applies only to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Group has applied the practical expedient to rent concessions that meet the above conditions in respect of lease arrangements for which lease liabilities are recognised. During the year ended 30 June 2020, an amount of approximately HK\$5,000 is credited to the profit or loss to reflect changes in lease liabilities that arise from rent concessions.

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港財務報告準則第16號之修訂—2019冠狀病毒病相關租金減免

本集團選擇提前採納對於二零二零年六月一日或之後開始之年度報告期間生效之香港財務報告準則第16號之修訂「2019冠狀病毒病相關租金減免」。

有關修訂以可選擇豁免評估與2019冠狀病毒病相關的租金減免是否屬於租賃修訂的形式為承租人(而非出租人)提供寬免。承租人可選擇以猶如該等租金減免並非租賃修訂的相同方式入賬租金減免。

該可行權宜方法僅適用於滿足以下所有條件的2019冠狀病毒病疫情直接產生的租金減免：

- 租賃付款的變動使租賃代價有所修改，而經修改的代價與緊接變動前租賃代價大致相同，或少於緊接變動前租賃代價；
- 租賃付款的任何減幅僅影響原於二零二一年六月三十日或之前到期的付款；及
- 租賃的其他條款及條件並無實質變動。

本集團已將可行權宜方法應用於符合上述條件而須確認租賃負債的租賃安排的租金減免。截至二零二零年六月三十日止年度內，已於損益計入約5,000港元之款項以反映有關租金減免所產生之租賃負債變動。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

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

The interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes.

Under the interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續)

香港(國際財務報告詮釋委員會)—詮釋第23號—所得稅處理的不確定因素

該詮釋就如何反映所得稅會計處理的不確定因素的影響提供指引，以支持香港會計準則第12號「所得稅」的規定。

根據該詮釋，實體應釐定單獨或一併考慮各項不確定稅務處理，當中以較能預測不確定因素的最終結果者為準。實體亦應假設稅務機關將審查其有權審查的金額，並於審查過程中充分掌握所有相關資料。實體如認為稅務機關可能接受不確定的稅務處理方式，則應按其報稅文件所述方式計量當期及遞延稅項。倘實體認為稅務機關不大可能接受，則釐定稅項時的不確定因素會採用「最大可能的金額」或「預期價值」方式反映，並以較能預測不確定因素的最終結果者為準。

香港財務報告準則第9號之修訂—具有負補償的提前償付特性

該等修訂釐清在符合指定條件的情況下，具有負補償的可提前償付金融資產可按攤銷成本或按透過其他全面收益按公平值計量(而非透過損益按公平值計量)的方式計量。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

Amendments to HKAS 19 – Plan amendments, Curtailment or Settlement

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company should use updated actuarial assumptions to determine its current service cost and net interest for the period. Additionally, the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 3, Business Combinations

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKFRS 11, Joint Arrangements

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 11 which clarify that when a party that participates in, but does not have joint control of, a joint operation which is a business and subsequently obtains joint control of the joint operation, the previously held equity interest should not be remeasured to its acquisition date fair value.

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 12, Income Taxes

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 12 which clarify that all income tax consequences of dividends are recognised consistently with the transactions that generated the distributable profits, either in profit or loss, other comprehensive income or directly in equity.

2.2 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—於二零一九年七月一日生效(續) *香港會計準則第19號之修訂—計劃修訂、縮減或結算*

該等修訂釐清於修訂、縮減或結算界定福利計劃時，公司應使用最新精算假設以釐定其即期服務成本及期內淨利息。此外，在計算該計劃的任何結算收益或虧損時，資產上限的影響不予考慮，而是在其他全面收益中單獨處理。

二零一五年至二零一七年週期的香港財務報告準則年度改進—香港財務報告準則第3號之修訂[業務合併]

於年度改進過程中頒佈的該等修訂對現時並不明確的多項準則作出微細及不急切的改動。該等改動包括香港財務報告準則第3號之修訂，其釐清當某業務的共同經營者取得共同經營的控制權時，該業務合併乃分階段達成，因此，先前持有的股權應重新計量為其於收購日期的公平值。

二零一五年至二零一七年週期的香港財務報告準則年度改進—香港財務報告準則第11號之修訂[合營安排]

於年度改進過程中頒佈的該等修訂對現時並不明確的多項準則作出微細及不急切的改動。該等改動包括香港財務報告準則第11號之修訂，其釐清當一方參與構成一項業務的共同經營但並無共同控制權，惟其後取得共同經營的共同控制權時，先前持有的股權不應重新計量為其於收購日期的公平值。

二零一五年至二零一七年週期的香港財務報告準則年度改進—香港會計準則第12號之修訂[所得稅]

於年度改進過程中頒佈的該等修訂對現時並不明確的多項準則作出微細及不急切的改動。該等改動包括香港會計準則第12號之修訂，其釐清股息的所有所得稅後果與產生可分派溢利的交易採取一致的方式，即於損益、其他全面收益或直接於權益確認。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(a) Adoption of new/revised HKFRSs – effective 1 July 2019 (continued)

Annual Improvements to HKFRSs 2015-2017 Cycle – Amendments to HKAS 23, Borrowing Costs

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 23 which clarifies that a borrowing made specifically to obtain a qualifying asset which remains outstanding after the related qualifying asset is ready for its intended use or sale would become part of the funds an entity borrows generally and therefore included in the general pool.

(b) New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 3
香港財務報告準則第3號之修訂
Amendments to HKFRS 3
香港財務報告準則第3號之修訂
Amendments to HKAS 1 and HKAS 8
香港會計準則第1號及
香港會計準則第8號之修訂
Amendments to HKAS 1
香港會計準則第1號之修訂
Amendments to HKFRS 9, HKAS 39
and HKFRS 7
香港財務報告準則第9號、香港會計準則
第39號及香港財務報告準則第7號之修訂
Amendments to HKFRS 10 and HKAS 28
香港財務報告準則第10號及
香港會計準則第28號之修訂
Amendments to HKFRS 1, HKFRS 9 and
HKFRS 16
香港財務報告準則第1號、香港財務報告準則
第9號及香港財務報告準則第16號之修訂
Amendments to HKAS 16
香港會計準則第16號之修訂
Amendments to HKAS 37
香港會計準則第37號之修訂

Definition of a Business
對業務之定義
Reference to the Conceptual Framework
對概念框架之提述
Definition of Material
對重大之定義

Classification of Liabilities as Current or Non-current
將負債分類為流動或非流動
Interest Rate Benchmark Reform

利率基準改革

Sale or Contribution of Assets between an
Investor and its Associate or Joint Venture
投資者與其聯營公司或合營企業之間的資產出售或出繳

Annual improvements to HKFRSs 2018-2020

二零一八年至二零二零年香港財務報告準則之年度改進

Property, Plant and Equipment – Proceeds before Intended Use
物業、廠房及設備—擬定用途前之所得款項
Onerous Contracts – Cost of Fulfilling a Contract
虧損性合約—履行合約之成本

Effective Date
生效日期
1 January 2020
二零二零年一月一日
1 January 2022
二零二二年一月一日
1 January 2020
二零二零年一月一日
1 January 2023
二零二三年一月一日
1 January 2020
二零二零年一月一日
1 January 2023
二零二三年一月一日
1 January 2020
二零二零年一月一日
(Note)
(附註)
1 January 2022
二零二二年一月一日
二零二二年一月一日
二零二二年一月一日
1 January 2022
二零二二年一月一日
1 January 2022
二零二二年一月一日

Note:

The amendments were originally intended to be effective for periods beginning on or after 1 January 2018. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

附註：

有關修訂原擬於二零一八年一月一日或之後開始的期間生效。生效日期現已延後/取消。有關修訂仍獲准提早應用。

2.2 採納香港財務報告準則(續)

(a) 採納新訂/經修訂香港財務報告準則—於二零一九年七月一日生效(續)

二零一五年至二零一七年週期的香港財務報告準則年度改進—香港會計準則第23號之修訂「借貸成本」

於年度改進過程中頒佈的該等修訂對現時並不明確的多項準則作出微細及不急切的改動。該等改動包括香港會計準則第23號之修訂，其釐清為取得合資格資產而專門作出的借貸，如於相關合資格資產可作擬定用途或銷售時仍未償還，則會成為實體一般所借資金的一部分並因此計入一般資產組合內。

(b) 已頒佈但尚未生效的新訂/經修訂香港財務報告準則

以下可能與本集團財務報表相關的新訂/經修訂香港財務報告準則已經頒佈但尚未生效，且本集團並未提早採納。本集團目前有意於該等變動生效之日應用該等變動。

Notes to Financial Statements

財務報表附註

2.2 ADOPTION OF HKFRSs (continued)

(b) New/revised HKFRSs that have been issued but are not yet effective (continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements.

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

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

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

2.2 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效的新訂／經修訂香港財務報告準則(續)

本集團現正評估該等修訂及新準則於初步應用期間的預期影響。迄今為止，本集團的結論為採納該等修訂及新準則不太可能對本集團的綜合財務報表產生顯著影響。

3.1 重大會計政策概要

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司(「本集團」)之財務報表。集團各公司的公司間交易及結餘連同未變現溢利已於編制該等綜合財務報表時全數對銷。未變現虧損亦已對銷，惟倘交易有證據顯示所轉讓資產已減值則除外，於此情況下，虧損乃於損益確認。

年內購入或出售之附屬公司之業績自收購生效日期起或截至出售生效日期(倘適用)計入綜合損益及其他全面收益表。如有需要，將對附屬公司之財務報表作出調整，以使其所應用會計政策與本集團其他成員公司所應用者一致。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Business combination and basis of consolidation (continued)

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

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liability of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liability were disposed of.

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

3.1 重大會計政策概要(續)

(a) 業務合併及綜合基準(續)

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日的公平值總額計量。所收購之可識別資產及所承擔負債主要按收購當日的公平值計量。本集團先前所持被收購方之股權以收購當日的公平值重新計量，而所產生之收益或虧損則於損益中確認。本集團可按每宗交易選擇按公平值或按應佔被收購方之可識別資產淨值之比例計算於附屬公司持有屬現有擁有權權益的非控股權益。所有其他非控股權益均按公平值計量，惟香港財務報告準則規定使用其他計量基準除外。所產生之收購相關成本一概列作開支，惟有關成本產生於發行股本工具而自權益中扣除除外。

收購方將予轉移之任何或然代價按收購日期公平值確認。其後對或然代價之調整，則僅於調整是源自有關於收購日期之公平值之新資料，且新資料是於計量期間(最長為收購日期起12個月)內取得時，方以商譽確認。所有其他對分類為資產或負債的或然代價作出之其後調整於損益確認。

倘本集團喪失對附屬公司的控制權，則出售產生的損益乃根據(i)已收代價公平值與任何保留權益公平值的總額及(ii)該附屬公司的資產(包括商譽)及負債以及任何非控股權益的過往賬面值兩者間的差額計算。先前於其他全面收入內確認與該附屬公司有關的金額按猶如本集團已出售相關資產或負債的方式入賬。

收購後，代表目前於附屬公司擁有權益的非控股權益的賬面值為該等權益於初步確認時的金額加該等非控股權益應佔的其後權益變動。即使會導致非控股股東權益出現虧絀結餘，全面收入總額仍歸屬於該等非控股權益。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Subsidiaries

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

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

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:

| | |
|------------------------|--|
| Building | 50 years |
| Right-of-use assets | Over the shorter of the respective lease terms or 50 years |
| Leasehold improvements | Over the shorter of the respective lease terms or 5 years |
| Furniture and fixtures | 25% |
| Office equipment | 20% to 33.3% |
| Motor vehicles | 30% |

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in the profit or loss on disposal.

3.1 重大會計政策概要(續)

(b) 附屬公司

附屬公司指本公司可行使控制權的被投資方。倘具備以下全部三項元素，本公司即對被投資公司擁有控制權：對被投資方擁有權力，就被投資方可變回報承受風險或享有權利，以及行使其權力影響有關可變回報之能力。倘有事實及情況顯示任何該等控制權元素可能有變，將會重新評估有關控制權。

於本公司之財務狀況表內，於附屬公司之投資按成本減減值虧損(如有)列賬。附屬公司之業績由本公司以已收及應收股息基準入賬。

(c) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及累計減值虧損列賬。物業、廠房及設備之成本包括其購買價及收購項目的直接應佔成本。

只有當與有關項目相關之未來經濟利益很可能流入本集團，以及該項目之成本可以可靠計量，後續成本方包括在資產之賬面值或確認為獨立資產(如適用)。被替換部分之賬面值會終止確認。所有其他維修和保養在其發生之財政期間於損益中作為開支予以確認。

物業、廠房及設備的折舊乃於其估計可使用年期內採用直線法撇銷其成本(扣除預期剩餘價值)。可使用年期、剩餘價值及折舊法乃於各報告期末檢討及調整(如適用)。主要折舊年率如下：

| | |
|--------|-----------------------|
| 樓宇 | 50年 |
| 使用權資產 | 按相關租期或50年 (以較短者為準) |
| 租賃物業裝修 | 按相關租期或5年 (以較短者為準) |
| 傢具及裝置 | 25% |
| 辦公室設備 | 20%至33.3% |
| 汽車 | 30% |

資產之賬面值如高於估計可收回數額，則會立即撇減至可收回數額。

出售物業、廠房及設備項目之盈虧乃出售所得款項淨額與其賬面值之差額，於出售時在損益內確認。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) A. Leasing (accounting policies applied from 1 July 2019)

(i) Accounting as a lessee

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

Right-of-use asset

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

3.1 重大會計政策概要(續)

(d) A.租賃(自二零一九年七月一日起應用的會計政策)

(i) 作為承租人的會計處理

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

使用權資產

使用權資產應按成本確認並將包括:(i)初步計量租賃負債的金額(見下文有關租賃負債入賬的會計政策);(ii)於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵;(iii)承租人產生的任何初步直接成本;及(iv)承租人將相關資產分解及移除至租賃合約條款及條件規定的狀況將產生的估計成本,除非該等成本乃為生產存貨而產生則除外。本集團採用成本模式計量使用權資產。根據成本模式,本集團按成本減任何累計折舊及任何減值虧損計量使用權,並就租賃負債的任何重新計量作出調整。就符合投資物業定義的使用權資產而言,其以公允價值列賬,而就符合持作自用的租賃土地及樓宇定義的使用權資產而言,其以折舊成本列賬。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) A. Leasing (accounting policies applied from 1 July 2019) (continued)

(i) Accounting as a lessee (continued) Lease liability

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

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

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

3.1 重大會計政策概要(續)

(d) A.租賃(自二零一九年七月一日起應用的會計政策)(續)

(i) 作為承租人的會計處理(續) 租賃負債

租賃負債按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款採用租賃隱含的利率貼現(倘該利率可輕易釐定)。倘該利率無法輕易釐定,本集團採用本集團的增量借款利率。

下列並非於租賃開始日期支付的租期內就使用相關資產權利支付的款項被視為租賃付款:(i)固定付款減任何應收租賃獎勵;(ii)初步按開始日期之指數或利率計量的浮動租賃付款(取決於指數或利率);(iii)承租人根據剩餘價值擔保預期應支付的款項;(iv)倘承租人合理確定行使購買選擇權,該選擇權的行使價;及(v)倘租期反映承租人行使選擇權終止租賃,終止租賃的罰款付款。

於開始日期後,本集團透過下列方式計量租賃負債:(i)增加賬面值以反映租賃負債的利息;(ii)減少賬面值以反映作出的租賃付款;及(iii)重新計量賬面值以反映任何重估或租賃修改,如指數或利率變動導致未來租賃付款變動、租期變動、實質固定租賃付款變動或購買相關資產的評估變動。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) A. Leasing (accounting policies applied from 1 July 2019) (continued)

(i) Accounting as a lessee (continued) COVID-19-related rent concessions

Rent concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying HKFRS 16 “Leases” if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

3.1 重大會計政策概要 (續)

(d) A.租賃 (自二零一九年七月一日起應用的會計政策) (續)

(i) 作為承租人的會計處理 (續) 2019冠狀病毒病相關租金減免

就2019冠狀病毒病疫情直接引致的租賃合約之相關租金減免，本集團選擇應用實際權宜法，以在符合下列所有條件時選擇不就有關變動是否租賃修改進行評估：

- 租賃的經修訂代價所導致的租賃付款變動大致相同或少於緊接變動前的租賃代價；
- 任何租賃付款扣減僅影響原定於2021年6月30日或之前到期的付款；及
- 租賃的其他條款及條件並無實質變動。

租金減免所導致的租賃付款變動以承租人應用實際權宜法的方法入賬，方法與倘該等變動並非租賃變動時其將對應用香港財務報表準則第16號「租賃」的變動的入賬方法相同。免除或豁免租賃付款入賬為浮動租賃付款。相關租賃負債已經調整，以反映在事件發生期內於損益中確認所免除或豁免的金額，並進行相應調整。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) B. Leasing (accounting policies applied until 30 June 2019)

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

The Group as lessee

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

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

(e) Financial instruments

(i) *Financial assets*

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

3.1 重大會計政策概要(續)

(d) B.租賃(直至二零一九年六月三十日應用的會計政策)

當租賃條款將絕大部份擁有權之風險及回報轉移至承租人時，該租賃分類為融資租賃。所有其他租賃皆歸類為經營租賃。

本集團作為承租人

根據融資租賃持有之資產初步按其公平值或最低租賃付款之現值(如金額較低)確認為資產。相應之租賃承擔以負債列示。租賃付款乃按資本及利息進行分析。利息部份於租期內於損益扣除，並以於租賃負債中佔固定比例方式計算。資本部份減去欠付出租人之餘額。

根據經營租賃應付之租金總額於租期內以直線法在損益確認。已收取之租賃獎勵於租期內確認為租金開支總額之一部份。

(e) 金融工具

(i) *金融資產*

金融資產(並無重大融資部份的應收貿易款項除外)首次按公平值加上與收購或發行金融資產直接應佔的交易成本計量(倘屬並非以公平值計入損益(「以公平值計入損益」)的項目)。並無重大融資部份的應收貿易款項首次按交易價格計量。

所有以常規方式購買及出售的金融資產均於交易日(即本集團承諾購買或出售資產之日)確認。以常規方式購買或出售指需在市場規例或慣例規定的期限內交付的金融資產購買或出售。

確定具有嵌入衍生工具之金融資產的現金流量是否僅為本金及利息付款，應整體考慮該等金融資產。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

(i) Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Fair value through other comprehensive income ("FVTOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Debt investments at FVTOCI are subsequently measured at fair value. Interest income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

FVTPL: Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

3.1 重大會計政策概要(續)

(e) 金融工具(續)

(i) 金融資產(續)

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下三種計量類別：

攤銷成本：對於持有作收取合約現金流量的資產，如果現金流量僅代表本金和利息的付款，則該資產按攤銷成本計量。按攤銷成本列賬的金融資產其後採用實際利率法計量。利息收入、匯兌收益及虧損以及減值在損益確認。終止確認的任何收益均在損益確認。

以公平值計入其他全面收入(「以公平值計入其他全面收入」)：對於持有作收取合約現金流量及出售金融資產的資產，如果資產的現金流量僅代表本金和利息的付款，則以透過其他全面收入以公平值計量。以公平值計入其他全面收入的債務投資隨後按公平值計量。利息收入乃使用實際利率法計算，而匯兌收益及虧損以及減值在損益確認。其他收益及虧損淨額於其他全面收入確認。於終止確認時，於其他全面收入累計之收益及虧損重新分類至損益。

以公平值計入損益：以公平值計入損益之金融資產包括持作買賣的金融資產、於初始確認時指定以公平值計入損益的金融資產，或強制要求以公平值計量的金融資產。倘收購金融資產旨在於近期內出售或購回，則歸類為持作買賣。衍生工具(包括單獨的嵌入衍生工具)亦歸類為持作買賣，除非被指定為有效對沖工具。現金流量不僅為本金和利息付款的金融資產歸類為以公平值計入損益及計量，而不論其業務模式為何。儘管如上文所述債務工具可分類為以攤銷成本列賬或以公平值計入其他全面收入，倘能夠消除或顯著減少會計錯配，則債務工具或會於初步確認時指定為以公平值計入損益。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

(i) Financial assets (continued)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group could irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Equity investments at FVTOCI are measured at fair value. Dividend income are recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other equity instruments are classified as FVTPL, whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss ("ECLs") on trade and other receivables, and other financial assets measured at amortised cost and debt investments measured at FVTOCI. The ECLs are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Group has elected to measure loss allowances for trade and retention receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.1 重大會計政策概要(續)

(e) 金融工具(續)

(i) 金融資產(續)

股本工具

初步確認並非持作買賣的股本投資時，本集團可選擇不可撤銷地在其他全面收入中呈列投資公平值的其後變動。此選擇是視乎每個投資的基礎而作出。以公平值計入其他全面收入的股本投資按公平值計量。股息收入在損益中確認，除非股息收入明確代表回收部分投資成本。其他淨收益及虧損於其他全面收入確認，並不會重新分類至損益。所有其他股本工具分類為以公平值計入損益，當中公平值、股息及利息收入的變動在損益中確認。

(ii) 金融資產之減值虧損

本集團就應收貿易及其他款項以及其他按攤銷成本計量的金融資產及以公平值計入損益的債務投資確認預期信貸虧損(「預期信貸虧損」)的虧損撥備。預期信貸虧損基於以下其中一個基礎進行計量：(1) 12個月預期信貸虧損：此等為報告日期後12個月內可能發生的違約事件引致的預期信貸虧損；及(2) 全期預期信貸虧損：此等為金融工具的預期有效期內可能發生的所有違約事件而引致的預期信貸虧損。估計預期信貸虧損時所考慮的最長期限是本集團面對信貸風險的最長合約期。

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損乃按本集團根據合約應收的所有合約現金流量與本集團預期收取的所有現金流量之間的差額計量。然後以與資產原始實際利率相近的差額貼現差額。

本集團已選擇使用香港財務報告準則第9號簡化方式計量應收貿易款項及應收保質金的虧損撥備，並已根據全期預期信貸虧損計算預期信貸虧損。本集團已根據本集團的過往信貸虧損經驗建立撥備矩陣，並根據債務人及經濟環境的具體前瞻因素作出調整。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

(ii) Impairment loss on financial assets (continued)

For other debt financial assets, the ECLs are based on the 12-month ECLs. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3.1 重大會計政策概要(續)

(e) 金融工具(續)

(ii) 金融資產之減值虧損(續)

就其他債務金融資產而言，按12個月預期信貸虧損計量預期信貸虧損。然而，自首次確認以來信貸風險顯著增加時，撥備將以年限內預期信貸虧損為基準。

當釐定金融資產的信貸風險是否自初步確認後大幅增加，並於估計預期信貸虧損時，本集團考慮相關及毋須付出過多成本或努力後即可獲得的合理及可靠資料。此包括根據本集團的過往經驗及已知信貸評估得出定量及定性之資料及分析，並包括前瞻性資料。

本集團假設，倘逾期超過30日，金融資產的信貸風險會大幅增加。

特別是，在評估信貸風險自初始確認以來是否顯著增加時，會考慮以下資料：

- 未能在合約規定之到期日支付本金或利息；
- 金融工具之外部或內部信貸評級(如有)實際或預期顯著惡化；
- 債務人之經營業績實際或預期將出現重大惡化；及
- 技術、市場、經濟或法律環境之現有或預測變化，對債務人履行其對本集團之義務之能力產生重大不利影響。

違約的定義

就內部信貸風險管理而言，本集團認為當內部產生或自外部來源獲取的資料表明，債務人不太可能向債權人(包括本集團)全額還款(未計及本集團持有的任何抵押品)時構成違約事件。不論上述如何，本集團認為倘金融資產逾期超過90日，則違約已發生，除非本集團擁有合理及具支持性的資料顯示一項更滯後的違約標準更為合適。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

(ii) Impairment loss on financial assets (continued)

Credit-impaired financial assets

The Group considers a financial asset to be credit impaired when: (1) significant financial difficulty of the issuer or the counterparty; (2) a breach of contract, such as a default or past due event; (3) the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; (4) it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or (5) the disappearance of an active market for that financial asset because of financial difficulties.

Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets interest income is calculated based on the gross carrying amount.

Write-off policy

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

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

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade, other payables and accruals, and lease liabilities are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liability are derecognised as well as through the amortisation process.

3.1 重大會計政策概要(續)

(e) 金融工具(續)

(ii) 金融資產之減值虧損(續)

信貸減值之金融資產

在下列情況，本集團認為金融資產發生信貸減值：(1)發行人或交易對手方出現重大財務困難；(2)出現違約行為，如違約或逾期事件；(3)交易對手方之貸款人出於與交易對手方財務困難有關之經濟或合約原因，向交易對手方提供貸款人原不會考慮之優惠；(4)交易對手方有可能破產或進行其他財務重組；或(5)由於財務困難，該金融資產之活躍市場消失。

信貸減值金融資產的利息收入乃根據金融資產的攤銷成本(即總賬面值減虧損撥備)計算。非信貸減值金融資產的利息收入則根據總賬面值計算。

撤銷政策

金融資產之賬面總金額在並無實際收回前景之情況被撤銷(部分或全部)。當本集團確定債務人並無資產或收入來源可以產生足夠之現金流量以償還被撤銷之金額時，通常屬此情況。

此前已撤銷之資產其後之收回，於收回期間在損益中確認為減值撥回。

(iii) 金融負債

本集團視乎負債產生之目的而分類其金融負債。按攤銷成本計量的金融負債於初次確認時按公平值計量(扣除所產生的直接應佔成本)。

按攤銷成本計量的金融負債

按攤銷成本計量的金融負債(包括應付貿易、其他應付及應計款項以及租賃負債)其後按攤銷成本計量，並使用實際利率法。相關利息開支於損益確認。

收益或虧損於終止確認負債時在攤銷過程中在損益確認。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial instruments (continued)

(iv) *Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the years. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(v) *Equity instruments*

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

(vi) *Derecognition*

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

3.1 重大會計政策概要(續)

(e) 金融工具(續)

(iv) *實際利率法*

實際利率法是計算金融資產或金融負債的攤銷成本以及在相關年度分配利息收入或利息開支的方法。實際利率是於金融資產或負債的預期有效期(或在適當情況下,較短期間)準確貼現估計未來現金收入或付款的利率。

(v) *股本工具*

本公司發行的股本工具按已收取的所得款項扣除直接發行成本入賬。

(vi) *終止確認*

當有關金融資產的未來現金流量的合約權利屆滿或金融資產已轉讓而該轉讓符合香港財務報告準則第9號的終止確認準則時,本集團終止確認金融資產。

當相關合約註明的義務解除、取消或屆滿時終止確認金融負債。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liability are translated at the rates ruling at the end of reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liability of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

3.1 重大會計政策概要(續)

(f) 外幣

集團實體以其經營業務所在主要經濟環境貨幣(「功能貨幣」)以外的貨幣進行的交易，按交易發生時的適用匯率入賬。外幣貨幣資產及負債則以報告期末的通行匯率換算。以外幣歷史成本計量的非貨幣項目毋須重新換算。因結算貨幣項目及換算貨幣項目而產生的匯兌差額於彼等產生期間在損益中確認。

綜合賬目時，海外業務的收入及開支項目以有關年度的平均匯率換算為本集團的呈報貨幣(即港元)，除非期內匯率大幅波動，在此情況下，則按與完成交易時的通行匯率相若的匯率換算。所有海外業務的資產及負債均以報告期末的通行匯率換算。所產生的匯兌差額(如有)乃於其他全面收入確認，並於權益累計入賬為外匯儲備(視乎情況可歸屬於少數權益)。集團實體於各自財務報表的損益內就換算長期貨幣項目(構成本集團於所涉海外業務的投資淨額一部分)而確認的匯兌差額乃重新分類至其他全面收入，並於權益累計入賬為外匯儲備。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue recognition

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers. A performance obligation represents a good or service that is distinct or a series of distinct goods or services that are substantially the same. Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

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

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

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service are transferred by the Group to customers or at a point in time or over time as follows:

Point in time

- (i) Sale of millwork and furniture, and facade fabrication is recognised when the goods are delivered

Over time

- (i) Income from interior solutions projects
- (ii) Maintenance service income
- (iii) Design and project consultancy service income

3.1 重大會計政策概要(續)

(g) 收入確認

本集團於完成履約責任時(即於特定履約責任相關的貨品或服務「控制權」轉讓予客戶時)確認收入。履約責任指明確的單一貨品或服務或一系列大致相同的明確貨品或服務。倘符合下列其中一項標準,則控制權隨時間轉移,並會隨時間按完全達成相關履約責任的進度確認收入:

- 1) 於本集團履約時,客戶同時取得並耗用本集團履約所提供的利益;
- 2) 本集團的履約產生或提升於本集團履約時由客戶控制的一項資產;或
- 3) 本集團的履約並未產生對本集團有其他用途的資產,且本集團對迄今已完成履約的付款具有可強制執行的權利。

否則,收入會在客戶獲得明確貨品或服務的控制權的時間點確認。

取決於合約的條款與適用於合約的法律規定,本集團於某一時間點或一段時間內向客戶轉移貨品或服務之控制權如下:

某一時間點

- (i) 銷售金屬、玻璃及木製品及傢俱以及幕牆製造於貨品交付時確認

一段時間內

- (i) 室內解決方案項目收入
- (ii) 保養服務收入
- (iii) 設計及項目諮詢服務收入

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Revenue recognition (continued)

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

Other income

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

Contract assets and contract liabilities

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

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

A contract asset is recognised over the period in which the services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade debtors when the rights become unconditional.

3.1 重大會計政策概要 (續)

(g) 收入確認 (續)

倘合約包含融資部分，為客戶提供超過一年出資向客戶轉移貨品或服務的重大利益，收入於合約開始時按應收金額的現值計量，並使用反映本集團與客戶的單獨融資交易的貼現率貼現。倘合約包含向本集團提供重大融資利益的融資部份，根據該合約確認的收入包括合約負債所產生以實際利率法計算的利息開支。對於付款與轉讓所承諾的貨品或服務相隔一年或更短的合約，則使用香港財務報告準則第15號的實際權宜方式，交易價格不會按重大融資成分的影響進行調整。

其他收入

利息收入按適用利率根據未償還本金以時間基準應計。

合約資產及合約負債

合約資產指本集團就向客戶換取本集團已轉讓的服務收取代價的權利(尚未成為無條件)。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團因已收取客戶代價(或應付代價的金額)，而須轉讓服務予客戶的義務。

合約資產於提供服務的期間內確認以代表集團有權收取所提供服務的代價，原因為該等權利須以本集團未來達致指定進度指標的履約行為為條件。當權利成為無條件時，合約資產轉移至應收賬款。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liability for financial reporting purposes and the corresponding amounts used for tax purposes. Except for recognised assets and liability that affect neither accounting nor taxable profits, deferred tax liability are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates 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 at the end of reporting period.

Deferred tax liability are recognised for taxable temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

(i) Provisions and contingent liability

Provisions are recognised for liability of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which will probably result in an outflow of economic benefits that can be reasonably estimated.

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

3.1 重大會計政策概要(續)

(h) 所得稅

本年度所得稅包括即期稅項及遞延稅項。

即期稅項乃根據日常業務之溢利或虧損，就所得稅而言毋須課稅或不可扣減之項目作出調整，按各報告期末已制定或實質上已制定之稅率計算。

遞延稅項乃就作財務報告所用的資產與負債之賬面值，與就稅務所用的相應數值之暫時差異而確認。除不影響會計或應課稅溢利之已確認資產與負債之外，就所有暫時差異確認遞延稅項負債。倘有可運用可扣稅之暫時差異抵銷應課稅溢利時，遞延稅項資產方會確認。遞延稅項乃以各報告期末已制定或實質上已制定之稅率為基準，按預期於有關負債結算或有關資產變現之期間適用之稅率計算。

除本集團可控制撥回暫時差異的時間，且暫時差異於可見將來不會撥回者外，本集團就於附屬公司之投資所產生之應課稅暫時差異確認遞延稅項負債。

所得稅乃於損益中確認，除非該等稅項與其他全面收入直接確認之項目有關，在此情況下，該等稅項亦於其他全面收入直接確認。

(i) 撥備及或然負債

當本集團因過往事件而須承擔法定或推定責任，而承擔該責任很可能導致可合理估計的經濟利益流出時，便為未確定時間或金額之負債確認撥備。

如導致經濟利益流出的可能性不大，或未能可靠地估計金額，則有關責任會披露為或然負債，除非經濟利益流出之可能性很低。如有可能產生的責任，其存在僅能以日後發生或不發生一項或多項事件來證實，亦披露為或然負債，除非經濟利益流出之可能性很低。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of assets (other than inventories and financial assets) to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another HKFRSs, in which case the impairment loss is treated as a revaluation decrease under that HKFRSs.

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

Value in use is based on the estimated future cash flows expected to be derived from the asset, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

3.1 重大會計政策概要(續)

(j) 非金融資產減值

於各報告期末，本集團會檢視資產(存貨及金融資產除外)的賬面值，以確定是否有跡象顯示該等資產已蒙受減值虧損或以往確認之減值虧損不再存在或已予減少。

倘資產之可收回金額(即公平值減出售成本與使用價值兩者中之較高者)估計低於其賬面值，則將該資產之賬面值減低至其可收回金額。減值虧損會即時於損益中確認為開支，除非有關資產根據另一項香港財務報告準則按重估金額列賬，其時減值虧損會根據該項香港財務報告準則視作重估減值處理。

倘減值虧損於其後撥回，資產之賬面值增加至其可收回金額之經修訂估計值，惟增加後之賬面值不能超過倘該資產過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時於損益中確認為收入，除非有關資產根據另一項香港財務報告準則按重估金額列賬，其時減值虧損撥回會根據該項香港財務報告準則視作重估增值處理。

使用價值乃根據預期來自資產的估計未來現金流量計算，並使用稅前貼現率貼現至其現值，該貼現率反映當前市場對貨幣時間價值及資產或現金產生單位特定風險的評估。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Employee benefits

(i) Defined contribution retirement plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are recognised as an expense in 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 employees of the Company’s subsidiaries which operates outside Hong Kong are required to participate in pension schemes. The Company is required to make contributions for these employees, pursuant to the local regulations. The contributions are charged to profit or loss, as they become payable in accordance with the respective rules of the pension schemes.

(ii) Short-term employee benefits

Short-term employee benefits are recognised when they accrue to employees. In particular, a provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(iii) Termination benefits

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

(l) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate and are presented separately from the costs.

3.1 重大會計政策概要(續)

(k) 僱員福利

(i) 界定供款退休計劃

本集團根據強制性公積金計劃條例為所有香港僱員營運界定供款強制性公積金退休福利計劃(「強積金計劃」)。供款額按僱員基本薪金之若干百分比計算，並於供款按強積金計劃規則規定應付時在損益中確認為開支。強積金計劃資產與本集團之資產分開由獨立管理基金持有。本集團之僱主供款於向強積金計劃作出供款時全數歸屬僱員。

本公司在香港境外經營的附屬公司的僱員必須參加退休金計劃。本公司根據當地法規須就此等僱員作出供款。供款於按照退休金計劃相關規則應繳時在損益扣除。

(ii) 短期僱員福利

短期僱員福利於應計予僱員時確認。特別是會就僱員直至報告期末所提供之服務而產生之年假之估計負債作出撥備。不能累積之帶薪假(如病假及產假)於休假時方予確認。

(iii) 離職福利

離職福利於本集團不能取消提供該等福利時及本集團確認涉及支付離職福利的重組成本時(以較早者為準)確認。

(l) 政府補助金

當有合理保證會收到補助金，且本集團將遵守所有附帶條件時，政府補助金按公平值確認。與成本有關之政府補助金會遞延，並於所需期間內在損益中確認，以與其擬補償之成本相對應，並與成本分開呈列。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share-based payments

Where share options are awarded to employees and others providing similar services, the fair value of the services received is measured by reference to the fair value of the options at the date of grant. Such fair value is recognised in profit or loss over the vesting period with a corresponding increase in the share option reserve within equity. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at the end of each reporting period so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all non-market vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also recognised in profit or loss over the remaining vesting period.

(n) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

3.1 重大會計政策概要(續)

(m) 以股份為基礎之付款

當購股權授予僱員及其他提供相似服務之人士時，所獲服務之公允價值乃經參考於授出日期之有關公允價值而計算。公允價值在歸屬期內之損益確認，並相應增加權益內的購股權儲備。計及非市場歸屬條件之方式是調整預期將於各報告期末歸屬之股本工具數目，使到最終於歸屬期內確認之累計金額是建基於最終歸屬之購股權數目。市場歸屬條件會成為釐定所授出購股權之公允價值之因素。只要符合所有非市場歸屬條件，不論市場歸屬條件達成與否亦會計算開支。

若購股權歸屬前其條款及條件被修改，緊接修改前後計量之購股權公允價值增加亦會於餘下歸屬期在損益確認。

(n) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金、價值變動風險較少且購入後一般在三個月內到期之短期高度流動性投資，減須應要求償還並構成本集團現金管理之組成部份之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括其用途不受限制之手頭現金及銀行現金。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the Group's parent.

3.1 重大會計政策概要(續)

(o) 關聯方

- (a) 倘屬以下人士，則該人士或該人士的近親家屬成員與本集團有關聯：
- (i) 對本集團有控制權或共同控制權；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。
- (b) 倘符合下列任何條件，則實體與本集團有關聯：
- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司為互相關聯)。
 - (ii) 一間實體為另一實體的聯營公司或合營公司(或集團成員公司的聯營公司或合營公司，而另一實體為該集團的成員公司)。
 - (iii) 兩間實體皆為同一第三方的合營公司。
 - (iv) 一間實體為某一第三方實體的合營公司，而另一實體為該第三方實體的聯營公司。
 - (v) 該實體為本集團或與本集團有關聯的實體就僱員福利而設的離職後福利計劃。
 - (vi) 該實體受(a)項所識別的人士控制或共同控制。
 - (vii) 於(a)(i)項所識別的人士對該實體有重大影響力，或屬該實體(或該實體的母公司)的主要管理層成員。
 - (viii) 該實體或該實體屬其中一部份的集團旗下任何成員公司向本集團或本集團母公司提供主要管理人員服務。

Notes to Financial Statements

財務報表附註

3.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Related parties (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

3.2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated financial statements of the Group requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liability, and the disclosure of contingent liability, at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liability within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

3.1 重大會計政策概要(續)

(o) 關聯方(續)

某一人士的近親家屬成員是指與該實體交易時預期可影響該名人士或受該人士影響的家庭成員，包括：

- (i) 該名人士的子女及配偶或同居夥伴；
- (ii) 該名人士的配偶或同居夥伴的子女；及
- (iii) 該名人士或該名人士的配偶或同居夥伴的家屬。

3.2 重要會計判斷及估計不明朗因素之主要來源

編制本集團綜合財務報表時，管理層須於各報告期末作出會影響所呈報收入、開支、資產及負債的金額及或然負債披露的判斷、估計及假設。然而，有關此等假設和估計的不明朗因素，可導致須就於未來期間受影響的資產或負債的賬面值作出重大調整。

估計及假設

日後之主要假設及於各報告期末估計不明朗因素之其他主要來源(彼等均具有導致下個財政年度之資產及負債之賬面值出現大幅調整之重大風險)乃討論如下。本集團根據編制綜合財務報表時可獲得的參數作出其假設及估計。然而，現有情況及對未來發展的假設或會因本集團無法控制的市場變動或情況而改變。有關變動會在發生時於假設內有所反映。

Notes to Financial Statements

財務報表附註

3.2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimates and assumptions (continued)

(a) *Revenue recognition*

The Group recognises revenue of contracts from interior solutions projects over time using an input method based on the progress towards satisfaction of the services, measured based on proportion of contract cost incurred for work performed to date relative to the estimated total contract cost. Accordingly, revenue recognition involves a significant degree of judgement, with estimates being made to assess the total contract costs and on progress towards complete satisfactions of the contract and to provide appropriately for onerous contracts. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

(b) *Impairment of trade and retention receivables*

The Group applies the simplified approach to provide for ECL in respect of trade and retention receivables. The provision rates are based on groupings of various debtors that have similar loss patterns and the Group's historical default rates (taking into consideration forward-looking information that is receivable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade and retention receivables with significant balances and credit impaired are assessed for ECL individually.

3.2 重要會計判斷及估計不明朗因素之主要來源(續)

估計及假設(續)

(a) *收入確認*

本集團根據履行服務之進度，採用輸入法確認室內解決方案項目之合約收入，而進度是根據至今已完成工程所產生之合約成本佔估計合約總成本之比例計算。因此，收入確認涉及頗大程度之判斷，須作出估計以評估總合約成本及全面履行合約之進度，並對虧損性合約作出適當撥備。實際之總成本或總收入可能高於或低於各報告期末作出之估計，而有關差異將對當時所記錄之數額作出調整並影響於未來年度確認之收入及溢利。

(b) *貿易款項及應收保質金減值*

本集團就應收貿易款項及應收保質金之預期信貸虧損撥備應用簡化法。撥備率乃基於具有類似虧損模式的不同債務人組別及本集團過往面對之違約率(當中計及合理及有據且毋須付出不必要成本或努力即可得之前瞻性資料)。於每個報告日期，過往可觀察違約率會重新評估，而前瞻性資料之變動將被考慮。此外，存在大額結餘及已信貸減值之應收貿易款項及應收保質金將個別評估預期信貸虧損。

Notes to Financial Statements

財務報表附註

3.2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimates and assumptions (continued)

(c) Impairment of property, plant and equipment

The Group assesses whether there are any indicators of impairment for property, plant and equipment at the end of the reporting period. The property, plant and equipment are tested for impairment when there are indicators that the carrying amounts may not be recoverable. For the purposes of impairment testing, certain assets were tested at cash-generating unit level while some assets were tested individually for impairment. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less cost of disposal or value in use; and (ii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

In performing its review of recoverability, the Group estimated the discounted future cash flows under value in use calculations expected to result from the use of the assets. The cash flow estimates used in the review are consistent with management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset and are consistent with past actual outcome. These estimates would face a challenge due to the COVID-19 pandemic, therefore management's estimated cash flows factor in a number of ranges of possible cash flow scenarios.

(d) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable profit against which the deferred tax assets can be utilised, which involves a number of assumptions and estimates relating to the operating environment of the Group and requires a significant level of judgement exercised by management. Any change in such assumptions and judgement would affect the carrying amounts of deferred tax assets to be recognised and hence the profit in future periods.

3.2 重要會計判斷及估計不明朗因素之主要來源(續)

估計及假設(續)

(c) 物業、廠房及設備之減值

本集團於報告期末評估物業、廠房及設備是否存在任何減值跡象。當有跡象顯示賬面值可能無法收回時，會對物業、廠房及設備進行減值測試。就減值測試而言，若干資產會於現金產生單位層面進行減值測試而部份資產是個別地進行減值測試。管理層須就資產減值作出判斷，尤其是在評估以下各項時：(i)資產之賬面值是否能得到可收回金額(為公平值減去出售成本或使用價值中之較高者)之支持；及(ii)在編制現金流量預測時適用之適當關鍵假設，包括此等現金流量預測是否使用適當利率進行貼現。

在檢討可收回成數時，本集團估計預期因使用該等資產而產生的使用價值計算項下的貼現未來現金流量。檢討中使用的現金流量估計與管理層對資產剩餘可使用年期內將出現的經濟狀況範圍的最佳估計一致，亦與過往的實際結果一致。此等估計將由於2019冠狀病毒病大流行而面對挑戰，因此，管理層的現金流量估計考慮到多項可能出現的現金流量情況範疇。

(d) 遞延稅項資產確認

倘遞延稅項資產的確認乃根據估計本集團未來應課稅溢利的可能性導致遞延稅項資產可用於抵銷之情況為限，其涉及許多有關本集團經營環境的假設及估計，這需要管理層運用大量的判斷來作出。該等假設及判斷的任何改變均會影響遞延稅項資產賬面值的確認，因而影響未來期間的溢利。

Notes to Financial Statements

財務報表附註

4. SEGMENT INFORMATION

Operating segments

The Group was principally engaged in the trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy, maintenance and interior solutions services. Information reported to the Group's chief operating decision makers, for the purpose of resources allocation and performance assessment, focuses on the operating results of the Group as a whole, as the Group's resources are integrated and no discrete operating segment financial information is available. Accordingly, no operating segment information is presented.

Geographical information

The following table sets out the information about the geographical location of the Group's revenue from external customers and non-current assets other than financial instruments ("Specified non-current assets").

The Group comprises the following main geographical segments:

(a) Revenue from external customers by locations of customers

| | | 2020 | 2019 |
|--|------------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Hong Kong (place of domicile) | 香港(註冊地點) | 29,400 | 29,736 |
| Asia (excluding Hong Kong and the People's Republic of China ("PRC" or "China")) | 亞洲(香港及中華人民共和國(「中國」)除外) | 4,849 | 4,533 |
| PRC | 中國 | 1,474 | 1,616 |
| Europe | 歐洲 | 14,642 | 38,092 |
| United States ("US") | 美利堅合眾國(「美國」) | 924 | 9,995 |
| Middle East | 中東 | 38 | 11,364 |
| Others | 其他 | 2,462 | – |
| | | 24,389 | 65,600 |
| | | 53,789 | 95,336 |

4. 分部資料

經營分部

本集團主要從事銷售金屬、玻璃及木製品、傢俱及幕牆製造以及提供室內設計、項目諮詢、保養及室內解決方案服務。為分配資源及評估表現，向本集團主要經營決策者報告的有關資料專注於本集團整體之經營業績，因本集團的資源統一且並無獨立經營分部財務資料。因此，並無呈列經營分部資料。

地區資料

下表載列有關本集團來自外部客戶收入之地理位置之資料以及除金融工具外的非流動資產(「指定非流動資產」)。

本集團之主要地區分部資料如下：

(a) 按客戶所在地區劃分之來自外部客戶的收入

Notes to Financial Statements

財務報表附註

4. SEGMENT INFORMATION (continued)

Geographical information (continued)

(b) Specified non-current assets by locations of assets

| | | 2020 | 2019 |
|-------------------------------|----------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Hong Kong (place of domicile) | 香港(註冊地點) | 18,666 | 4,567 |
| PRC | 中國 | 114 | – |
| Europe | 歐洲 | 180 | 22 |
| | | 18,960 | 4,589 |

(c) Information about major customers

Revenue attributed from customers that accounted for 10% or more of the Group's total revenue during the year is as follows:

| | | 2020 | 2019 |
|----------|-----|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Client A | 客戶A | – | 25,237 |
| Client B | 客戶B | 10,231 | 21,998 |
| Client C | 客戶C | – | 11,265 |
| Client D | 客戶D | 16,377 | – |
| Total | 總計 | 26,608 | 58,500 |

4. 分部資料(續)

地區資料(續)

(b) 按資產所在地區劃分之指定非流動資產

(c) 主要客戶資料

於年內，來自佔本集團總收入10%或以上的客戶的收入如下：

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財務報表附註

4. SEGMENT INFORMATION (continued)

Geographical information (continued)

(c) Information about major customers (continued)

In the following table, revenue is disaggregated by primary geographical markets of customers, major products and service lines and timing of revenue recognition.

4. 分部資料(續)

地區資料(續)

(c) 主要客戶資料(續)

收入按客戶的主要地域市場、主要產品及服務系列以及收入確認時間安排分拆於下表。

| | | Sales of millwork and furniture 銷售金屬、玻璃及木製品及傢俱 | | Sales of facade fabrication 銷售幕牆製造 | | Interior solutions projects 室內解決方案項目 | | Maintenance services 保養服務 | | Design and project consultancy services 設計及項目諮詢服務 | | Total 總計 | |
|--|----------------|---|-----------------|---------------------------------------|-----------------|---|-----------------|------------------------------|-----------------|--|-----------------|-----------------|-----------------|
| | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Primary geographical markets of customers | 客戶的主要地域市場 | | | | | | | | | | | | |
| - Hong Kong | - 香港 | 1,957 | 5,048 | - | 13,060 | 25,408 | 9,810 | 628 | 860 | 1,407 | 958 | 29,400 | 29,736 |
| - Asia (excluding Hong Kong & PRC) | - 亞洲(香港及中國除外) | 4,658 | 463 | - | - | 15 | 3,488 | 34 | 311 | 142 | 271 | 4,849 | 4,533 |
| - PRC | - 中國 | 1,434 | 1,527 | - | - | - | - | 20 | 58 | 20 | 31 | 1,474 | 1,616 |
| Europe | 歐洲 | 12,956 | 31,811 | 310 | 6,062 | - | - | - | 79 | 1,376 | 140 | 14,642 | 38,092 |
| US | 美國 | 924 | 9,995 | - | - | - | - | - | - | - | - | 924 | 9,995 |
| Middle East | 中東 | 38 | 5,178 | - | 5,890 | - | - | - | - | - | 296 | 38 | 11,364 |
| Others | 其他 | 1,911 | - | 551 | - | - | - | - | - | - | - | 2,462 | - |
| Total | 總計 | 23,878 | 54,022 | 861 | 25,012 | 25,423 | 13,298 | 682 | 1,308 | 2,945 | 1,696 | 53,789 | 95,336 |
| Timing of revenue recognition under HKFRS 15 | 根據香港財務報告準則第15號 | | | | | | | | | | | | |
| - At a point in time | - 於某時點 | 23,878 | 54,022 | 861 | 25,012 | - | - | - | - | - | - | 24,739 | 79,034 |
| - Over time | - 經過一段時間 | - | - | - | - | 25,423 | 13,298 | 682 | 1,308 | 2,945 | 1,696 | 29,050 | 16,302 |
| | | 23,878 | 54,022 | 861 | 25,012 | 25,423 | 13,298 | 682 | 1,308 | 2,945 | 1,696 | 53,789 | 95,336 |

Notes to Financial Statements

財務報表附註

5. REVENUE, OTHER INCOME AND OTHER GAIN/(LOSS), NET

Revenue includes the net invoiced value of goods sold, design and project consultancy service and maintenance service rendered and contract revenue earned from the interior solutions projects by the Group. The amounts of each significant category of revenue recognised during the year are as follows:

| | | 2020 | 2019 |
|---|----------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Time of revenue recognition | 收入確認之時間安排 | | |
| Revenue – at a point in time | 收入 – 於某時間點 | | |
| Sales of products | 銷售產品 | | |
| – Millwork and furniture | – 金屬、玻璃及木製品及傢俱 | 23,878 | 54,022 |
| – Facade fabrication | – 幕牆製造 | 861 | 25,012 |
| Revenue – over time | 收入 – 經過一段時間 | | |
| Income from interior solutions projects | 室內解決方案項目收入 | 25,423 | 13,298 |
| Maintenance service income | 保養服務收入 | 682 | 1,308 |
| Design and project consultancy service income | 設計及項目諮詢服務收入 | 2,945 | 1,696 |
| | | 53,789 | 95,336 |

An analysis of the Group's other income and other gain/(loss), net recognised during the year is as follows:

| | | 2020 | 2019 |
|--|----------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Other income | 其他收入 | | |
| Bank interest income | 銀行利息收入 | 161 | 298 |
| Management income | 管理收入 | 384 | 384 |
| Government subsidies (Note) | 政府補貼(附註) | 325 | – |
| Others | 其他 | 127 | – |
| | | 997 | 682 |
| Other gain/(loss), net | 其他收益/(虧損)淨額 | | |
| Impairment loss on property, plant and equipment and right-of-use assets | 物業、廠房及設備以及使用權資產的減值虧損 | (8,525) | – |
| Impairment loss on financial assets | 金融資產的減值虧損 | (522) | – |
| Bad debt written off | 撇銷壞賬 | – | (172) |
| Exchange gain/(loss), net | 匯兌收益/(虧損)淨額 | 67 | (386) |
| | | (8,980) | (558) |

Note: The HKSAR Government has launched the "Employment Support Scheme" to provide time-limited financial support to eligible employers to retain their employees due to the adverse situation of COVID-19 in Hong Kong.

5. 收入、其他收入及其他收益/(虧損)淨額

收入包括本集團銷售貨品、提供設計及項目諮詢服務以及保養服務之發票淨額以及室內解決方案項目所得的合約收入。於年內已確認各重要類別的收入金額載列如下：

本集團於年內已確認的其他收入及其他收益/(虧損)淨額的分析如下：

附註：香港特別行政區政府已推出「保就業」計劃，向合資格僱主提供有時間的財政支援，以助僱主在香港面對2019冠狀病毒病的嚴峻形勢中繼續聘用僱員。

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財務報表附註

6. FINANCE COSTS

6. 融資成本

| | | 2020 | 2019 |
|-------------------------------|---------|----------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Interest on lease liabilities | 租賃負債的利息 | 802 | – |

7. LOSS BEFORE INCOME TAX EXPENSE

7. 除所得稅開支前虧損

The Group's loss before income tax expense is arrived at after charging/ (crediting):

本集團之除所得稅開支前虧損已扣除/(計入):

| | | 2020 | 2019 |
|--|----------------------------|----------|----------|
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Depreciation (Note 13): | 折舊(附註13): | | |
| – Owned property, plant and equipment | – 自置物業、廠房及設備 | 1,610 | 1,569 |
| – Right-of-use assets | – 使用權資產 | 5,633 | – |
| Operating lease rentals under HKAS 17 in respect of: | 香港會計準則第17號項下的經營租賃租金, 有關: | | |
| – Land and buildings | – 土地及樓宇 | – | 5,518 |
| – Plant and equipment | – 廠房及設備 | – | 124 |
| Short term lease expenses | 短期租賃開支 | 103 | – |
| Auditor's remuneration | 核數師酬金 | 710 | 798 |
| Impairment loss on property, plant and equipment and right-of-use assets | 物業、廠房及設備以及使用權資產的減值虧損 | 8,525 | – |
| Impairment loss on financial assets | 金融資產的減值虧損 | 522 | – |
| Exchange (gain)/loss, net | 匯兌(收益)/虧損, 淨額 | (67) | 386 |
| Bad debt written off | 撇銷壞賬 | – | 172 |
| Employee benefit expenses (including directors' and chief executive's remuneration): | 僱員福利開支 (包括董事及主要行政人員酬金): | | |
| Wages and salaries | 工資及薪酬 | 19,462 | 22,000 |
| Post-employment benefits – contribution to defined contribution retirement plan* | 離職後福利 – 界定供款退休計劃之供款* | 497 | 558 |
| Other benefits | 其他福利 | 1,905 | 2,032 |

* At 30 June 2020, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2019: Nil).

* 於二零二零年六月三十日, 本集團並無已沒收供款可用以減少其於未來年度之退休金計劃供款(二零一九年: 無)。

Notes to Financial Statements

財務報表附註

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules, Companies Ordinance is as follows:

| | | 2020 | 2019 |
|--|---------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Fees | 袍金 | 714 | 981 |
| Other emoluments: | 其他酬金： | | |
| Salaries, bonus, allowances and benefits in kind | 薪酬、花紅、津貼及實物利益 | 5,925 | 6,596 |
| Pension scheme contributions | 退休金計劃供款 | 53 | 59 |
| | | 5,978 | 6,655 |
| | | 6,692 | 7,636 |

8. 董事及主要行政人員酬金

根據適用上市規則、香港公司條例披露本年度之董事及主要行政人員酬金如下：

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

| | | 2020 | 2019 |
|-------------------------------|-------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Mr. So Chi Hang | 蘇智恒先生 | 163 | 173 |
| Mr. Lau Lap Yan, John | 劉立人先生 | – | 44 |
| Mr. Heng Ching Kuen, Franklin | 幸正權先生 | 163 | 173 |
| Mr. Tang Yu Ming | 鄧裕銘先生 | – | 14 |
| Mr. Shing Wai Yip | 成偉業先生 | 150 | 70 |
| | | 476 | 474 |

(a) 獨立非執行董事

本年度已付予獨立非執行董事之袍金如下：

There were no other emoluments payable to the independent non-executive directors during the year (2019: Nil).

Notes:

- (i) On 12 October 2018, Mr. Lau Lap Yan, John resigned as the independent non-executive director of the Company.
- (ii) On 12 October 2018, Mr. Tang Yu Ming ("Mr. Tang") was appointed as the independent non-executive director of the Company. On 14 November 2018, Mr. Tang passed away and ceased to be the independent non-executive director of the Company.
- (iii) On 25 January 2019, Mr. Shing Wai Yip, was appointed as the independent non-executive director of the Company.

於本年度概無應付獨立非執行董事的其他酬金(二零一九年：無)。

附註：

- (i) 於二零一八年十月十二日，劉立人先生辭任本公司獨立非執行董事。
- (ii) 於二零一八年十月十二日，鄧裕銘先生(「鄧先生」)獲委任為本公司獨立非執行董事。於二零一八年十一月十四日，鄧先生離世及不再為本公司獨立非執行董事。
- (iii) 於二零一九年一月二十五日，成偉業先生獲委任為本公司獨立非執行董事。

Notes to Financial Statements

財務報表附註

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and chief executive

| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Year ended 30 June 2020 | 截至二零二零年六月三十日止年度 | | | | |
| Executive directors: | 執行董事： | | | | |
| Mr. Lee Wai Sang * | 李偉生先生* | 83 | 3,707 | 18 | 3,808 |
| Mr. Leung Pak Yin | 梁伯然先生 | 75 | 919 | 17 | 1,011 |
| Mr. Lau King Lok | 劉敬樂先生 | 80 | 1,299 | 18 | 1,397 |
| | | 238 | 5,925 | 53 | 6,216 |
| Year ended 30 June 2019 | 截至二零一九年六月三十日止年度 | | | | |
| Executive directors: | 執行董事： | | | | |
| Mr. Lee Wai Sang * | 李偉生先生* | 160 | 4,174 | 18 | 4,352 |
| Mr. Leung Pak Yin | 梁伯然先生 | 150 | 959 | 18 | 1,127 |
| Mr. Lai Hon Lam Carman (Note (i)) | 賴漢林先生(附註(i)) | 42 | 143 | 5 | 190 |
| Mr. Lau King Lok | 劉敬樂先生 | 155 | 1,320 | 18 | 1,493 |
| | | 507 | 6,596 | 59 | 7,162 |

* Mr. Lee Wai Sang is also the chief executive officer of the Company.

During the current and prior years, none of the directors waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the directors as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Note:

(i) On 12 October 2018, Mr. Lai Hon Lam Carman resigned as the executive director of the Company.

8. 董事及主要行政人員酬金(續)

(b) 執行董事及主要行政人員

| | Fees | Salaries, bonus, allowance and benefits | Contribution to defined contribution retirement plans | Total remuneration |
|--|------|---|---|--------------------|
| | 袍金 | 薪酬、花紅、津貼及實物利益 | 定額供款退休計劃供款 | 總酬金 |

* 李偉生先生亦為本公司之主要行政人員。

於目前及過往年度，概無董事放棄或同意放棄任何酬金，且本集團並無向任何董事支付酬金作為加入本集團或加入本集團後之獎勵或離職補償。

附註：

(i) 於二零一八年十月十二日，賴漢林先生辭任本公司執行董事。

Notes to Financial Statements

財務報表附註

9. FIVE HIGHEST PAID EMPLOYEES AND SENIOR MANAGEMENT'S EMOLUMENTS

The five highest paid employees during the year included three (2019: three) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining two (2019: two) highest paid employees who are neither a director nor chief executive of the Company, are as follows:

| | | 2020 | 2019 |
|--|----------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Basic salaries, bonus and other benefits in kind | 基本薪酬、花紅及其他實物利益 | 1,427 | 1,443 |
| Pension scheme contributions | 退休金計劃供款 | 36 | 36 |
| | | 1,463 | 1,479 |

Their remuneration fell within the following bands:

| | | Number of employees 僱員數目 | |
|----------------------|---------------|-----------------------------|------|
| | | 2020 | 2019 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 2 | 2 |

During the current and prior years, none of the five highest paid individuals waived or agreed to waive any remuneration and there were no emoluments paid by the Group to any of the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office.

Senior management's emoluments excluding the directors

The emoluments paid or payable to members of senior management (excluding the directors) were within the following bands:

| | | Number of employees 僱員數目 | |
|----------------------|---------------|-----------------------------|------|
| | | 2020 | 2019 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 4 | 4 |

One member of senior management whose emoluments are included in five highest paid individuals as set out in the note above (2019: two members).

9. 五名最高薪酬僱員及高級管理層酬金

本年度五名最高薪酬僱員包括三名(二零一九年: 三名)董事, 其酬金詳列於上文附註8。本年度其餘兩名(二零一九年: 兩名)並非本公司董事或主要行政人員之最高薪酬僱員之酬金詳情如下:

彼等之薪酬屬於下列範圍內:

| | | Number of employees 僱員數目 | |
|----------------------|---------------|-----------------------------|------|
| | | 2020 | 2019 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 2 | 2 |

於目前及過往年度, 五位最高薪酬人士概無放棄或同意放棄任何酬金, 且本集團並無向五位最高薪酬人士支付酬金作為加入本集團或加入本集團後之獎勵或離職補償。

高級管理層(董事除外)之酬金

向高級管理層成員(董事除外)已付或應付之酬金屬於下列範圍內:

| | | Number of employees 僱員數目 | |
|----------------------|---------------|-----------------------------|------|
| | | 2020 | 2019 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | 4 | 4 |

高級管理層之一名成員(二零一九年: 兩名成員)之酬金納入以上附註所述五位最高薪酬人士中。

Notes to Financial Statements

財務報表附註

10. INCOME TAX CREDIT/(EXPENSE)

The amount of income tax credit/(expense) in the consolidated statement of profit or loss and other comprehensive income represents:

| | | 2020 | 2019 |
|---|---------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Current tax – Hong Kong profits tax | 即期稅項 – 香港利得稅 | | |
| – overprovision in respect of prior years | – 過往年度超額撥備 | – | 53 |
| Current tax – overseas profits tax | 即期稅項 – 境外利得稅 | | |
| – tax for the year | – 本年度稅項 | (22) | (88) |
| – under-provision in respect of prior years | – 過往年度撥備不足 | (10) | – |
| Deferred tax credit (Note 20) | 遞延稅項抵免 (附註20) | 194 | 7 |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 162 | (28) |

The Company was incorporated in the Cayman Islands and is exempted from income tax. It is not subject to tax in other jurisdictions.

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the year and the prior year.

Taxes on assessable profits of overseas subsidiaries are calculated at the rates applicable in the respective jurisdictions.

The income tax credit/(expense) for the year can be reconciled to the loss before income tax expense in the consolidated statement of profit or loss and other comprehensive income as follows:

| | | 2020 | 2019 |
|--|----------------------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Loss before income tax | 除所得稅前虧損 | (28,366) | (9,606) |
| Tax at the applicable tax rate of 16.5% (2019: 16.5%) | 按適用稅率16.5% (二零一九年: 16.5%) 之稅項 | 4,680 | 1,585 |
| Tax effect of different tax rates of subsidiaries operating in other jurisdictions | 於其他司法權區經營的附屬公司 不同稅率的稅務影響 | 153 | 248 |
| Tax effect of non-taxable income | 免稅收入之稅務影響 | 50 | 177 |
| Tax effect of non-deductible expenses | 不可扣稅開支之稅務影響 | (1,122) | (1,571) |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅務影響 | (2,168) | (1,025) |
| Tax effect of temporary difference not recognised | 未確認暫時差異之稅務影響 | (1,422) | – |
| Utilisation of tax losses previously not recognised | 動用過往未確認之稅項虧損 | – | 576 |
| (Under)/over-provision in respect of prior years | 過往年度(撥備不足)/超額撥備 | (10) | 54 |
| Withholding tax | 預扣稅 | – | (43) |
| Others | 其他 | 1 | (29) |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 162 | (28) |

10. 所得稅抵免/(開支)

綜合損益及其他全面收益表中所得稅抵免/(開支)金額指:

本公司於開曼群島註冊成立並獲豁免所得稅。其毋須繳納其他司法權區的稅項。

由於本集團於本年度及上年度並無任何源自香港的應課稅溢利，因此並無作出香港利得稅撥備。

境外附屬公司的應課稅溢利的稅項按相關司法權區的適用稅率計算。

本年度之所得稅抵免/(開支)可與於綜合損益及其他全面收益表內除所得稅開支前虧損對賬如下:

Notes to Financial Statements

財務報表附註

11. DIVIDENDS

No dividend has been paid or declared by the Company for the year ended 30 June 2020 (2019: Nil).

12. LOSSES PER SHARE

The calculation of the basic losses per share amount is based on the loss for the year attributable to the ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,498,361,000 (2019: 2,400,000,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 30 June 2020 and 2019.

The calculation of the basic losses per share attributable to the ordinary equity holders of the Company is based on the following data:

| | 2020 | 2019 |
|--|-----------------|-----------------|
| | HK\$'000 千港元 | HK\$'000 千港元 |
| Losses | | |
| Losses for the purpose of basic and diluted losses per share | (28,204) | (9,634) |

| | Number of shares 股份數目 | |
|--|--------------------------|------------|
| | 2020 | 2019 |
| | '000 千股 | '000 千股 |
| Number of shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted losses per share | 2,498,361 | 2,400,000 |

11. 股息

本公司於截至二零二零年六月三十日止年度概無支付或宣派股息(二零一九年：無)。

12. 每股虧損

每股基本虧損金額乃根據本公司普通股權持有人應佔本年度虧損及本年度已發行普通股之加權平均數2,498,361,000股(二零一九年：2,400,000,000股)計算。

本集團於截至二零二零年及二零一九年六月三十日止年度並無具潛在攤薄效應之已發行普通股。

本公司普通股權持有人應佔之每股基本虧損乃根據以下數據計算：

Notes to Financial Statements

財務報表附註

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

| | | Right-of-use assets | Building | Leasehold improvement 租賃 物業裝修 | Furniture and fixtures 傢俱及裝置 | Office equipment 辦公設備 | Motor vehicles 汽車 | Total |
|--|------------------------|------------------------|-----------------|--|------------------------------------|-----------------------------|-------------------------|-----------------|
| | | 使用權資產 | 樓宇 | | | | | 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 | HK\$'000 千港元 | HK\$'000 千港元 |
| Cost | 成本 | | | | | | | |
| At 1 July 2018 | 於二零一八年七月一日 | - | - | 5,065 | 1,125 | 1,596 | 1,019 | 8,805 |
| Additions | 添置 | - | - | 103 | 51 | 138 | - | 292 |
| Disposals | 出售 | - | - | - | - | (15) | - | (15) |
| Exchange adjustment | 匯兌調整 | - | - | - | - | (4) | - | (4) |
| At 30 June 2019 as originally presented | 於二零一九年 六月三十日(按原先呈列) | - | - | 5,168 | 1,176 | 1,715 | 1,019 | 9,078 |
| Initial application of HKFRS 16 | 首次應用香港財務 報告準則第16號 | 19,802 | - | - | - | - | - | 19,802 |
| Restated balance as at 1 July 2019 | 於二零一九年 七月一日之經重列結餘 | 19,802 | - | 5,168 | 1,176 | 1,715 | 1,019 | 28,880 |
| Additions | 添置 | 8,224 | 1,016 | - | - | 13 | - | 9,253 |
| Modification | 修改 | 1,084 | - | - | - | - | - | 1,084 |
| At 30 June 2020 | 於二零二零年六月三十日 | 29,110 | 1,016 | 5,168 | 1,176 | 1,728 | 1,019 | 39,217 |
| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | | | |
| At 1 July 2018 | 於二零一八年七月一日 | - | - | 960 | 317 | 643 | 1,019 | 2,939 |
| Provided for the year | 年度撥備 | - | - | 994 | 285 | 290 | - | 1,569 |
| Eliminated on disposals | 出售時對銷 | - | - | - | - | (15) | - | (15) |
| Exchange adjustment | 匯兌調整 | - | - | - | - | (4) | - | (4) |
| At 30 June 2019 as originally presented | 於二零一九年 六月三十日(按原先呈列) | - | - | 1,954 | 602 | 914 | 1,019 | 4,489 |
| Initial application of HKFRS 16 | 首次應用香港財務 報告準則第16號 | - | - | - | - | - | - | - |
| Restated balance as at 1 July 2019 | 於二零一九年 七月一日之經重列結餘 | - | - | 1,954 | 602 | 914 | 1,019 | 4,489 |
| Provided for the year | 年度撥備 | 5,633 | 20 | 1,008 | 281 | 301 | - | 7,243 |
| Impairment losses | 減值虧損 | 7,183 | 105 | 906 | 120 | 211 | - | 8,525 |
| At 30 June 2020 | 於二零二零年六月三十日 | 12,816 | 125 | 3,868 | 1,003 | 1,426 | 1,019 | 20,257 |
| Net book value | 賬面淨值 | | | | | | | |
| At 30 June 2020 | 於二零二零年六月三十日 | 16,294 | 891 | 1,300 | 173 | 302 | - | 18,960 |
| At 30 June 2019 | 於二零一九年六月三十日 | - | - | 3,214 | 574 | 801 | - | 4,589 |

Notes to Financial Statements

財務報表附註

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The analysis of carrying amount of right-of-use assets by class of underlying asset is as follows:

13. 物業、廠房及設備(續)

按相關資產類別分析使用權資產之賬面值如下：

| | | Leasehold land for own use 自用租賃 土地 | Properties leased for own use 自用租賃 物業 | Office equipment leased for own use 自用租賃 辦公室設備 | Total 總計 |
|-----------------------------|-------------|---|---|---|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 July 2019 | 於二零一九年七月一日 | – | 19,350 | 452 | 19,802 |
| Addition | 添置 | 8,224 | – | – | 8,224 |
| Modification of lease terms | 修改租期 | – | 1,054 | 30 | 1,084 |
| Depreciation | 折舊 | (165) | (5,356) | (112) | (5,633) |
| Impairment | 減值 | (850) | (6,181) | (152) | (7,183) |
| At 30 June 2020 | 於二零二零年六月三十日 | 7,209 | 8,867 | 218 | 16,294 |

For the year ended 30 June 2020, management identified impairment indicator of right-of-use assets, building, leasehold improvement, furniture and fixtures as well as office equipment due to decline in performance of the Group resulting from the deteriorated economic environment and uncertain outlook of the Group's business following the outbreak of the COVID-19 pandemic. The Group assessed the recoverable amounts of the properties and office equipment leased for own used, leasehold improvement, furniture and fixtures as well as office equipment allocated to the cash-generating unit ("CGU") which involved in trading of millwork, furniture and facade fabrication and provision of interior design, project consultancy, maintenance and interior solutions services, and as a result the carrying amounts of these property, plant and equipment were written down to their recoverable amounts of approximately HK\$10,860,000. Impairment losses of approximately HK\$7,570,000 were recognised in other gain/(loss), net in the consolidated statement of profit or loss and other comprehensive income.

截至二零二零年六月三十日止年度，由於經濟環境轉差令本集團之表現倒退以及爆發2019冠狀病毒病大流行後本集團的業務前景不明朗，管理層發現使用權資產、樓宇、租賃物業裝修、傢俱及裝置以及辦公室設備出現減值指標。本集團評估分配至從事銷售金屬、玻璃及木製品、傢俱及幕牆製造以及提供室內設計、項目諮詢、保養及室內解決方案服務現金產生單位（「現金產生單位」）之自用租賃物業及辦公室設備、租賃物業裝修、傢俱及裝置以及辦公室設備之可收回金額，因此，該等物業、廠房及設備之賬面值已撇減至其可收回金額約10,860,000港元。減值虧損約7,570,000港元已於綜合損益及其他全面收益表中的其他收益／（虧損）淨額確認。

Notes to Financial Statements

財務報表附註

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The recoverable amount of the CGU to which properties and office equipment leased for own used, leasehold improvement, furniture and fixtures as well as office equipment were allocated have been determined based on value in use calculation. The calculation uses cash flow projections based on the most recent financial forecasts approved by the directors of the Company covering a period over the lease terms of right-of-use assets, which represented the management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset and are consistent with past actual outcomes. These estimates would face a challenge due to the COVID-19 pandemic, therefore management's estimated cash flows factor in a number of ranges of possible cash flow scenarios. Estimated revenue under the cash flow projections was mainly based on the negotiating and confirmed sales contracts for the first year under the projections period and further estimate the future revenue with an annual growth rate of 5% for the second and third years under the projections period, which were based on past performance and management's expectations of market development. The pre-tax discount rate used is 10.17%, which is derived from the weighted average cost of capital of the Group with reference to market comparables.

The Group assessed the recoverable amounts of its leasehold properties in Hong Kong including right-of-use asset portion and building portion with carrying amounts of approximately HK\$8,059,000 and HK\$996,000 respectively, before impairment by the fair value less costs of disposal. As a result the carrying amounts of the leasehold properties were written down to their recoverable amounts of approximately HK\$8,100,000 of which the right-of-use asset portion amounted to approximately HK\$7,209,000 and the building portion amounted to approximately HK\$891,000 respectively. Impairment losses of approximately HK\$850,000 for the right-of-use asset portion and of approximately HK\$105,000 for the building portion were recognised in other gain/(loss), net in the consolidated statement of profit or loss and other comprehensive income. The fair value less costs of disposal was determined using market approach by an independent qualified professional valuer, Cushman & Wakefield Limited. Under market approach, fair value was estimated with reference to comparable market transactions, adjustments were made to difference in time and other individual factors. The above adjusting factors applied are the key assumptions used in the valuation. The fair value less costs of disposal of the property, plant and equipment is classified as a level 3 measurement.

During the year, the total impairment losses on property, plant and equipment were approximately HK\$8,525,000.

13. 物業、廠房及設備(續)

已獲分配自用租賃物業及辦公室設備、租賃物業裝修、傢具及裝置以及辦公室設備之現金產生單位之可收回金額乃根據使用價值計算而釐定。該計算方法是根據本公司董事批准之最新財務預測，涵蓋使用權資產租賃期之現金流量預測作出，此代表管理層對資產剩餘可使用年期內將出現的經濟狀況範圍的最佳估計一致，亦與過往的實際結果一致。此等估計將由於2019冠狀病毒病大流行而面對挑戰，因此，管理層的現金流量估計考慮到多項可能出現的現金流量情況範疇。現金流量預測下的估計收入主要是根據預測期內第一年的磋商和已確認的銷售合約，並以年增長率為5%而進一步估計預測期內第二年和第三年的未來收入，此乃根據過往表現及管理層對市場發展的估計而作出。所用的稅前貼現率為10.17%，乃根據本集團的加權平均資本成本，並參考市場可資比較個案而得出。

本集團按公平值減出售成本評估其香港租賃物業之可收回金額，包括在減值前賬面值分別約為8,059,000港元及996,000港元之使用權資產部份及樓宇部份。因此租賃物業之賬面值撇減至其可收回金額約8,100,000港元，其中使用權資產部份約為7,209,000港元及樓宇部份約為891,000港元。使用權資產部份之減值虧損約850,000港元及樓宇部份之減值虧損約105,000港元已於綜合損益及其他全面收益表中的其他收益/(虧損)淨額確認。公平值減出售成本乃由獨立合資格專業估值師戴德梁行有限公司以市場法釐定。根據市場法，公平值乃參考可比較市場交易而估計，並已就時間差異及其他個別因素作出調整。所應用的上述調整因素為估值時使用的主要假設。物業、廠房及設備之公平值減出售成本分類為第三級計量。

年內，物業、廠房及設備之總減值虧損約為8,525,000港元。

Notes to Financial Statements

財務報表附註

14. LEASES

HKFRS 16 was adopted from 1 July 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 July 2019, see note 2.2(a)(v). The accounting policies applied subsequent to the date of initial application, 1 July 2019, as disclosed in note 3.1(d)(A).

Nature of leasing activities (in the capacity as lessee)

The Group entered into various lease agreements for office premises and equipment. These leases have non-cancellable lease terms with an initial period ranging from one to six years. All leases held by the Group comprise only fixed payments over the lease terms.

Lease Liabilities

Future lease payments are due as follows:

14. 租賃

香港財務報告準則第16號已於二零一九年七月一日起採納而並無重列比較數字。有關於二零一九年七月一日應用之過渡規定之說明，見附註2.2(a)(v)。首次應用日期(二零一九年七月一日)後適用之會計政策於附註3.1(d)(A)披露。

租賃活動之性質(以承租人之身份)

本集團就辦公室物業及設備訂立不同租賃協議。該等租賃訂有不可撤銷租期，初步為期一至六年。本集團持有之所有租賃只包括租賃期內之固定付款。

租賃負債

未來租賃付款到期情況如下：

| | Minimum lease payments 30 June 2020 最低租賃付款 二零二零年 六月三十日 | Interest 30 June 2020 利息 二零二零年 六月三十日 | Present value 30 June 2020 現值 二零二零年 六月三十日 |
|---|--|--|---|
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Not later than one year 不超過一年 | 5,154 | 684 | 4,470 |
| Later than one year and not later than two years 一年後及不超過兩年 | 7,072 | 403 | 6,669 |
| Later than two years and not later than five years 兩年後及不超過五年 | 5,992 | 101 | 5,891 |
| | 18,218 | 1,188 | 17,030 |

Notes to Financial Statements

財務報表附註

14. LEASES (continued)

Lease Liabilities (continued)

| | | Minimum lease payments | Interest | Present value |
|--|-----------|------------------------|-------------|---------------|
| | | 1 July 2019 | 1 July 2019 | 1 July 2019 |
| | | 最低租賃付款 | 利息 | 現值 |
| | | 二零一九年七月一日 | 二零一九年七月一日 | 二零一九年七月一日 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Not later than one year | 不超過一年 | 6,024 | 789 | 5,235 |
| Later than one year and not later than two years | 一年後及不超過兩年 | 5,890 | 550 | 5,340 |
| Later than two years and not later than five years | 兩年後及不超過五年 | 10,226 | 390 | 9,836 |
| | | 22,140 | 1,729 | 20,411 |

Note: No future lease payments as at 30 June 2019.

The present value of future lease payments are analysed as:

| | | 30 June 2020 | 1 July 2019 |
|-------------------------|-------|--------------|-------------|
| | | 二零二零年六月三十日 | 二零一九年七月一日 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Current liabilities | 流動負債 | 4,470 | 5,235 |
| Non-current liabilities | 非流動負債 | 12,560 | 15,176 |
| | | 17,030 | 20,411 |

| | | 2020 |
|--|--------------------|----------|
| | | HK\$'000 |
| | | 千港元 |
| Short term lease expense | 短期租賃開支 | 103 |
| Variable lease payments not included in the measurement of lease liabilities | 並無包括在租賃負債計量之可變租賃付款 | —* |
| Rent concessions | 租金減免 | 5 |

* Represent amount of less than HK\$1,000

* 指低於1,000港元的款項

14. 租賃(續)

租賃負債(續)

| | Minimum lease payments | Interest | Present value |
|--|------------------------|-------------|---------------|
| | 1 July 2019 | 1 July 2019 | 1 July 2019 |
| | 最低租賃付款 | 利息 | 現值 |
| | 二零一九年七月一日 | 二零一九年七月一日 | 二零一九年七月一日 |
| | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 |
| Not later than one year | 6,024 | 789 | 5,235 |
| Later than one year and not later than two years | 5,890 | 550 | 5,340 |
| Later than two years and not later than five years | 10,226 | 390 | 9,836 |
| | 22,140 | 1,729 | 20,411 |

附註：於二零一九年六月三十日並無未來租賃付款。

未來租賃付款之現值分析如下：

Notes to Financial Statements

財務報表附註

14. LEASES (continued)

Operating leases – lessee

The Group entered into various lease agreements for office premises and office equipment. These leases have non-cancellable lease terms ranging from one to six years.

The total future minimum lease payments under non-cancellable operating leases payable at 30 June 2019 are as follows:

14. 租賃(續)

經營租賃－承租人

本集團就辦公室物業及辦公室設備訂立不同租賃協議。該等租賃訂有不可撤銷租期，為期一至六年。

於二零一九年六月三十日，根據不可撤銷經營租賃應付未來最低租金付款總額如下：

| | | 2019 |
|--|-----------|----------|
| | | HK\$'000 |
| | | 千港元 |
| Not later than one year | 不超過一年 | 5,128 |
| Later than one year and not later than two years | 一年後及不超過兩年 | 5,137 |
| Later than two years and not later than five years | 兩年後及不超過五年 | 8,381 |
| | | 18,646 |

Notes to Financial Statements

財務報表附註

15. TRADE AND OTHER RECEIVABLES

15. 應收貿易及其他款項

| | | | 2020 | 2019 |
|---------------------------------------|---------------|-------------|-----------------|-----------------|
| | | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables | 應收貿易款項 | (i) | 3,036 | 10,696 |
| Retention receivables | 應收保質金 | (ii) | 1,246 | 1,068 |
| Deposits and other receivables | 按金及應收其他款項 | (iii) | 2,030 | 3,364 |
| Prepayments | 預付款項 | (iii) | 1,993 | 1,732 |
| Total | 總計 | | 8,305 | 16,860 |
| Less: Non-current portion Deposits | 減：非流動部份 按金 | (iii) | (1,817) | (2,816) |
| Total current portion | 流動部份總計 | | 6,488 | 14,044 |

Notes:

(i)

附註：

(i)

| | | 2020 | 2019 |
|--------------------------------|---------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade receivables | 應收貿易款項 | 3,558 | 10,696 |
| Less: Loss allowance (Note 29) | 減：虧損撥備 (附註29) | (522) | - |
| | | 3,036 | 10,696 |

Trade receivables are non-interest bearing. The Group does not hold any collateral or other credit enhancements over these balances. Except for one customer with 60 days credit granted, no credit period is granted by the Group to its trade customers. Application for progress payments of projects is made on a regular basis.

The following is an analysis of trade receivables (net of impairment losses) by age, presented based on the invoice date:

應收貿易款項乃不計息。本集團並未就該等結餘持有任何抵押品或採取其他加強信貸措施。除一名客戶獲授予60日的信貸期外，本集團並無向其他貿易客戶授予信貸期。申請項目進度付款定期作出。

應收貿易款項(扣除減值虧損)之賬齡分析(按發票日期呈列)如下：

| | | 2020 | 2019 |
|---|-------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Less than 1 month | 不超過一個月 | 1,713 | 204 |
| 1 to 3 months | 一至三個月 | 930 | 8,094 |
| 3 to 6 months | 三至六個月 | 366 | 1,837 |
| More than 6 months but less than 1 year | 六個月以上但不超過一年 | - | 9 |
| More than 1 year | 一年以上 | 27 | 552 |
| | | 3,036 | 10,696 |

Notes to Financial Statements

財務報表附註

15. TRADE AND OTHER RECEIVABLES (continued)

Notes: (Continued)

- (ii) Retention monies withheld by customers of contract works are released after the completion of maintenance period of the relevant contracts or in accordance with the terms specified in the relevant contracts.

Retention receivables as at 30 June 2020 and 2019 were neither past due nor impaired and expected to be recovered within 1 years after the reporting period. These related to customers for whom there was no recent history of default. Based on past experience, management is of the opinion that no provision for loss allowance is necessary in respect of these receivables as there has not been a significant change in credit quality and the credit risk is minimal

- (iii) The above balances of deposits, other receivables and prepayments as at 30 June 2020 and 2019 were neither past due nor impaired. Financial assets included in these balances are non-interest bearing and relate to receivables for which there was no recent history of default. Based on past experience, management is of the opinion that no provision for loss allowance is necessary in respect of these receivables as there has not been a significant change in credit quality and the credit risk is minimal

Further details on the Group's credit policy and credit risk arising from trade and other receivables are set out in note 29.

16. PLEDGED AND RESTRICTED BANK DEPOSITS

Pledged bank deposits have maturity within one year as at 30 June 2020. Such deposits have been pledged to a bank as securities for the Group's banking facilities. The effective interest rates of the Group's pledged bank deposits as at 30 June 2020 is 0.25% per annum. As at 30 June 2020, the bank facility has not been utilised and was available for drawdown.

Restricted bank deposits represented the bank deposits for the guarantee from a bank for the due performance of an interior solutions project.

15. 應收貿易及其他款項(續)

附註：(續)

- (ii) 客戶就合約工程扣留之保質金於相關合約保養期結束後或根據相關合約特定條款解除。

於二零二零年及二零一九年六月三十日，應收保質金乃既未逾期亦未減值並預期可於報告期後的一年內收回。該等款項與近期並無拖欠記錄的客戶有關。根據經驗，由於信貸質素並無顯著變動而信貸風險甚微，管理層認為毋須就此等應收款項作出減值虧損撥備。

- (iii) 於二零二零年及二零一九年六月三十日，按金、其他應收款項及預付款項及按金的上述結餘乃既未逾期亦未減值。該等結餘包括的金融資產不計息且與近期並無拖欠記錄之應收款項有關。根據經驗，由於信貸質素並無顯著變動而信貸風險甚微，管理層認為毋須就此等應收款項作出減值虧損撥備。

有關本集團之信貸政策以及源自應收貿易及其他款項之信貸風險的進一步詳情載於附註29。

16. 已抵押及受限制銀行存款

於二零二零年六月三十日，已抵押銀行存款於一年內到期。該等存款已抵押予一家銀行，作為本集團銀行融資之擔保。於二零二零年六月三十日，本集團已抵押銀行存款之實際年利率為0.25%。於二零二零年六月三十日，該銀行融資尚未動用並可供提取。

受限制銀行存款是指就銀行為室內解決方案項目之妥為履約提供之擔保而有關之銀行存款。

Notes to Financial Statements

財務報表附註

17. CASH AND CASH EQUIVALENTS

17. 現金及現金等價物

| | | 2020 | 2019 |
|---------------------------|----------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Cash and bank balances | 現金及銀行結餘 | 14,541 | 27,989 |
| Time deposits | 定期存款 | 5,000 | 12,020 |
| Cash and cash equivalents | 現金及現金等價物 | 19,541 | 40,009 |

At the end of the reporting period, the cash and cash equivalents of the Group denominated in Renminbi ("RMB") amounted to approximately HK\$756,000 (2019: HK\$2,653,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Certain of the Group's cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates.

於報告期結算日，本集團以人民幣（「人民幣」）計值之現金及現金等價物約756,000港元（二零一九年：2,653,000港元）。人民幣不可自由兌換為其他貨幣，然而根據中國內地外匯管制規例及結匯、售匯及付匯管理規定，本集團可透過獲准進行外匯業務之銀行將人民幣兌換為其他貨幣。

本集團存於銀行之若干現金基於每日銀行存款利率按浮動利率賺取利息。短期定期存款之不同存款期介乎一日至三個月不等，視乎本集團之即時現金需求而定，並按個別短期定期存款利率賺取利息。

Notes to Financial Statements

財務報表附註

18. TRADE AND OTHER PAYABLES

18. 應付貿易及其他款項

| | | | 2020 | 2019 |
|------------------------------|---------------|-------------|-----------------|-----------------|
| | | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Trade payables | 應付貿易款項 | (i) | 5,776 | 10,458 |
| Other payables and accruals | 其他應付及應計款項 | (ii) | 8,719 | 10,272 |
| Total | 總計 | | 14,495 | 20,730 |
| Less: Non-current portion | 減：非流動部份 | | | |
| Other payable | 其他應付款項 | (ii) | – | (450) |
| Total current portion | 流動部份總計 | | 14,495 | 20,280 |

Notes:

(i) An ageing analysis of trade payables, based on the invoice date, is as follows:

| | | 2020 | 2019 |
|---|-------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Less than 1 month | 不超過一個月 | 701 | 2,561 |
| 1 to 3 months | 一至三個月 | 2,312 | 6,472 |
| 3 to 6 months | 三至六個月 | 1,197 | 568 |
| More than 6 months but less than 1 year | 六個月以上但不超過一年 | 874 | 839 |
| More than 1 year | 一年以上 | 692 | 18 |
| | | 5,776 | 10,458 |

The Group's trade payables are non-interest bearing and generally have payment terms of 0 to 90 days.

(ii) As at 30 June 2020 and 2019, other payables under current portion are non-interest bearing and have average payment terms of 31 to 90 days.

As at 30 June 2019, other payable under non-current portion was non-interest bearing and was expected to be settled more than twelve months after the reporting period.

附註：

(i) 應付貿易款項之賬齡分析(按發票日期)如下：

本集團的應付貿易款項乃不計息，且償還期限通常為0至90日。

(ii) 於二零二零年及二零一九年六月三十日，流動部份下之其他應付款項乃不計息且平均償還期為31至90日。

於二零一九年六月三十日，非流動部份下之其他應付款項為不計息及預期將於報告期後超過十二個月結清。

Notes to Financial Statements

財務報表附註

19. CONTRACT LIABILITIES

19. 合約負債

| | | 2020 | 2019 |
|--|--------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Contract liabilities in relation to: | 有關以下項目之合約負債： | | |
| Millwork and furniture | 金屬、玻璃及木製品及傢俱 | 3,152 | 3,529 |
| Interior solutions projects | 室內解決方案項目 | 1,036 | 623 |
| Maintenance service | 保養服務 | – | 31 |
| Design and project consultancy service | 設計及項目諮詢服務 | 129 | 91 |
| | | 4,317 | 4,274 |

Note:

- (i) The contract liabilities primarily relate to the advanced consideration received from customers.

The following table shows the movements in contract liabilities.

附註：

- (i) 合約負債主要關於已收客戶之預付代價。

下表列示合約負債之變動。

| | | HK\$'000 千港元 |
|---|-----------------------|-----------------|
| At 1 July 2018 | 於二零一八年七月一日 | 6,599 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | 計入年初時之合約負債結餘之已確認收入 | (6,599) |
| Increase in contract liabilities | 合約負債增加 | 4,274 |
| At 30 June 2019 and 1 July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | 4,274 |
| Revenue recognised that was included in the contract liability balance at the beginning of the year | 計入年初時之合約負債結餘之已確認收入 | (4,274) |
| Increase in contract liabilities | 合約負債增加 | 4,317 |
| At 30 June 2020 | 於二零二零年六月三十日 | 4,317 |

Typical payment terms which impact on the amount of contract liabilities recognised are as follow:

When the Group receives a deposit before the service commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the relevant contract exceeds the amount of the deposit. The Group typically receives a 5% deposit from certain customers before the service commences.

The Group's contracts usually have duration of one year or less from date of contract inception to date of satisfaction of performance obligation. The Group has applied the practical expedient and therefore does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

影響已確認合約負債金額之常見付款條款如下：

當本集團於生產活動展開前收取按金，合約負債將於合約開始時產生，直至相關合約之已確認收入超出按金金額。本集團一般在服務開始前向若干客戶收到5%按金。

本集團訂立的合約一般由合約開始日至達成履約責任之日止為期一年或以下。本集團已採用實際權宜方法，並因此並無就本集團達成原定預計日期曾為一年或以下的合約中的剩餘履約責任時將有權獲得的收入，提供有關收入的資料。

Notes to Financial Statements

財務報表附註

20. DEFERRED TAX

Details of the deferred tax liabilities recognised and movements during the year are as follows:

| | | Accelerated depreciation allowance 加速折舊免稅額 |
|---|-----------------------|---|
| | | HK\$'000 千港元 |
| At 1 July 2018 | 於二零一八年七月一日 | (201) |
| Credited to profit or loss for the year (Note 10) | 計入本年度損益(附註10) | 7 |
| At 30 June 2019 and 1 July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | (194) |
| Credited to profit or loss for the year (Note 10) | 計入本年度損益(附註10) | 194 |
| At 30 June 2020 | 於二零二零年六月三十日 | - |

As at 30 June 2020, certain subsidiaries of the Group had estimated tax losses arising in Hong Kong amounting to approximately HK\$41,468,000 (2019: HK\$28,328,000) that are available indefinitely for offsetting against their future taxable profits of those companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised. Tax losses can be carried forward indefinitely.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

21. SHARE CAPITAL

Ordinary shares of HK\$0.01 each

| | | Number of shares 股份數目 | HK\$'000 千港元 |
|---|--|--------------------------|-----------------|
| Authorised: | 法定： | | |
| At 1 July 2018, 30 June 2019, 1 July 2019 and 30 June 2020 | 於二零一八年七月一日、二零一九年 六月三十日、二零一九年七月一日及 二零二零年六月三十日 | 10,000,000,000 | 100,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| At 1 July 2018, 30 June 2019 and 1 July 2019 | 於二零一八年七月一日、二零一九年 六月三十日及二零一九年七月一日 | 2,400,000,000 | 24,000 |
| Placing of new shares (Note) | 配售新股份(附註) | 480,000,000 | 4,800 |
| At 30 June 2020 | 於二零二零年六月三十日 | 2,880,000,000 | 28,800 |

Note:

On 2 April 2020, the Company entered into a placing agreement with a placing agent pursuant to which the placing agent has conditionally agreed, as the placing agent of the Company, to procure on a best effort basis to not less than six placees to subscribe for up to 480,000,000 ordinary shares with par value of HK\$0.01 each at a price of HK\$0.0233 each (the "Placing"). The Placing was completed on 17 April 2020 and the premium on the issue and allotment of shares, amounting to approximately HK\$6,048,000, net of related transaction costs of approximately HK\$336,000 was credited to the Company's share premium account. Further details were set out in the Company's announcements dated 2 April 2020 and 17 April 2020.

20. 遞延稅項

於本年度之已確認遞延稅項負債及變動詳情如下：

Accelerated
depreciation
allowance
加速折舊免稅額

| | HK\$'000 千港元 |
|-----------------------|-----------------|
| 於二零一八年七月一日 | (201) |
| 計入本年度損益(附註10) | 7 |
| 於二零一九年六月三十日及二零一九年七月一日 | (194) |
| 計入本年度損益(附註10) | 194 |
| 於二零二零年六月三十日 | - |

本集團若干附屬公司於二零二零年六月三十日於香港產生估計稅項虧損約41,468,000港元(二零一九年：28,328,000港元)，可無限期用作抵銷產生虧損的該等公司的未來應課稅溢利。由於認為不大可能有應課稅溢利可供用於抵銷稅項虧損，故並無就該等虧損確認遞延稅項資產。稅項虧損可無限期結轉。

本公司向股東派付股息概不附帶任何所得稅後果。

21. 股本

每股面值0.01港元之普通股

附註：

於二零二零年四月二日，本公司與配售代理訂立配售協議，據此，配售代理有條件地同意出任本公司之配售代理，以盡全力基準按每股0.0233港元之價格安排不少於六名承配人認購最多480,000,000股每股面值0.01港元之普通股(「配售事項」)。配售事項已於二零二零年四月十七日完成，發行及配發股份之溢價約為6,048,000港元，扣除相關交易成本約336,000港元後，已計入本公司之股份溢價賬戶。進一步詳情載於本公司日期為二零二零年四月二日及二零二零年四月十七日之公告。

Notes to Financial Statements

財務報表附註

22. RESERVES

The Group

The amounts of the Group's reserves and the movements therein for each reporting period are presented in the consolidated statement of changes in equity of the financial statements.

The nature and purpose of reserves within equity are as follows:

- (i) *Share premium*
Share premium account of the Group represents the excess of the proceeds received over the nominal value of the Company's shares issued.
- (ii) *Merger reserve*
The merger reserve of the Group represents the difference between the investment costs in subsidiaries and the nominal value of the issued share capital of the Group's subsidiaries.
- (iii) *Exchange reserve*
It comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.
- (iv) *Accumulated losses*
It represents cumulative net profits or losses recognised in the consolidated statement of profit or loss and other comprehensive income.

22. 儲備

本集團

本集團於各報告期間之儲備金額及其變動情況於財務報表的綜合權益變動表內呈列。

權益內之儲備的性質及目的如下：

- (i) *股份溢價*
本集團的股份溢價賬指已收所得款項高於本公司已發行股份面值的差額。
- (ii) *合併儲備*
本集團的合併儲備指投資於附屬公司的成本與本集團附屬公司已發行股本的賬面值之間的差額。
- (iii) *匯兌儲備*
匯兌儲備包括所有換算境外業務財務報表所產生之外匯差額。
- (iv) *累計虧損*
累計虧損指於綜合損益及其他全面收益表確認之累計淨利潤或虧損。

Notes to Financial Statements

財務報表附註

23. SHARE OPTION SCHEME

Shareholders of the Company have conditionally adopted a share option scheme (the "Scheme") on 22 August, 2016.

A summary of the Scheme is set out as below:

- (i) The Scheme became effective for a period of 10 years commencing from the date on which Scheme becomes unconditional.
- (ii) Under the Scheme, a subscription price shall be a price solely determined by the board of directors and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a share on the date of grant of the option.
- (iii) An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made.
- (iv) The maximum number of shares issuable upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company (excluding, for this purpose, shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the Company's shares in issue as at the listing date or the date of approval of the refreshed limit.

No options have been granted since the adoption of the Scheme.

24. CAPITAL COMMITMENTS

The Group had capital commitments as follows:

| | | 2020 | 2019 |
|---|-------------------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Contracted, but not provided for, in respect of: property, plant and equipment | 已訂約但未撥備，有關： 物業、廠房及設備 | — | 7,735 |

23. 購股權計劃

本公司股東已於二零一六年八月二十二日有條件採納一項購股權計劃（「計劃」）。

計劃的摘要載列如下：

- (i) 計劃自計劃成為無條件當日起生效，為期10年。
- (ii) 根據計劃，認購價須由董事會全權釐定並通知參與者，且不得低於下列最高者：(i)於購股權授出日期（必須為營業日）於聯交所每日報價表所報的本公司股份收市價；(ii)於緊接購股權授出日期前五個營業日在聯交所每日報價表所報的本公司股份平均收市價；及(iii)於購股權授出日期的股份面值。
- (iii) 授出購股權的要約限於作出有關要約日期（包括該日）起計七日內接納。
- (iv) 因行使根據計劃及本公司任何其他購股權計劃將予授出的所有購股權而可予發行的股份數目上限（就此而言，不包括因行使已授出但根據計劃或本公司任何其他購股權計劃條款已失效的購股權而可予發行的股份），合共不得超出本公司於上市日期或經更新限額獲批准日期之全部已發行股份的10%。

自採納計劃以來並無授出購股權。

24. 資本承擔

本集團之資本承擔如下：

Notes to Financial Statements

財務報表附註

25. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements during the reporting period, the Group entered into the following significant transactions with its related parties as follows:

| | | | 2020 | 2019 |
|--|------------------------|-------|----------|----------|
| | | Notes | HK\$'000 | HK\$'000 |
| | | 附註 | 千港元 | 千港元 |
| Purchases of woodwork from related companies | 向關聯公司採購木製品 | (i) | 18 | 1,346 |
| Contract revenue from interior solutions projects from a related company | 來自一間關聯公司之室內解決方案項目之合約收入 | (ii) | 8 | 138 |
| Design and project consultancy service income from a related company | 來自一間關聯公司之設計及項目諮詢服務收入 | (iii) | — | 12 |
| Sales of millwork and furniture to a related company | 向一間關聯公司銷售金屬、玻璃及木製品以及傢俱 | (iv) | 2 | 1 |
| Purchase of property, plant and equipment from a related company | 向一間關聯公司採購物業、廠房及設備 | (v) | — | 35 |
| Email and website service income from a related company | 來自一間關聯公司之電郵及網址服務收入 | (vi) | 4 | — |
| Marketing expense to a related company | 向一間關連公司支付市場推廣開支 | (vii) | 3 | — |

Notes:

- (i) The amount represents purchases of woodwork from Max Furniture Shenzhen Company Limited ("Max Furniture") (2020: HK\$nil; 2019: HK\$33,000) and Max Contracting Limited ("Max Contracting") (2020: HK\$18,000; 2019: HK\$1,313,000). Mr. Lee Wai Sang is a director and has approximately 33.3% beneficial interest in Max Contracting. Mr. Lee Wai Sang also has approximately 33.3% beneficial interest in Max Furniture.
- (ii) The amount represents income from interior solutions projects (2020: HK\$8,000; 2019: HK\$138,000) from HFL Limited. Mr. Lee Wai Sang is a director of HFL Limited and Mr. Lee Wai Sang and Ms. Leung Mo Shan, Jackie have 24.2% (30 June 2019: 24.2%) beneficial interests in HFL Limited.
- (iii) The amount represents income from design and project consultancy service (2020: HK\$nil; 2019: HK\$12,000) from HFL Limited.
- (iv) The amount represents income from sales of millwork and furniture (2020: HK\$2,000; 2019: HK\$500) from HFL Limited.
- (v) The amount represents selling price of property, plant and equipment from Max Contracting (2020: HK\$nil; 2019: HK\$35,000).
- (vi) The amount represents income from email and website service (2020: HK\$4,000; 2019: HK\$nil) from HFL Limited.
- (vii) The amount represents marketing expense (2020: HK\$3,000; 2019: HK\$nil) to Max Contracting.

25. 關聯方交易

- (a) 除於綜合財務報表其他章節所披露的交易及結餘外，於報告期間，本集團達成以下與其關聯方之重大交易：

附註：

- (i) 有關金額代表向宏大家具(深圳)有限公司(「宏大家具」)(二零二零年：零港元；二零一九年：33,000港元)及宏大設計工程有限公司(「宏大設計」)(二零二零年：18,000港元；二零一九年：1,313,000港元)採購木製品。李偉生先生為宏大設計之董事並擁有約33.3%實益權益。李偉生先生亦於宏大家具擁有約33.3%實益權益。
- (ii) 有關金額代表來自海福樓有限公司之室內解決方案項目之收入(二零二零年：8,000港元；二零一九年：138,000港元)。李偉生先生為海福樓有限公司之董事而李偉生先生及梁慕珊女士於海福樓有限公司擁有24.2%(二零一九年六月三十日：24.2%)實益權益。
- (iii) 有關金額代表來自海福樓有限公司之設計及項目諮詢服務之收入(二零二零年：零港元；二零一九年：12,000港元)。
- (iv) 有關金額代表來自海福樓有限公司之銷售金屬、玻璃及木製品之收入(二零二零年：2,000港元；二零一九年：500港元)。
- (v) 有關金額代表來自宏大設計之物業、廠房及設備之售價(二零二零年：零港元；二零一九年：35,000港元)。
- (vi) 有關金額代表來自海福樓有限公司之電郵及網址服務之收入(二零二零年：4,000港元；二零一九年：零港元)。
- (vii) 有關金額代表向宏大設計支付之市場推廣開支(二零二零年：3,000港元；二零一九年：零港元)。

Notes to Financial Statements

財務報表附註

25. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related parties:

| | | Maximum balance outstanding during the year 年內最高 未償還結餘 | | Maximum balance outstanding during the year 年內最高 未償還結餘 | |
|--|-----------------------------|---|-----------------|---|-----------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Year end balance included in trade and other receivables HFL Limited | 計入應收貿易及其他款項之年終結餘 海福樓有限公司 | - | 4 | - | 376 |
| Year end balance included in trade and other payables Max Contracting | 計入應付貿易及其他款項之年終結餘 宏大設計 | 683 | | 891 | |

(c) Compensation of key management personnel of the Group:

Details of directors' and the chief executive's remuneration and five highest paid employees are included in notes 8 and 9, respectively.

25. 關聯方交易 (續)

(b) 與關聯方之間的未償還結餘：

(c) 本集團主要管理層人員之薪酬：

董事及主要行政人員酬金以及五名最高薪酬僱員之詳情分別載於財務報表附註8及9。

26. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

26. 融資活動所產生之負債之對賬

| | | Lease liabilities (Note 14) 租賃負債 (附註14) |
|--|---|--|
| | | HK\$'000 千港元 |
| At 1 July 2018 and 30 June 2019 Initial application of HKFRS 16 | 於二零一八年七月一日及二零一九年六月三十日 首次應用香港財務報告準則第16號 | - 20,411 |
| At 1 July 2019 | 於二零一九年七月一日 | 20,411 |
| Changes in cash flow: | 現金流量變動： | |
| Repayment of principal portion of lease liabilities | 償還租賃負債之本金部分 | (4,460) |
| Repayment of interest portion of lease liabilities | 償還租賃負債之利息部分 | (802) |
| Total changes from financing cash flows: | 融資現金流量的變動總額： | (5,262) |
| Other changes: | 其他變動： | |
| Interest on lease liabilities | 租賃負債之利息 | 802 |
| Lease modifications | 租賃修改 | 1,084 |
| Rent concessions | 租金減免 | (5) |
| Total other changes: | 其他變動合計： | 1,881 |
| At 30 June 2020 | 於二零二零年六月三十日 | 17,030 |

Notes to Financial Statements

財務報表附註

27. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITY BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

27. 按類別劃分之金融資產及金融負債概要

於報告期結算日各類金融工具之賬面值如下：

| Financial assets | | 金融資產 | |
|--|------------------|-----------------|-----------------|
| | | 2020 | 2019 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Financial assets measured at amortised cost | 按攤銷成本列賬之金融資產 | | |
| Financial assets included in trade and other receivables | 計入應收貿易及其他款項之金融資產 | 6,312 | 15,128 |
| Pledged and restricted bank deposits | 已抵押及受限制銀行存款 | 7,920 | – |
| Cash and cash equivalents | 現金及現金等價物 | 19,541 | 40,009 |
| | | 33,773 | 55,137 |

| Financial liabilities | | 金融負債 | |
|--|------------------|-----------------|-----------------|
| | | 2020 | 2019 |
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Financial liabilities measured at amortised cost | 按攤銷成本列賬之金融負債 | | |
| Financial liabilities included in trade and other payables | 計入應付貿易及其他款項之金融負債 | 14,495 | 20,280 |
| Lease liabilities | 租賃負債 | 17,030 | – |
| | | 31,525 | 20,280 |

Notes to Financial Statements

財務報表附註

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, financial assets included in trade and other receivables and financial liabilities included in trade and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instrument comprises cash and bank balances. The main purpose of this financial instrument is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from the Group's operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, interest rate risk and liquidity risk. The directors meet periodically to analyse and formulate measures to manage each of these risks and they are summarised below.

28. 金融工具之公平值

管理層已評估，現金及現金等價物、計入應收貿易及其他款項之金融資產以及計入應付貿易及其他款項之金融負債之公平值與其各自之賬面值相若，主要由於該等工具於短期內到期。

金融資產及負債之公平值按自願雙方（非強迫或清盤銷售）之間的當前交易中進行交換的工具的金額入賬。

29. 財務風險管理目標及政策

本集團之主要金融工具包括現金及銀行結餘。此金融工具之主要目的在於為本集團之營運提供資金。本集團還有多類其他金融資產及負債，如應收貿易及其他款項以及應付貿易及其他款項，乃直接由本集團業務產生。

本集團金融工具產生之主要風險為外幣風險、信貸風險、利率風險及流動資金風險。董事定期舉行會議以分析及制訂措施以管理各項該等風險，有關資料於下文概述。

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

- (i) The Group has certain assets and liabilities denominated in currencies other than the functional currency of the group entities to which they relate. The Group currently has no particular hedging vehicles to hedge its exposure to foreign exchange risk. It is the Group's policy to monitor foreign exchange exposure and to make use of appropriate hedging measures when required.

The following table details the Group's exposure at the end of each reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The Group is mainly exposed to the fluctuation of United States dollars ("USD"), Renminbi ("RMB"), Euros ("EUR") and Great British Pound ("GBP"). For presentation purposes, the amounts of the exposure are shown in HK\$, translated using the spot rate at the end of each reporting period as follows:

| | | USD 美元 HK\$'000 千港元 | RMB 人民幣 HK\$'000 千港元 | EUR 歐元 HK\$'000 千港元 | GBP 英鎊 HK\$'000 千港元 |
|-----------------------------|-------------|------------------------------|-------------------------------|------------------------------|------------------------------|
| As at 30 June 2020 | 於二零二零年六月三十日 | | | | |
| Trade and other receivables | 應收貿易及其他款項 | —* | 6 | 43 | — |
| Pledged bank deposits | 已抵押銀行存款 | 6,778 | — | — | — |
| Cash and cash equivalents | 現金及現金等價物 | 1,240 | 50 | 32 | 370 |
| Overall net exposure | 整體淨風險 | 8,018 | 56 | 75 | 370 |

* Represent amount of less than HK\$1,000

* 指低於1,000港元的款項

| | | USD 美元 HK\$'000 千港元 | RMB 人民幣 HK\$'000 千港元 | EUR 歐元 HK\$'000 千港元 | GBP 英鎊 HK\$'000 千港元 |
|---------------------------|-------------|------------------------------|-------------------------------|------------------------------|------------------------------|
| As at 30 June 2019 | 於二零一九年六月三十日 | | | | |
| Cash and cash equivalents | 現金及現金等價物 | 8,451 | 136 | — | 30 |

29. 財務風險管理目標及政策(續)

外幣風險

- (i) 本集團有若干資產及負債之計值貨幣並非相關集團實體之功能貨幣。本集團目前並無特定對沖工具以對沖外匯風險。本集團的政策為監察外匯風險並在需要時採取適當的對沖措施。

下表詳列本集團在各報告期末面對源自並非以相關實體之功能貨幣計值之已確認資產或負債的貨幣風險。本集團主要面對美元(「美元」)、人民幣(「人民幣」)、歐元(「歐元」)及英鎊(「英鎊」)波動。就呈列而言，有關風險金額以港元(按各報告期末之即期匯率)列示如下：

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk (continued)

(ii) Sensitivity analysis

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the HK\$ exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity.

As USD is pegged to HK\$, the foreign currency risk is considered as minimal.

29. 財務風險管理目標及政策(續)

外幣風險(續)

(ii) 敏感度分析

下表列示於報告期結算日在所有其他變數維持不變的情況下，本集團除稅前溢利(因貨幣資產及負債之公平值變動而產生)及本集團權益對港元匯率出現合理可能變動時之敏感度。

由於美元與港元掛鈎，外幣風險被視為甚低。

| | | Increase/ (decrease) in exchange rate 匯率 上升/(下降) | Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) | Increase/ (decrease) in equity* 權益 增加/(減少)* |
|---|------------|---|--|---|
| | | % 百分比 | HK\$'000 千港元 | HK\$'000 千港元 |
| 2020 | 二零二零年 | | | |
| If Hong Kong dollar weakens against | 倘港元兌以下貨幣貶值 | | | |
| RMB | 人民幣 | 3 | 3 | — |
| EUR | 歐元 | 5 | 2 | — |
| GBP | 英鎊 | 4 | 13 | — |
| If Hong Kong dollar strengthens against | 倘港元兌以下貨幣升值 | | | |
| RMB | 人民幣 | (3) | (3) | — |
| EUR | 歐元 | (5) | (2) | — |
| GBP | 英鎊 | (4) | (13) | — |
| 2019 | 二零一九年 | | | |
| If Hong Kong dollar weakens against | 倘港元兌以下貨幣貶值 | | | |
| RMB | 人民幣 | 4 | 6 | — |
| GBP | 英鎊 | 4 | 1 | — |
| If Hong Kong dollar strengthens against | 倘港元兌以下貨幣升值 | | | |
| RMB | 人民幣 | (4) | (6) | — |
| GBP | 英鎊 | (4) | (1) | — |

* Excluding accumulated losses

* 不包括累計虧損

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The credit risk of the Group mainly arises from bank balances, trade receivables, retention receivables, and deposits and other receivables.

Bank balances

The Group's exposure to credit risk arising from bank balances is limited because the counterparties are banks with high credit-rating assigned by international credit-rating agencies, for which the Group considers the credit risk is negligible.

Trade and retention receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, all trade receivables are closely monitored on an ongoing basis to minimise the Group's exposure to bad debts. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Concentrations of credit risk are managed by customer and by geographical. The Group has concentration risk on its major customers (Note 4) which accounted for 49.5% (2019: 61.4%) of its revenue for the year ended 30 June 2020. The Group's major customers are reputable companies. The management of the Group closely monitors the subsequent settlement of the customers. In this regard, the management of the Group considers the Group's credit risk is significantly reduced.

The Group measures loss allowances for trade and retention receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

As at 30 June 2020 and 2019, the Group has assessed that the ECL for retention receivables was immaterial. Thus, no loss allowance for retention receivables was recognised.

29. 財務風險管理目標及政策(續)

信貸風險

本集團的信貸風險主要來自銀行結餘、應收貿易款項、應收保質金，以及按金及其他應收款項。

銀行結餘

由於交易對手方均為國際信貸評級機構給予高信貸評級之銀行，本集團認為有關信貸風險可忽略不計，因此本集團因銀行結餘而面對之信貸風險有限。

自應收貿易款項及應收保質金

本集團僅與相識及信譽良好之第三方進行交易。本集團之政策為所有擬以信貸方式進行交易之客戶均須通過信貸評核程序。此外，本集團持續密切監察所有應收貿易款項，以盡量減低本集團之壞賬風險。由於本集團僅與相識及信譽良好之第三方進行交易，故並無要求提供抵押品。

信貸風險集中之情況乃按客戶及按地理位置劃分而管理。本集團有主要客戶集中風險(附註4)，佔截至二零二零年六月三十日止年度收益的49.5%(二零一九年：61.4%)。本集團主要客戶為信譽良好的公司。本集團的管理層密切監督客戶的後續結算。就此而言，本集團管理層認為，本集團的信貸風險已大幅降低。

本集團採用等於全期預期信貸虧損的金額計量應收貿易款項及應收保質金的虧損撥備，而全期預期信貸虧損採用撥備矩陣計算。由於本集團的過往信貸虧損記錄並未顯示不同客戶群體存在明顯不同的損失模式，因此，基於逾期狀態的虧損撥備並無就本集團的不同客戶群體作進一步的區分。

於二零二零年及二零一九年六月三十日，本集團已評估應收保質金之預期信貸虧損並不重大。因此，並無確認應收保質金之虧損撥備。

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade and retention receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECL for trade receivables as at 30 June 2020:

| | | Expected loss rate 預期虧損率 | Gross carrying amounts 賬面總額 | Loss allowance 虧損撥備 |
|--|----------------|-----------------------------|--------------------------------|------------------------|
| | | (%) (%) | (HK\$'000) (千港元) | (HK\$'000) (千港元) |
| Current (not past due) to 30 days past due | 即期(並無逾期)至逾期30天 | 0.5-1.0 | 900 | 5 |
| 31-90 days past due | 逾期31-90天 | 1.5-2.0 | 1,918 | 30 |
| 91-180 days past due | 逾期91-180天 | 4.0-12.0 | 190 | 8 |
| More than 180 days past due | 逾期180天以上 | 16.0-95.0 | 550 | 479 |
| | | | 3,558 | 522 |

The Group did not provide any loss allowance for the trade receivables for the year ended 30 June 2019 as the financial impact arising from the credit risk of trade receivables was considered as minimal.

Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

| | | HK\$'000 千港元 |
|--|---------------------------------|-----------------|
| At 1 July 2018, 30 June 2019 and 1 July 2019 | 於二零一八年七月一日、二零一九年六月三十日及二零一九年七月一日 | — |
| Impairment loss recognised | 已確認減值虧損 | 522 |
| At 30 June 2020 | 於二零二零年六月三十日 | 522 |

29. 財務風險管理目標及政策(續)

信貸風險(續)

自應收貿易款項及應收保質金(續)

下表提供本集團於二零二零年六月三十日之應收貿易款項之信貸風險及預期信貸虧損之資料：

| | Expected loss rate 預期虧損率 | Gross carrying amounts 賬面總額 | Loss allowance 虧損撥備 |
|--|-----------------------------|--------------------------------|------------------------|
| | (%) (%) | (HK\$'000) (千港元) | (HK\$'000) (千港元) |
| Current (not past due) to 30 days past due | 0.5-1.0 | 900 | 5 |
| 31-90 days past due | 1.5-2.0 | 1,918 | 30 |
| 91-180 days past due | 4.0-12.0 | 190 | 8 |
| More than 180 days past due | 16.0-95.0 | 550 | 479 |
| | | 3,558 | 522 |

截至二零一九年六月三十日止年度，由於認為應收貿易款項之信貸風險產生之財務影響極小，因此本集團並無為貿易應收貿易款項作出任何虧損撥備。

預期虧損率以實際虧損經驗為基礎。該等比率會作出調整，以反映收集過往數據期間之經濟狀況、目前狀況及本集團對應收款項預期年期內經濟狀況之看法之間的差異。

本年度應收貿易款項虧損撥備賬之變動如下：

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Deposits and other receivables

The Group makes periodic collective assessments as well as individual assessment on the recoverability of deposits and other receivables based on historical settlement records and past experience, current conditions and forecasts of future economic conditions. At the reporting date, the credit risks on deposits and other receivable have not increased significantly since initial recognition, the Group measures the loss allowance for other receivable at an amount equal to 12-month ECL.

As at 30 June 2020 and 2019, the Group has assessed that the expected credit loss for deposits and other receivables were immaterial. Thus, no loss allowance for deposits and other receivables were recognised.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group currently does not have a policy on cash flow hedges of interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank balances. The analysis is prepared assuming that the bank balances at the end of each reporting period were bank balances for the whole year. 25 basis points increase or decrease represents management's assessment of the reasonably possible change in interest rates of bank balances. In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the exposures at the end of each reporting period do not reflect the exposures during each reporting period.

If interest rates on bank balances had been 25 basis points higher/lower and all other variables were held constant, the potential effect on the Group's post-tax profit for the years ended 30 June 2020 and 2019 is as follows:

| | | 2020 | 2019 |
|--|-------------|-----------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 |
| Increase/(decrease) in profit for the year | 年內溢利增加/(減少) | | |
| – as a result of increase in interest rate | – 由於利率上升 | 68 | 100 |
| – as a result of decrease in interest rate | – 由於利率下降 | (68) | (100) |

29. 財務風險管理目標及政策(續)

信貸風險(續)

按金及其他應收款項

本集團根據過往結算紀錄及經驗、現況及未來經濟情況預測，定期對按金及其他應收款項之可收回成數進行共同及個別評估。於報告日期，按金及其他應收款項之信貸風險自首次確認以來並無顯著增加，因此本集團按相等於12個月之預期信貸虧損計量其他應收款項之虧損撥備。

於二零二零年及二零一九年六月三十日，本集團已評估按金及其他應收款項之預期信貸虧損並不重大。因此，並無確認按金及其他應收款項之虧損撥備。

利率風險

本集團面對有關浮息銀行結餘的現金流量利率風險。本集團現時並無有關利率風險的現金流量對沖政策。然而，管理層監察利率風險並將於需要時考慮對沖重大利率風險。

敏感度分析

以下敏感度分析根據所面對的浮息銀行結餘的利率風險釐定。分析乃假設各報告期末之銀行結餘乃整個年度的銀行結餘而編制。25基點上升或下降代表管理層對銀行結餘的利率合理潛在變動所作之評估。管理層認為，敏感度分析不能代表固有利率風險，原因為各報告期末的風險並無反映各報告期間的風險。

倘銀行結餘的利率上升/下降25基點及所有其他變數保持恒定不變，則對本集團截至二零二零年及二零一九年六月三十日止年度之除稅後溢利的潛在影響如下：

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and overdrafts, obligations under finance leases and trust receipt loans. The Group's policy is to maintain the Group at a net current asset position.

The maturity profile of the Group's financial liability as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

| | Carrying amount | Total contractual undiscounted cash flows | Repayable within one year or on demand | Over 1 year but less than 2 years | Over 2 year but less than 5 years |
|--------------------------|-----------------|---|--|-----------------------------------|-----------------------------------|
| | 賬面值 | 合約未貼現現金流量總額 | 須於一年內或應要求償還 | 一年後但兩年內 | 兩年後但五年內 |
| | 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 30 June 2020 | 於二零二零年六月三十日 | | | | |
| Trade and other payables | 應付貿易及其他款項 | 14,495 | 14,495 | - | - |
| Lease liabilities | 租賃負債 | 17,030 | 5,154 | 7,072 | 5,992 |
| | | 31,525 | 19,649 | 7,072 | 5,992 |
| At 30 June 2019 | 於二零一九年六月三十日 | | | | |
| Trade and other payables | 應付貿易及其他款項 | 20,280 | 20,280 | - | - |

The Group obtained a banking facility of HK\$15,000,000 (2019: HK\$20,000,000) which is secured by the unlimited guarantees from the holding company of the Group and a charge over deposits at all times not less than HK\$6,700,000 or its equivalent in other currencies (2019: the unlimited guarantees from the holding company of the Group). The Group shall also maintain average current account and saving account balance not less than HK\$20,000,000. Up to the date of this report, the banking facility has not yet been utilised.

29. 財務風險管理目標及政策(續)

流動資金風險

本集團透過採用經常性流動資金計劃工具，監察其資金短缺的風險。此工具會考慮其金融工具及金融資產(如應收貿易款項)的到期日以及來自經營業務的預期現金流量。

本集團之目標旨在透過使用銀行貸款及透支、融資租賃承擔及信託收據貸款維持資金持續供應與靈活性之間的平衡。本集團之政策是維持本集團處於流動資產淨值水平。

根據已訂約未貼現賬款，本集團金融負債於報告期結算日之到期情況如下：

本集團獲授予15,000,000港元(二零一九年：20,000,000港元)的銀行融資，該融資由本集團控股公司作出的無限擔保及以於任何時候金額不少於6,700,000港元或其他貨幣等值金額之存款的押記作為保證(二零一九年：由本集團控股公司作出無限擔保)。本集團亦維持平均活期賬戶及儲蓄賬戶結餘不少於20,000,000港元。直至本報告日期，銀行融資尚未動用。

Notes to Financial Statements

財務報表附註

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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 healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2020 and 30 June 2019.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses as disclosed in the consolidated financial statements.

The directors of the Company review the capital structure periodically. As part of this review, the directors consider the cost of capital and risk associate with each class of capital. Based on recommendations of the directors, the Group will balance the overall capital structure of the Group through the payment of dividends, new share issues as well as the raising of new bank loans.

Management regards total equity as capital, for capital management purpose. The amount of capital as at 30 June 2020 amounted to approximately HK\$19,095,000 (2019: HK\$36,443,000), in which management considers as optimal having considered the projected capital expenditures and the projected strategic investment opportunities.

29. 財務風險管理目標及政策(續)

資本管理

本集團資本管理之主要目標為確保本集團有能力持續經營業務及維持穩健資本比率，以支持其業務並最大限度提升股東價值。

本集團管理其資本架構並根據經濟環境之變化以及相關資產之風險特點作出調整。為維持或調整資本架構，本集團可調整支付予股東之股息、向股東返還資本或發行新股。截至二零二零年六月三十日及二零一九年六月三十日止年度，資金管理之目標、政策或程序並無改變。

本集團的資本結構包括現金及現金等價物以及本公司擁有人應佔權益(包括綜合財務報表披露的已發行股本、儲備及累計虧損)。

本公司董事定期審視資本架構。作為是項審視的一環，董事考慮資金成本以及各類資本的相關風險。根據董事的建議，本集團將通過支付股息、新股發行以及新造銀行貸款來平衡本集團的整體資本結構。

就資本管理而言，管理層將總權益視為資本。於二零二零年六月三十日的資本金額約為19,095,000港元(二零一九年：36,443,000港元)，管理層經考慮預計資本開支及預計策略投資機遇後認為該水平為最佳。

Notes to Financial Statements

財務報表附註

30. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

30. 控股公司之財務狀況表

有關本公司於報告期結算日之財務狀況表之資料如下：

| | | 2020 | | 2019 | |
|-------------------------------|-------------|------|------------------|------|------------------|
| | | Note | HK\$'000 | | HK\$'000 |
| | | 附註 | 千港元 | | 千港元 |
| Non-current assets | 非流動資產 | | | | |
| Investment in a subsidiary | 投資一間附屬公司 | | — ⁽¹⁾ | | — ⁽¹⁾ |
| Amounts due from subsidiaries | 應收附屬公司款項 | | 35,312 | | 43,323 |
| | | | 35,312 | | 43,323 |
| Current assets | 流動資產 | | | | |
| Prepayments | 預付款項 | | 281 | | 288 |
| Amounts due from subsidiaries | 應收附屬公司款項 | | 2,844 | | 8,576 |
| Cash and cash equivalents | 現金及現金等價物 | | 7,437 | | 629 |
| | | | 10,562 | | 9,493 |
| Current liabilities | 流動負債 | | | | |
| Other payables and accruals | 其他應付款項及應計款項 | | 95 | | 55 |
| Amounts due to shareholders | 應付股東款項 | | —* | | —* |
| Amount due to a subsidiary | 應付附屬公司款項 | | 2,497 | | 2,497 |
| | | | 2,592 | | 2,552 |
| NET CURRENT ASSETS | 流動資產淨值 | | 7,970 | | 6,941 |
| NET ASSETS | 資產淨值 | | 43,282 | | 50,264 |
| Capital and reserves | 資本及儲備 | | | | |
| Share capital | 股本 | | 28,800 | | 24,000 |
| Reserves | 儲備 | (a) | 14,482 | | 26,264 |
| TOTAL EQUITY | 總權益 | | 43,282 | | 50,264 |

* Represent amount of less than HK\$1,000

⁽¹⁾ Investment in a subsidiary represents unlisted investment, measured at cost.

On behalf of the board of directors

Mr. Lee Wai Sang
李偉生先生
Director
董事

* 指低於1,000港元的款項。

⁽¹⁾ 投資一間附屬公司指未上市投資(按成本計算)。

代表董事會

Mr. Leung Pak Yin
梁伯然先生
Director
董事

Notes to Financial Statements

財務報表附註

30. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION (continued)

(a) A summary of the Company's reserve is as follows:

| | | Share premium 股份溢價賬 | Accumulated losses 累計虧損 | Total 總計 |
|--|-----------------------|------------------------|----------------------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 1 July 2018 | 於二零一八年七月一日 | 56,615 | (21,210) | 35,405 |
| Loss and total comprehensive income for the year | 年度虧損及全面收入總額 | - | (9,141) | (9,141) |
| As at 30 June 2019 and 1 July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | 56,615 | (30,351) | 26,264 |
| Loss and total comprehensive income for the year | 年度虧損及全面收入總額 | - | (17,830) | (17,830) |
| Proceeds from placing of new shares | 配售新股份的所得款項 | 6,384 | - | 6,384 |
| Issuing expenses of placing of new shares | 配售新股份的發行開支 | (336) | - | (336) |
| As at 30 June 2020 | 於二零二零年六月三十日 | 62,663 | (48,181) | 14,482 |

31. EVENTS AFTER REPORTING PERIOD

- (a) Subsequent to the reporting period, in August 2020, the Group entered into a tenancy agreement with a tenant, an independent third party, for the lease of the Group's leasehold land and building in Hong Kong with carrying amount of HK\$8,100,000 as at 30 June 2020.
- (b) On 23 September 2020, the Company proposed to implement a share consolidation pursuant to which every four (4) issued and unissued ordinary shares of HK\$0.01 each in the share capital of the Company will be consolidated into one (1) consolidated share of par value HK\$0.04 each in the share capital of the Company (the "Share Consolidation"). The Share Consolidation is conditional upon, among other things, the approval of the shareholders at the extraordinary general meeting of the Company and therefore, is not yet effective as of the date of this report.

A circular containing, among other matters, further details of the Share Consolidation is expected to be dispatched to the shareholders on or before 16 October 2020.

For the details of the Share Consolidation, please refer to the announcement of the Company dated 23 September 2020.

32. APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 30 June 2020 were approved for issue by the directors on 25 September 2020.

30. 控股公司之財務狀況表(續)

(a) 本公司儲備之概要如下：

| | | Share premium 股份溢價賬 | Accumulated losses 累計虧損 | Total 總計 |
|--|-----------------------|------------------------|----------------------------|-----------------|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 1 July 2018 | 於二零一八年七月一日 | 56,615 | (21,210) | 35,405 |
| Loss and total comprehensive income for the year | 年度虧損及全面收入總額 | - | (9,141) | (9,141) |
| As at 30 June 2019 and 1 July 2019 | 於二零一九年六月三十日及二零一九年七月一日 | 56,615 | (30,351) | 26,264 |
| Loss and total comprehensive income for the year | 年度虧損及全面收入總額 | - | (17,830) | (17,830) |
| Proceeds from placing of new shares | 配售新股份的所得款項 | 6,384 | - | 6,384 |
| Issuing expenses of placing of new shares | 配售新股份的發行開支 | (336) | - | (336) |
| As at 30 June 2020 | 於二零二零年六月三十日 | 62,663 | (48,181) | 14,482 |

31. 報告期後事項

- (a) 於報告期後，本集團於二零二零年八月與一名租戶(為獨立第三方)就租賃於二零二零年六月三十日賬面值為8,100,000港元之本集團香港租賃土地及樓宇訂立租賃協議。
- (b) 於二零二零年九月二十三日，本公司建議進行股份合併，據此，本公司股本中每四(4)股每股面值0.01港元之已發行及未發行普通股將合併為本公司股本中的一(1)股每股面值0.04港元之合併股份(「股份合併」)。股份合併須待(其中包括)股東於本公司股東特別大會上批准後，方可作實，因此於本報告日期尚未生效。

預期載有(其中包括)股份合併進一步詳情之通函將於二零二零年十月十六日或之前寄發予股東。

有關股份合併之詳情，請參閱日期為二零二零年九月二十三日之本公司公告。

32. 核准財務報表

截至二零二零年六月三十日止年度之綜合財務報表已於二零二零年九月二十五日由董事批准刊發。

Five-Year Financial Summary

五年財務概要

A summary of the results and of the assets, equity and liabilities of the Group for the last five financial years is as follows:

本集團最近五個財政年度的業績以及資產、權益及負債的摘要如下：

GROUP RESULTS

本集團業績

| | | Year ended 30 June 截至六月三十日止年度 | | | | |
|--|---|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| | | 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 |
| Revenue | 收入 | 53,789 | 95,336 | 71,541 | 99,094 | 132,719 |
| (Loss)/profit before income tax | 除所得稅前(虧損) ／溢利 | (28,366) | (9,606) | (22,731) | (20,860) | 16,293 |
| Income tax credit/(expenses) | 所得稅抵免／(開支) | 162 | (28) | (209) | 141 | (4,785) |
| (Loss)/profit for the year | 年度(虧損)／溢利 | (28,204) | (9,634) | (22,940) | (20,719) | 11,508 |
| Total comprehensive income for the year attributable to: Owners/Equity holders of the Group | 以下人士應佔年度全面 收入總額： 本集團擁有人／ 權益持有人 | (28,196) | (9,387) | (22,875) | (20,793) | 11,449 |
| | | (28,196) | (9,387) | (22,875) | (20,793) | 11,449 |

GROUP ASSETS AND LIABILITIES

本集團資產及負債

| | | As at 30 June 於六月三十日 | | | | |
|------------------------------|---------|-------------------------|-----------------|-----------------|-----------------|-----------------|
| | | 2020 | 2019 | 2018 | 2017 | 2016 |
| | | 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 |
| Assets | 資產 | | | | | |
| Non-current assets | 非流動資產 | 20,777 | 7,405 | 7,194 | 5,629 | 1,151 |
| Current assets | 流動資產 | 34,160 | 54,274 | 61,351 | 90,052 | 47,292 |
| Total assets | 總資產 | 54,937 | 61,679 | 68,545 | 95,681 | 48,443 |
| Equity and liabilities | 權益及負債 | | | | | |
| Total equity | 總權益 | 19,095 | 36,443 | 45,830 | 68,705 | 8,883 |
| Non-current liabilities | 非流動負債 | 12,560 | 644 | 810 | 759 | 103 |
| Current liabilities | 流動負債 | 23,282 | 24,592 | 21,905 | 26,217 | 39,457 |
| Total liabilities | 總負債 | 35,842 | 25,236 | 22,715 | 26,976 | 39,560 |
| Total equity and liabilities | 權益及負債總額 | 54,937 | 61,679 | 68,545 | 95,681 | 48,443 |

Note: The summary of the consolidated results and of the assets, equity and liabilities of the Group for the last five financial years are extracted from the published audited financial statements.

附註：本集團於最近五個財政年度的綜合業績以及資產、權益及負債之概要乃摘錄自已刊發經審核財務報表。



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