



Aurum Pacific (China) Group Limited 奧栢中國集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 8148



Annual Report **2019** 年報

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CORPORATE INFORMATION

公司資料

DIRECTORS

Executive Directors

Mr. Chan Kwun Chung (Chief Executive Officer)

Mr. Ng Kin Man

Ms. Sin Pui Ying

Non-executive Director

Mr. Zheng Yongqiang

Independent Non-executive Directors

Mr. Leung Man Chun

Mr. Fok Kin Fung Eric

Dr. Lee G. Lam

COMPANY SECRETARY

Ms. Yuen Wing Kwan

AUDIT COMMITTEE

Mr. Leung Man Chun (Chairman)

Mr. Fok Kin Fung Eric

Dr. Lee G. Lam

REMUNERATION COMMITTEE

Mr. Leung Man Chun (Chairman)

Mr. Fok Kin Fung Eric

Mr. Chan Kwun Chung

NOMINATION COMMITTEE

Mr. Leung Man Chun (Chairman)

Mr. Fok Kin Fung Eric

Mr. Chan Kwun Chung

AUTHORISED REPRESENTATIVES

Mr. Chan Kwun Chung

Ms. Yuen Wing Kwan

REGISTERED OFFICE

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Hutchins Drive, P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

董事

執行董事

陳冠忠先生 (行政總裁)

伍健文先生

冼佩瑩女士

非執行董事

鄭永強先生

獨立非執行董事

梁文俊先生

霍健烽先生

林家禮博士

公司秘書

袁詠筠女士

審核委員會

梁文俊先生 (主席)

霍健烽先生

林家禮博士

薪酬委員會

梁文俊先生 (主席)

霍健烽先生

陳冠忠先生

提名委員會

梁文俊先生 (主席)

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陳冠忠先生

授權代表

陳冠忠先生

袁詠筠女士

註冊辦事處

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CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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Wanchai, Hong Kong

COMPLIANCE OFFICER

Mr. Chan Kwun Chung

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Baker Tilly Hong Kong Limited

PRINCIPAL BANKS

Bank of China (Hong Kong) Limited
China CITIC Bank International Limited
Industrial and Commercial Bank of China Limited
The Hong Kong and Shanghai Banking Corporation Limited
OCBC Wing Hang Bank Limited

STOCK CODE

8148

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www.aurumpacific.com.hk

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法規主任

陳冠忠先生

開曼群島股份過戶登記總處

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Cayman Islands

香港股份過戶登記分處

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合和中心54樓

核數師

天職香港會計師事務所有限公司

主要往來銀行

中國銀行(香港)有限公司
中信銀行(國際)有限公司
中國工商銀行股份有限公司
香港上海滙豐銀行有限公司
華僑永亨銀行有限公司

股份代號

8148

公司網站

www.aurumpacific.com.hk

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2019, the Company and its subsidiaries (collectively referred to as the “Group”) recorded a total revenue of approximately HK\$40,073,000, among which, the interest income from the money lending business through a wholly-owned subsidiary (the “Money Lending Business”) achieved a significant increment to approximately HK\$17,040,000 as compared with that of approximately HK\$13,473,000 in 2018. The developing and marketing of the patented server-based technology and the provision of communications software platform, software related services and the custom-made software development services (the “Software Platform Business”) also made a positive contribution in revenue of the Group during the year ended 31 December 2019 as it generated a segment revenue of approximately HK\$20,107,000 as compared with that of approximately HK\$18,603,000 in 2018. The revenue growth in these two segments offset the decrease in segment revenue from the game publishing, development of mobile game and related intellectual property and platform, mobile application and data solutions and provision of IT related solutions (the “Mobile Games and Applications Business”) to a certain extent during the year. This has nevertheless resulted in a decrease in total revenue of approximately HK\$13,895,000 or 25.7% as compared with that of approximately HK\$53,968,000 in 2018.

Cost of Sales

For the year ended 31 December 2019, the cost of sales of the Group amounted to approximately HK\$4,598,000 (2018: approximately HK\$9,124,000), which mainly comprised purchases and staff costs.

Gross Profit

As a result of the decrease in the total revenue as discussed above, gross profit of the Group decreased by approximately 20.9% to approximately HK\$35,475,000 (2018: approximately HK\$44,844,000) while the Group maintained a high gross profit margin of approximately 88.5% for the year ended 31 December 2019 (2018: approximately 83.1%).

財務回顧

收益

截至二零一九年十二月三十一日止年度，本公司及其附屬公司（統稱「本集團」）錄得總收益約40,073,000港元，其中，透過一間全資附屬公司提供放債服務（「放債業務」）所得利息收入，由二零一八年約13,473,000港元大幅增長至約17,040,000港元。截至二零一九年十二月三十一日止年度，開發及營銷以伺服器為基礎之專利技術及提供通訊軟件平台、軟件相關服務及定制軟件開發服務（「軟件平台業務」）亦為本集團之收益帶來正面貢獻，錄得分部收益約20,107,000港元，而二零一八年則約18,603,000港元。這兩個分部之收益增長，某程度抵銷了發行遊戲、開發手機遊戲及相關知識產權與平台、手機應用及數據解決方案並提供資訊科技相關解決方案（「手機遊戲及應用業務」）於年內之分部收益下降。儘管如此，總收益因而較二零一八年約53,968,000港元減少約13,895,000港元或25.7%。

銷售成本

截至二零一九年十二月三十一日止年度，本集團之銷售成本約4,598,000港元（二零一八年：約9,124,000港元），主要包括採購及員工成本。

毛利

由於上述總收益減少，本集團之毛利減少約20.9%至約35,475,000港元（二零一八年：約44,844,000港元），而截至二零一九年十二月三十一日止年度，本集團維持約88.5%之高毛利率（二零一八年：約83.1%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Administrative and other operating expenses

The administrative and other operating expenses of the Group for the year ended 31 December 2019 amounted to approximately HK\$58,275,000 (2018: approximately HK\$59,208,000), which mainly comprised administrative expenses, research and development expenses and selling and distribution expenses. The decrease in overall operating expenses was mainly due to the slight decrease in research and development expenses incurred during the year.

Finance Costs

Finance costs was approximately HK\$2,327,000 for the year ended 31 December 2019 (2018: approximately HK\$2,513,000), which mainly comprised of interest on interest-bearing borrowings and interest on lease liabilities.

Loss for the year

The loss attributable to owners of the Company for the year ended 31 December 2019 amounted to approximately HK\$61,470,000, representing an increase of approximately 57.7% as compared with that of approximately HK\$38,967,000 in 2018. The increase in loss was mainly due to (i) the effect of the decrease in segment revenue of Mobile Games and Applications Business; and (ii) such result performance did not meet the Company's expectation that an impairment loss of approximately HK\$44,975,000 was recorded in goodwill relating to the acquisition of 60% equity interests in First Surplus Investments Ltd. and its subsidiaries in 2016.

DIVIDEND

The board of Directors (the "Board") does not recommend the payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

行政及其他經營開支

截至二零一九年十二月三十一日止年度，本集團之行政及其他經營開支約58,275,000港元（二零一八年：約59,208,000港元），主要包括行政開支、研發開支及銷售及分銷開支。整體經營開支減少主要由於年內產生之研發開支輕微減少所致。

融資成本

截至二零一九年十二月三十一日止年度，融資成本約2,327,000港元（二零一八年：約2,513,000港元），主要包括付息借款之利息及租賃負債之利息。

年度虧損

截至二零一九年十二月三十一日止年度，本公司擁有人應佔虧損約61,470,000港元，較二零一八年約38,967,000港元增加約57.7%。虧損增加主要由於(i)受到手機遊戲及應用業務之分部收益下滑之影響；及(ii)其業績表現未達本公司預期，因此就有關於二零一六年收購First Surplus Investments Ltd.及其附屬公司60%股權之商譽將錄得約44,975,000港元之減值虧損。

股息

董事會（「董事會」）不建議就截至二零一九年十二月三十一日止年度派付任何末期股息（二零一八年：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

BUSINESS REVIEW AND PROSPECT

For the year ended 31 December 2019, the Group continued to focus on three principal businesses, they are (i) Software Platform Business, (ii) Mobile Games and Applications Business and (iii) Money Lending Business.

Software Platform Business

Software Platform Business had performed satisfactorily and accounted for approximately 50.2% (2018: approximately 34.5%) of total revenue for the year ended 31 December 2019. This sector witnessed an overall growth in terms of products development and customer base, resulting in an increase of approximately 8.1% in segment revenue for the year ended 31 December 2019. As the market remains to be highly competitive and fast-changing, the Group will continue to allocate adequate resources to meet the evolving industry standards in satisfying customer's demand.

Mobile Games and Applications Business

The management's effort has been allocated in line with the Group's business strategy to license out our games or related intellectual properties to well established game operators for stable and secure income. The licensing agreement that we signed with an established publisher in the People's Republic of China (the "PRC") for granting them with the exclusive operation and publishing right on our major game in the year of 2018 was completed in the second quarter of year 2019. The Board affirms to this more conservative sales strategy for the other mobile games developed and owned by the Group in order to reduce the investment costs.

業務回顧及展望

截至二零一九年十二月三十一日止年度，本集團繼續專注於三類主要業務，即：(i)軟件平台業務；(ii)手機遊戲及應用業務；及(iii)放債業務。

軟件平台業務

截至二零一九年十二月三十一日止年度，軟件平台業務之表現令人滿意，佔總收益約50.2%（二零一八年：約34.5%）。此分部於產品開發及客戶基礎方面整體均錄得增長，帶動截至二零一九年十二月三十一日止年度之分部收益增長約8.1%。面對競爭持續激烈且瞬息萬變之市場，本集團將繼續投放足夠資源，以符合日益革新之行業標準來滿足客戶需要。

手機遊戲及應用業務

管理層已因應本集團之業務策略作出努力，向具規模之遊戲營運商授出我們之遊戲或相關知識產權，從而獲得穩定可靠之收入。於二零一八年，我們與中華人民共和國（「中國」）一間發展成熟之發行商所簽訂向其授予我們主要遊戲獨家經營及發行權之許可權協議，已於二零一九年第二季度完成。董事會確定就本集團所開發及擁有之其他手機遊戲實施此項較為保守之銷售策略，以降低投資成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Amid the fierce competition induced by frequent introduction of new games by game developers both domestically and internationally, fast and rapid technological advancement, rising cost in producing hit game titles and regulatory restrictions for online game industry in the PRC, these challenges negatively impact the industry as well as the Group's mobile game segment. The regulatory control imposed in 2018 has brought disruptions and slowdown to the mobile game industry in the PRC market and affected the valuation of many game developers and operators. While this lethargic market sentiment continued, there were obstacles along our way of exploring cooperation and partnership prospect with game publishers and tech innovators that no licensing arrangement was concluded for the year ended 31 December 2019. It resulted in a decrease in the segment revenue of the Mobile Games and Applications Business of approximately HK\$18,966,000 from approximately HK\$21,892,000 in 2018 to approximately HK\$2,926,000 for the year ended 31 December 2019. The deterioration of the financial performance of Mobile Games and Applications Business also caused the Board to revise the forecast of the Mobile Games and Applications Business for the coming years with a more prudent approach and that an impairment loss of goodwill of approximately HK\$44,975,000 was accounted for the year ended 31 December 2019.

The Board will cautiously monitor the changes in the market environment in the mobile game industry and continue to seek for opportunities in other mobile applications markets with a view to improve the performance and value of the segment.

Money Lending Business

Since the Group expanded this business segment by establishing a division which is operated under the brand "EZcash" and focuses on personal loan products, the Money Lending Business has achieved significant growth in its financial performance and become one of the main sources of income for the Group. The Money Lending Business generated an increment of approximately 26.5% in segment revenue and contributed approximately 42.5% (2018: approximately 25.0%) to the Group's total revenue for the year ended 31 December 2019.

在遊戲開發商於國內外不斷推出新遊戲而形成激烈競爭、科技日新月異、製作熱門遊戲之成本上升及中國線上遊戲行業受到監管限制下，此等挑戰對本行業及本集團之手機遊戲分部造成負面影響。於二零一八年實施之規管已干擾及阻慢手機遊戲行業在中國市場之發展，並影響到許多遊戲開發商及營運商之估值。而市場氣氛持續疲弱，我們在與遊戲發行商及科技創新公司探討合作及建立夥伴關係方面亦遇到阻礙，截至二零一九年十二月三十一日止年度並無達成任何授權安排。因此，截至二零一九年十二月三十一日止年度，手機遊戲及應用業務的分部收益由二零一八年約21,892,000港元減少約18,966,000港元至約2,926,000港元。手機遊戲及應用業務的財務表現轉差亦導致董事會按更審慎的方式修訂未來年度的手機遊戲及應用業務預測，引致截至二零一九年十二月三十一日止年度之商譽減值虧損錄得約44,975,000港元。

本集團將審慎留意手機遊戲行業之市況變化，並繼續在其他手機應用市場上尋求機遇，務求提升該分部之表現及價值。

放債業務

自本集團透過建立以「EZcash」品牌經營並專注於個人貸款產品之部門擴充此業務分部以來，放債業務之財務表現取得顯著增長，並成為本集團主要收入來源之一。放債業務錄得分部收益增長約26.5%，並佔本集團截至二零一九年十二月三十一日止年度之總收益約42.5%（二零一八年：約25.0%）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Having deployed a complete infrastructure of risk management and credit evaluation, the management has also adopted a prudent credit policy in conducting the Money Lending Business in order to reduce the risk of impairment and bad debts on personal loan portfolio. However, the ongoing Sino-US trade war and the social movements in Hong Kong since the second half of the year 2019 exert pressure in business development of our Money Lending Business. A series of challenges are also impeding on our business, including keen market competition and intense price war on interest margin. The above factors have weakened the market sentiment and created uncertainties to Hong Kong lending market. As such, the loss allowance relating to loans receivable increased to approximately HK\$4,520,000 as at 31 December 2019 (2018: approximately HK\$80,000) and caused a decrease of the outstanding loans receivable of the Group (net of loss allowance) to approximately HK\$106,045,000 as at 31 December 2019 (2018: approximately HK\$108,519,000).

The Group expects that the downward trend would progress through the coming year. To prepare itself in facing these challenges, the Group will continue to adopt prudent credit policy and risk management approach, instantly and effectively review and tighten the credit policy in order to prevent more bad debts and losses which may be caused by impairment thereof.

OUTLOOK

The Company expects that Hong Kong's economy will continue to slow down amid the uncertainties of the Sino-US trade war standoff and the social unrest in the city. The outbreak of novel coronavirus has further increased the risk of Hong Kong's economic and community recovery and it is expected that the Group's performance will inevitably be affected. Despite various challenges, the Group will strictly adhere to its cost control policy and swiftly adjust its business strategies in response to changes of the external environment.

While the Group will become more cautious in the allocation of resources, it will continue to seek potential investment opportunities that can create synergies to our existing business segments, at the same time bringing growth and long-term benefits to the Company and the shareholders of the Company as a whole.

經部署健全之風險管理及信貸評估基礎設施後，管理層亦已採取審慎之信貸政策經營放債業務，以降低個人貸款組合之減值及壞賬風險。然而，持續的中美貿易戰及香港自二零一九年下半年以來的社會運動令我們放債業務的業務發展受壓。一連串之挑戰亦對我們的業務造成阻礙，包括激烈之市場競爭及嚴峻之息差價格戰。上述因素削弱市場氣氛並為香港放債市場帶來不明朗因素。因此，於二零一九年十二月三十一日，就應收貸款之虧損撥備增加至約4,520,000港元（二零一八年：約80,000港元），並導致本集團之未獲償還應收貸款（已扣除虧損撥備）於二零一九年十二月三十一日減少至約106,045,000港元（二零一八年：約108,519,000港元）。

本集團預期下行趨勢於來年將會持續。為應對該等挑戰，本集團將繼續採取審慎之信貸政策及風險管理方式，及時有效地檢討及收緊信貸政策，以防止更多壞賬及或會因其減值而產生之虧損。

展望

在中美貿易戰僵持不下和香港社會動盪不安等不明朗因素下，本公司預期香港經濟將繼續放緩。新型冠狀病毒疫情爆發對香港經濟及社區復甦構成的風險進一步增加，預期本集團的表現將無可避免地受到影響。儘管面臨各種挑戰，本集團將嚴格執行成本控制政策，並根據外部環境之變化迅速調整業務策略。

本集團在資源分配方面將會更加審慎，並將繼續尋求潛在投資機遇，為現有業務分部創造協同效益，同時為本公司及其股東帶來增長及整體長遠利益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Financial Resources and Liquidity

The Group's main business operations and investments are in Hong Kong. As at 31 December 2019, the Group had cash and cash equivalents of approximately HK\$9,610,000 (2018: approximately HK\$14,948,000). Most of the cash and cash equivalents are denominated in Hong Kong dollars. The Group will closely monitor the exchange rate movement and will take appropriate activities to reduce the exchange risk.

Gearing Ratio

At 31 December 2019, total assets of the Group were approximately HK\$260,698,000 (2018: approximately HK\$324,784,000) whereas total liabilities were approximately HK\$57,979,000 (2018: approximately HK\$54,208,000). The gearing ratio of the Group, calculated as total liabilities over total assets, was approximately 22.2% (2018: approximately 16.7%) and the current ratio, calculated as current assets over current liabilities, was approximately 2.71 (2018: approximately 3.20). The Directors will continue to take measures to further improve the liquidity and gearing position of the Group.

Material Acquisition, Disposal and Significant Investment

The Group did not have any other material acquisition, disposal and significant investment during the year ended 31 December 2019.

Capital Structure

As at 31 December 2019, the authorized share capital of the Company was HK\$120,000,000 divided into 3,000,000,000 shares of HK\$0.04 each, of which 1,272,640,000 ordinary shares were in issue and fully paid.

Use of Proceeds

As stated in the announcements dated 6 April 2018 and 25 April 2018, the net proceeds of approximately HK\$32,337,000 from the Placing conducted in 2018 (the "Placing") would be used as to (i) HK\$10,000,000 for the development of the Money Lending Business; (ii) HK\$5,000,000 for the development of the Mobile Games and Applications Business; (iii) HK\$8,000,000 for identifying the potential investment in the environmental related projects; and (iv) the remaining balance as general working capital purposes. The net proceeds from the Placing brought forward from 2018 was approximately HK\$2,077,000. During the year ended 31 December 2019, approximately HK\$367,000 and HK\$252,000 had been applied towards its intended use for the development of the Mobile Games and Applications Business and environmental related projects respectively. As at 31 December 2019, approximately HK\$1,458,000 had not been utilized and would be used as intended to the investment in the environmental related projects in the coming year.

財務資源及流動資金

本集團之主要業務經營及投資於香港進行。於二零一九年十二月三十一日，本集團之現金及現金等值物約為9,610,000港元（二零一八年：約14,948,000港元）。大部分現金及現金等值物乃以港元計值。本集團將密切留意匯率變動及採取適當措施降低外匯風險。

負債比率

於二零一九年十二月三十一日，本集團總資產約為260,698,000港元（二零一八年：約324,784,000港元），而總負債則約為57,979,000港元（二零一八年：約54,208,000港元）。本集團之負債比率（按總負債除以總資產計算）約為22.2%（二零一八年：約16.7%），流動比率（按流動資產除以流動負債計算）約為2.71（二零一八年：約3.20）。董事將繼續採取措施以進一步改善本集團之流動資金及負債狀況。

重大收購、出售及重大投資

截至二零一九年十二月三十一日止年度，本集團並無任何其他重大收購、出售及重大投資。

資本架構

於二零一九年十二月三十一日，本公司法定股本為120,000,000港元，分為3,000,000,000股每股面值0.04港元之股份，其中1,272,640,000股普通股為已發行及繳足。

所得款項用途

誠如於二零一八年四月六日及二零一八年四月二十五日之公佈所述，於二零一八年進行配售（「配售」）的所得款項淨額約32,337,000港元將用作以下用途：(i) 10,000,000港元用作放債業務發展；(ii) 5,000,000港元用作手機遊戲及應用業務發展；(iii) 8,000,000港元用作物色與環保有關項目之潛在投資；及(iv) 餘額用作一般營運資金用途。自二零一八年結轉的配售所得款項淨額約為2,077,000港元。截至二零一九年十二月三十一日止年度，約367,000港元及252,000港元已按擬定用途使用，分別用於發展手機遊戲及應用業務及環保相關項目。於二零一九年十二月三十一日，約1,458,000港元尚未使用並將按擬定用途使用，其將用於來年與環保有關項目之投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Funding and Treasury Policies

The Group consistently adopts a conservative treasury policy during its development and generally finances its operations and business development with internally generated resources and equity and/or debt financing activities in order to maintain a healthy liquidity position. The Group also strives to reduce exposure to credit risk by performing ongoing credit evaluation of the financial conditions of its clients of Money Lending Business. To manage liquidity risk, the Board closely monitors the financial position of the Group to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements from time to time.

Foreign Exchange Exposure

The Directors consider that the Group had no material foreign exchange exposure.

Material Risk Factors

Details of the Group's financial risk and analysis are set out in note 29 to the consolidated financial statements.

Pledge of Assets

At 31 December 2019, the land and buildings of the Group at carrying amount of approximately HK\$34,707,000 (2018: approximately HK\$38,831,000) was pledged to secure interest-bearing borrowings of a subsidiary of the Company.

Contingent Liabilities

As at 31 December 2019, the Group maintained contingent liabilities that are related to a corporate guarantee provided by the Company and its two subsidiaries to a bank for the loan utilized by the Group. As at 31 December 2018, the Company had issued a corporate guarantee in respect of a loan made by a finance company to a subsidiary.

During the years ended 31 December 2019 and 31 December 2018, two subsidiaries of the Company leased two motor vehicles under leases at 3.5%-4.8% per annum for terms of three and five years. The Company had issued corporate guarantee in respect of the lease liabilities with the carrying amount of approximately HK\$2,158,000 as at 31 December 2019 (2018: approximately HK\$3,188,000).

資金及庫務政策

本集團在發展過程中一直採取審慎之庫務政策，一般以內部產生之資源及股權及／或債務融資活動為其經營及業務發展提供資金，以維持穩健之流動資金狀況。本集團亦對放債業務客戶之財務狀況進行持續信貸評估，致力減低所承擔之信貸風險。為管理流動資金風險，董事會密切監察本集團之財務狀況，以確保本集團資產、負債及承擔之流動資金結構能夠滿足其不時之資金所需。

外匯風險

董事認為本集團並無承擔任何重大外匯風險。

重大風險因素

本集團之財務風險及分析詳情載於綜合財務報表附註29。

資產抵押

於二零一九年十二月三十一日，本集團土地及樓宇賬面值約34,707,000港元(二零一八年：約38,831,000港元)作為本公司附屬公司附息借款之抵押。

或然負債

於二零一九年十二月三十一日，本集團具有或然負債，乃有關本公司及其兩間附屬公司就本集團動用貸款而向一間銀行提供之公司擔保。於二零一八年十二月三十一日，本公司就一家財務公司向一間附屬公司提供之貸款發出公司擔保。

截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度，本公司兩間附屬公司根據租賃按年利率3.5%至4.8%租賃兩輛汽車，為期三年及五年。本公司已就於二零一九年十二月三十一日賬面值約2,158,000港元(二零一八年：約3,188,000港元)之租賃負債發出公司擔保。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層論述及分析

Employees and Remuneration Policies

As at 31 December 2019, the Group had 58 employees (2018: 66 employees) in Hong Kong and the PRC. The staff costs (including directors' remuneration) were approximately HK\$18,570,000 for the year ended 31 December 2019 (2018: approximately HK\$21,238,000).

The Group's remuneration policy is revised periodically and determined by reference to market terms, company performance, individual qualifications and performance, and in accordance with the statutory requirements of the respective jurisdiction where the employees are employed.

僱員及薪酬政策

於二零一九年十二月三十一日，本集團在香港及中國僱用58名員工（二零一八年：66名）。截至二零一九年十二月三十一日止年度，員工成本（包括董事酬金）約為18,570,000港元（二零一八年：約21,238,000港元）。

本集團之薪酬政策定期修訂及參考市場情況、公司表現及個人資歷及表現釐定，並符合相應僱員受僱之所在司法管轄區之法定要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintain corporate governance of high standards and quality procedures. The Company has put in place governance practices with emphasis on the integrity to shareholders and quality of disclosure, transparency and accountability to shareholders for the sake of maximizing returns to shareholders.

CORPORATE GOVERNANCE CODE

The Company has complied with the code provisions set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 15 of the GEM Listing Rules of the Stock Exchange throughout the year ended 31 December 2019 except the CG Code provisions A.2.1, A.4.1 and A.6.7 with considered reasons explained below.

Below are the major corporate governance practices adopted by the Company with specific reference to the CG Code.

THE BOARD OF DIRECTORS

The Board is responsible for leading and controlling the Company, overseeing as well as the supervision of its business, approval of strategic plans and monitoring the Company’s performance. The Board delegates the day-to-day operations to the executive directors and management, while reserving certain key matters for its approval.

COMPOSITION

As at the date of this report, the Board comprises seven Directors, of which three are executive Directors, namely Mr. Chan Kwun Chung, Mr. Ng Kin Man and Ms. Sin Pui Ying; one is non-executive Director, namely Mr. Zheng Yongqiang and three are independent non-executive Directors (the “INED(s)”), namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee G. Lam. There is no financial, business, family or other material/relevant relationship amongst the Directors. The Directors’ biographical information is set out in pages 28 to 31 under the section headed “Biographies of Directors”.

The Board includes a balanced composition of executive Directors and INEDs so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

The Board has the necessary skills and experience appropriate for discharging their duties as Directors in the best interests of the Company and that the current board size is adequate for its present operations. Each Director keeps abreast of his responsibility as the Director and of the conduct, business activities and development of the Company.

本公司致力維持高水準及具質素程序之企業管治。本公司已推行企業管治措施，著重對股東之誠信、資料披露之質素、透明度及對股東之問責性，藉以盡量提高股東回報。

企業管治守則

本公司於截至二零一九年十二月三十一日止年度一直遵守聯交所GEM上市規則附錄十五所載企業管治守則（「企業管治守則」）之守則條文，惟於下文解釋已闡明原因而未符合之企業管治守則條文A.2.1、A.4.1及A.6.7除外。

以下為本公司特別參照企業管治守則採納之主要企業管治常規。

董事會

董事會負責領導及監控本公司、監察及監督其業務營運、批核策略性計劃及監管本公司之績效。董事會將日常營運工作轉授執行董事及管理層負責，並保留若干主要事宜由董事會批准。

組成

於本報告日期，董事會由七名董事組成，包括三名執行董事陳冠忠先生、伍健文先生及冼佩瑩女士；一名非執行董事鄭永強先生及三名獨立非執行董事（「獨立非執行董事」），分別為梁文俊先生、霍健烽先生及林家禮博士。董事之間並無財政、業務、家族或其他重大／相關關係。董事履歷資料載於第28至31頁「董事簡歷」一節。

董事會中執行董事及獨立非執行董事之均衡組合，使董事會具備強大獨立元素足以有效作出獨立判斷。

董事會各董事均具備所需之技能及經驗，以符合本公司最佳利益為前提，適當地履行彼等作為董事之責任，而董事會現有規模亦足以應付本公司目前營運所需。各董事均瞭解擔任董事所須承擔之責任，亦瞭解本公司運作方式、業務活動及發展之最新情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS

Code provision A.1.1 of the CG Code states that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of Directors, either in person or through other electronic means of communication.

Members of the Board met on a regular basis and on ad hoc basis to discuss the overall strategy as well as the operation and financial performance of the Group. There were 5 Board meetings held during the year ended 31 December 2019.

Attendance of individual Directors at Board meetings held during the year ended 31 December 2019 were set out as follows:

董事會會議

企業管治守則守則條文A.1.1規定，每年應最少舉行四次定期董事會會議，大約每季舉行一次，並由大多數董事親身出席或透過其他電子通訊方式積極參與。

董事會成員定期舉行會議並在有需要時舉行特別會議，以討論本集團整體策略以及營運及財務表現。截至二零一九年十二月三十一日止年度內共舉行五次董事會會議。

個別董事出席截至二零一九年十二月三十一日止年度舉行之董事會會議情況載列如下：

| | Attendance/eligible to attend | |
|---|-------------------------------|-------------------------|
| | 出席次數／合資格出席次數 | |
| | Board meeting 董事會會議 | General meeting 股東大會 |
| Executive Directors | | |
| 執行董事 | | |
| Mr. Chan Kwun Chung 陳冠忠先生 | 5/5 | 1/1 |
| Mr. Ng Kin Man ¹ 伍健文先生 ¹ | 4/4 | 1/1 |
| Ms. Sin Pui Ying ² 冼佩瑩女士 ² | N/A不適用 | N/A不適用 |
| Mr. Lee Cheung Yuet Horace ³ 李暢悅先生 ³ | 2/2 | N/A不適用 |
| Non-Executive Director | | |
| 非執行董事 | | |
| Mr. Zheng Yongqiang 鄭永強先生 | 5/5 | 1/1 |
| Independent Non-Executive Directors | | |
| 獨立非執行董事 | | |
| Mr. Leung Man Chun 梁文俊先生 | 5/5 | 0/1 |
| Mr. Fok Kin Fung Eric 霍健烽先生 | 5/5 | 1/1 |
| Dr. Lee G. Lam ⁴ 林家禮博士 ⁴ | 5/5 | 0/1 |
| Mr. Pang Siu Yin ⁵ 彭兆賢先生 ⁵ | 3/3 | 0/1 |

CORPORATE GOVERNANCE REPORT

企業管治報告

Notes:

1. Mr. Ng Kin Man has been appointed as an executive Director on 1 March 2019.
2. Ms. Sin Pui Ying has been appointed as an executive Director on 22 November 2019.
3. Mr. Lee Cheung Yuet Horace resigned as an executive Director on 1 April 2019.
4. Dr. Lee G. Lam has been appointed as an INED on 1 January 2019 and a member of the audit committee on 17 July 2019.
5. Mr. Pang Siu Yin resigned as an INED and a member of each of the audit committee, remuneration committee and nomination committee on 17 July 2019.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman (“Chairman”) is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role for setting its agenda and taking into account any matters proposed by other directors for inclusion in the agenda while the chief executive officer (the “CEO”) is responsible for the day-to-day management of the Group’s business.

Under the CG Code provision A.2.1, the roles of chairman and CEO should be separate and should not be performed by the same individual.

On 1 October 2018, Mr. Chan Kwun Chung has been appointed as the CEO.

Following the resignation of Mr. Chan Wai Kit as the deputy chairman of the Company on 1 November 2018, the Company does not have Chairman for the time being. However, the Board is of the view that the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would from time to time discuss issues affecting operations of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company’s objectives efficiently and effectively. The Company will, at the time when it thinks fit, arrange for new appointment of the Chairman.

附註：

1. 伍健文先生於二零一九年三月一日獲委任為執行董事。
2. 冼佩瑩女士於二零一九年十一月二十二日獲委任為執行董事。
3. 李暢悅先生於二零一九年四月一日辭任執行董事。
4. 林家禮博士於二零一九年一月一日獲委任為獨立非執行董事及於二零一九年七月十七日獲委任為審核委員會成員。
5. 彭兆賢先生於二零一九年七月十七日辭任獨立非執行董事及審核委員會、薪酬委員會及提名委員會成員。

主席及行政總裁

主席（「主席」）負責領導董事會，以確保董事會於制訂議程的角色之所有方面具效率，並考慮由其他董事提呈以納入議程之任何事項，而行政總裁（「行政總裁」）負責本集團業務之日常管理。

根據企業管治守則條文A.2.1，主席與行政總裁之角色應有區別，並不應由一人同時兼任。

陳冠忠先生於二零一八年十月一日獲委任為行政總裁。

自陳偉傑先生於二零一八年十一月一日辭任本公司副主席後，本公司暫時並無主席。然而，董事會認為權力及職權可透過董事會的運作保持平衡，而董事會由具經驗的人員組成，且彼等會不時討論對本公司及本集團運作有影響的議題。該安排仍可確保本公司能迅速作出及推行決策，繼而有效率及有效地達致本公司的目標。本公司將於其認為恰當時安排委任新主席。

CORPORATE GOVERNANCE REPORT

企業管治報告

NON-EXECUTIVE DIRECTOR

The Code provision A.4.1 of the CG Code stipulates that non-executive directors should be appointed for a specific term. Currently, all the INEDs have entered into letter of appointments with the Company for an initial term of three years. The non-executive Director was not appointed for a specific term but all Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association (“Articles”). Moreover, according to the Articles, all Directors newly appointed to fill a casual vacancy are subject to election at the next following general meeting following their appointments. The Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those prescribed by Code provision A.4.1 of the CG Code and therefore does not intend to take any steps in this regard at the moment.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The CG Code provision A.6.7 requires that independent non-executive directors should, among others, attend general meetings and develop a balanced understanding of the views of shareholders. There is satisfactory attendance at Board meetings, Board Committee meetings and the general meeting during the financial year ended 31 December 2019 except that three INEDs did not attend the annual general meeting of the Company held on 31 May 2019 due to their other important engagements at the relevant time.

Each INED has made an annual confirmation of independence pursuant to rule 5.09 of the GEM Listing Rules. The Company is of the view that all INEDs meet the independence guidelines set out in rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

The Company has complied at all times with rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules that at least three INEDs sit in the Board and at least one of them has appropriate professional accounting or related financial management expertise.

非執行董事

根據企業管治守則之守則條文A.4.1規定，非執行董事之委任應有指定任期。現時所有獨立非執行董事已與本公司訂立委任函，初步任期為三年。現任非執行董事並非按指定任期委任。然而，所有董事根據組織章程細則（「細則」）規定須於股東週年大會上輪值退任及可重選連任。而且，根據細則，所有為填補臨時空缺而新獲委任之董事均須在其獲委任後於下一屆股東大會上接受股東選舉。董事會認為已採取足夠措施以確保本公司之企業管治常規不遜於企業管治守則守則條文A.4.1之相關規定，因此目前無意就此方面採取任何措施。

獨立非執行董事

企業管治守則條文A.6.7規定獨立非執行董事應（其中包括）出席股東大會及對股東的意見應全面地了解。於截至二零一九年十二月三十一日止財政年度，董事會會議、董事會委員會會議及股東大會的出席率均令人滿意，惟於二零一九年五月三十一日，三名獨立非執行董事因其於相關時間須處理其他要務，故並無出席本公司之股東週年大會。

各獨立非執行董事已根據GEM上市規則第5.09條作出年度獨立性確認。本公司認為全體獨立非執行董事符合GEM上市規則第5.09條所載之獨立性指引及根據指引條款誠屬獨立。

本公司任何時候均遵守GEM上市規則第5.05(1)及(2)及5.05A條有關至少三名獨立非執行董事加入董事會及至少其中一名成員擁有合適專業會計或相關財務管理專業知識之規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE STRUCTURE

The Board is entrusted with the duty to put in place a proper corporate governance structure of the Company. It is primarily responsible for setting directions, formulating strategies, monitoring performance and managing the risks of the Group. Under the Board, there are currently three committees, namely Audit Committee, Remuneration Committee and Nomination Committee. Audit Committee and Remuneration Committee perform their distinct roles in accordance with their respective terms of reference and assist the Board in supervising certain functions of the management. Nomination Committee assists the Board by developing and formulating relevant procedures in nominating candidates for directorship, reviewing the size and composition of the Board, assessing the independence of INEDs and making recommendation to the Board on appointment of Directors. Each of the Committees is established with defined written terms of reference which are available on the Company's website and GEM website.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendations to the Board regarding the Group's policy and structure for remuneration of Directors and senior management and the specific remuneration packages of Directors and senior management of the Company.

REMUNERATION POLICY

The remuneration of Directors is recommended by the Remuneration Committee, having regard to the prevailing market conditions, individual experience, duties and responsibilities.

Directors' emoluments comprise payments to Directors by the Company and its subsidiaries in connection with the management of the Group's affairs. The amounts paid to each Director for the year ended 31 December 2019 are set out in note 7 to the consolidated financial statements.

企業管治架構

董事會有責任為本公司實施妥善的企業管治架構，其主要負責為本集團訂立方針、制訂策略、監控績效及管理風險。董事會轄下設有三個委員會，分別為審核委員會、薪酬委員會及提名委員會。審核委員會及薪酬委員會根據各自之職權範圍履行各自之職能，並協助董事會監督管理層若干職能。提名委員會協助董事會設立和制定相關程序以提名董事人選，審視董事會規模及組成及評估獨立非執行董事的獨立性並向董事會提出有關委任董事之建議。本公司已成立各委員會，並書面訂明其明確職權範圍，文本刊載於本公司及GEM網站，以供查閱。

薪酬委員會

薪酬委員會負責就本集團有關本公司董事及高級管理層之薪酬政策及架構及具體薪酬組合向董事會提供意見。

薪酬政策

董事之薪酬乃經薪酬委員會考慮市場情況、個人經驗、職責及責任後建議。

董事薪酬包括本公司及其附屬公司就管理本集團事宜而向董事發放之付款。截至二零一九年十二月三十一日止年度向各董事支付之款項，載於綜合財務報表附註7。

CORPORATE GOVERNANCE REPORT

企業管治報告

As at the date of this report, the Remuneration Committee comprises two INEDs and one executive Director, namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Mr. Chan Kwun Chung. The Remuneration Committee is chaired by an INED, Mr. Leung Man Chun.

The Remuneration Committee is scheduled to meet at least once a year. One meeting was held during the year ended 31 December 2019. The attendance of each member is set out as follows:

於本報告日期，薪酬委員會由兩名獨立非執行董事及一名執行董事組成，成員分別為梁文俊先生、霍健烽先生及陳冠忠先生。獨立非執行董事梁文俊先生擔任薪酬委員會主席。

薪酬委員會計劃每年最少舉行一次會議。薪酬委員會於截至二零一九年十二月三十一日止年度內舉行一次會議。各成員之出席情況載列如下：

| | Attendance/ eligible to attend |
|--|---|
| | 出席次數/ 合資格出席次數 |
| Independent Non-Executive Directors | |
| 獨立非執行董事 | |
| Mr. Leung Man Chun (<i>Chairman</i>) 梁文俊先生 (主席) | 1/1 |
| Mr. Fok Kin Fung Eric 霍健烽先生 | 1/1 |
| Mr. Pang Siu Yin ¹ 彭兆賢先生 ¹ | 1/1 |
| Executive Director | |
| 執行董事 | |
| Mr. Chan Kwun Chung 陳冠忠先生 | 1/1 |

Note:

1. Mr. Pang Siu Yin resigned as an INED on 17 July 2019.

附註：

1. 彭兆賢先生於二零一九年七月十七日辭任獨立非執行董事。

Summary of works

During the year 2019, the Remuneration Committee reviewed the remuneration packages of all the Directors, reviewed and made recommendations to the Board on the remuneration package of the proposed executive Director in accordance with the Remuneration Committee's written terms of reference.

工作概況

於二零一九年度，薪酬委員會已根據薪酬委員會之書面職權範圍，審閱全體董事之薪酬組合，以及審閱擬委任之執行董事之薪酬組合並向董事會提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board, developing and formulating relevant procedures for nominating potential candidates for directorship, reviewing the nomination of directors and making recommendations to the Board on such appointments with due regard to the nomination policy (“Nomination Policy”) and the Board diversity policy (“Board Diversity Policy”), and assessing the independence of the INEDs.

As at the date of this report, the Nomination Committee comprises two INEDs and one executive Director, namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Mr. Chan Kwun Chung. The Nomination Committee is chaired by an INED, Mr. Leung Man Chun.

The Nomination Committee is scheduled to meet at least once a year to review the structure, size and composition (including skills, knowledge and experience) of the Board. In addition, the Nomination Committee also meets as it is required to consider nomination related matters. One meeting was held during the year ended 31 December 2019. The attendance of each member is set out as follows:

提名委員會

提名委員會負責檢討董事會之結構、規模及組成，設立及制定提名和委任董事的相關程序，檢討董事提名名單以及經適當地考慮董事會提名政策（「董事會提名政策」）及董事會多元化政策（「董事會多元化政策」）後，就有關委任向董事會提供推薦意見及評估獨立非執行董事的獨立性。

於本報告日期，提名委員會由兩名獨立非執行董事及一名執行董事組成，成員分別為梁文俊先生、霍健烽先生及陳冠忠先生。獨立非執行董事梁文俊先生擔任提名委員會主席。

提名委員會計劃每年最少舉行一次會議，以檢討董事會之結構、規模及組成（包括技能、知識及經驗方面）。此外，提名委員會亦於需要時舉行會議，以考慮提名相關事宜。提名委員會於截至二零一九年十二月三十一日止年度舉行一次會議。各成員之出席情況載列如下：

| | Attendance/ eligible to attend 出席次數/ 合資格出席次數 |
|--|---|
| Independent Non-Executive Directors | |
| 獨立非執行董事 | |
| Mr. Leung Man Chun (<i>Chairman</i>) 梁文俊先生 (主席) | 1/1 |
| Mr. Fok Kin Fung Eric 霍健烽先生 | 1/1 |
| Mr. Pang Siu Yin ¹ 彭兆賢先生 ¹ | 1/1 |
| Executive Director | |
| 執行董事 | |
| Mr. Chan Kwun Chung 陳冠忠先生 | 1/1 |

Note:

1. Mr. Pang Siu Yin resigned as an INED on 17 July 2019.

附註：

1. 彭兆賢先生於二零一九年七月十七日辭任獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

Summary of works

During the year 2019, the Nomination Committee has adopted a Nomination Policy, assessed the independence of INEDs, reviewed and made recommendation to the Board on the proposed reappointment of Directors, reviewed the Board Diversity Policy, the structure, size and composition of the Board and made recommendations to the Board on the appointment of the proposed executive Director in accordance with the Nomination Committee's written terms of reference.

Nomination Policy

The Board has adopted a Nomination Policy in February 2019 regarding the nomination, appointment, re-appointment of Directors and the nomination procedure of the Company.

The Nomination Committee will select candidate for directorship based on his/her character, integrity, professorial qualifications, skills, knowledge and experience, independence, and diversity of the Board, willingness to devote adequate time to discharge duties as a Board member and such other criteria that are appropriate for the business and corporate strategy of the Company.

For appointment of new Director, the Nomination Committee evaluates such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. For those qualified candidates, recommendations are made to the Board. For re-election of the retiring director, the Nomination Committee and/or the Board review the overall contribution and service to the Company of the retiring Director and the level of participation and performance on the Board and determine whether the retiring Director continues to meet the criteria as set out above. Recommendation are then made to shareholders in respect of the proposed re-election of Director at the general meeting.

The Nomination Committee will review the Nomination Policy at least annually or at any time necessary.

Board Diversity Policy

The Group adopted a Board Diversity Policy on 1 September 2013. A summary of this policy, together with the measurable objectives set for implementing this policy, and the progress made towards achieving those objectives are disclosed as below.

工作概況

於二零一九年度，提名委員會已根據提名委員會之書面職權範圍，採納董事會提名政策、評估獨立非執行董事之獨立性、審閱並向董事會推薦建議有關董事之重新委任、審視董事會多元化政策、董事會之架構、規模及組成，以及就擬委任之執行董事向董事會提出推薦建議。

董事會提名政策

董事會已於二零一九年二月採納董事會提名政策，內容有關本公司提名、委任及重新委任董事以及提名程序。

提名委員會將按候選人之性格、誠信、專業資歷、技能、知識及經驗、獨立性、董事會多元化、願意投放適當時間履行董事會成員職務與否以及切合本公司業務及企業策略之其他條件，甄選董事人選。

就委任新董事而言，提名委員會按照上文所載條件評估有關人選，以確定該人選是否合資格擔任董事，並向董事會提出有關合資格人選之建議。就重選退任董事而言，提名委員會及／或董事會審視退任董事向本公司提供之整體貢獻及服務以及於董事會之參與程度及表現，釐定退任董事是否繼續符合上文所載條件，然後於股東大會上就建議重選董事向股東提出推薦意見。

提名委員會將最少每年或於有需要時檢討董事會提名政策。

董事會多元化政策

本集團於二零一三年九月一日採納董事會多元化政策。本政策之概要連同為執行本政策而制定之可計量目標及達標進度於下文披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company recognised and embraced the benefits of having a diverse Board to the quality of its performance. The Board Diversity Policy aimed to set out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity has been considered from a numbers of measurable aspects including but not limited to gender, age, ethnicity, knowledge and length of services. All Board appointments will be based on meritocracy, and candidates will be considered with the objective criteria, having due regards for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Implementation and Monitoring

The Nomination Committee reviewed the Board's composition under diversified perspectives, and monitored the implementation of the Board Diversity Policy annually.

As at the date of this report, the Nomination Committee comprises two INEDs and one executive Director, and thereby to promote critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, length of services, professional background and skills.

The Nomination Committee has reviewed the Board Diversity Policy to ensure its effectiveness and considered that the Group achieved the Board Diversity Policy.

AUDIT COMMITTEE

The Audit Committee is responsible to make recommendation to the Board on the appointment, re-appointment and removal of external auditor, to evaluate the overall effectiveness of the internal control and risk management frameworks, to review the accounting principles and practices adopted by the Group and other financial reporting matters and ensure the completeness, accuracy and fairness of the financial statements, to monitor compliance with statutory and listing requirements and to oversee the relationship with the external auditors.

本公司明白並深信董事會多元化對提升公司之表現素質裨益良多。董事會多元化政策旨在列載為達致董事會多元化而採取之方針。本公司在設定董事會成員組合時，會從多個可計量方面考慮董事會多元化，包括但不限制於性別、年齡、種族、知識及服務任期。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會多元化之裨益。

可計量目標

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選之長處及可為董事會提供之貢獻而作決定。

執行及監察

提名委員會每年檢討董事會在多元化層面之組成，並監察董事會多元化政策之執行。

於本報告日期，提名委員會由兩名獨立非執行董事及一名執行董事組成，並據此促進嚴格檢視及監控管理過程。董事會不論年齡、服務任期、專業背景及技能，均有豐富的多元性。

提名委員會已審閱董事會多元化政策，確保其有效，認為本集團已達成董事會多元化政策。

審核委員會

審核委員會負責就外聘核數師委任、重新委任及罷免向董事會提出建議、評審內部監控及風險管理架構之整體效用，及檢討本集團所採納之會計原則及常規以及其他財務申報事宜，以確保財務報表之完備性、準確性及公平程度，並監察本集團遵守法定及上市規定以及監督與外聘核數師之關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Audit Committee reviews the quarterly, interim and annual reports before submission to the Board. At least one member has an appropriate professional qualification or accounting or related financial management expertise. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the GEM Listing Rules and the legal requirements in the review of the Company's quarterly, interim and annual reports.

Senior representatives of the external auditor, executive Directors and senior executives are invited to attend the meetings, if required. Each of the Audit Committee members has unrestricted access to the Group's external auditor and the management.

As at the date of this report, the Audit Committee comprises three INEDs, namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee G. Lam. The Audit Committee is chaired by Mr. Leung Man Chun.

The Audit Committee is scheduled to meet at least four times a year. Four meetings were held during the year ended 31 December 2019. The attendance of each member is set out as follows:

審核委員會審核季度、中期及年度報告後，方提交予董事會。至少一名成員擁有合適專業資格或會計或相關財務管理專業知識。審核委員會於審核本公司季度、中期及年度報告時不僅注意會計政策及常規變動之影響，亦關注是否遵守會計準則、GEM上市規則及法例規定。

如有需要，外聘核數師之高級代表、執行董事與高級行政人員會獲邀出席會議。審核委員會各名成員在接觸本集團外聘核數師及管理層方面並無限制。

於本報告日期，審核委員會由三名獨立非執行董事組成，成員分別為梁文俊先生、霍健烽先生及林家禮博士。梁文俊先生擔任審核委員會主席。

審核委員會計劃每年最少舉行四次會議。截至二零一九年十二月三十一日止年度內已舉行四次會議。各成員之出席情況載列如下：

| | Attendance/ eligible to attend |
|--|---|
| | 出席次數/ 合資格出席次數 |
| Independent Non-Executive Directors | |
| 獨立非執行董事 | |
| Mr. Leung Man Chun (<i>Chairman</i>) 梁文俊先生 (主席) | 4/4 |
| Mr. Fok Kin Fung Eric 霍健烽先生 | 4/4 |
| Dr. Lee G. Lam ¹ 林家禮博士 ¹ | 2/2 |
| Mr. Pang Siu Yin ² 彭兆賢先生 ² | 2/2 |

Notes:

1. Dr. Lee G. Lam has been appointed as member of the audit committee on 17 July 2019.
2. Mr. Pang Siu Yin resigned as an INED on 17 July 2019.

附註：

1. 林家禮博士於二零一九年七月十七日獲委任為審核委員會成員。
2. 彭兆賢先生於二零一九年七月十七日辭任獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

Summary of works

During the year ended 31 December 2019, the Audit Committee reviewed the quarterly, interim and annual results, made recommendations to the Board on the terms of engagement of the external auditor, and reviewed the adequacy and effectiveness of systems of risk management and internal control, and its other duties in accordance with the Audit Committee's written terms of reference.

The terms of reference of the Audit Committee are in line with the CG Code and are posted on the websites of the Company and the Stock Exchange. The Audit Committee is required, amongst other things, to oversee the relationship with the external auditors, to review the Group's preliminary quarterly results, interim results and annual financial statements and to monitor the integrity of the financial statements of the Group, to review the scope, extent and effectiveness of the Group's internal control system, internal audit and risk management matters and to review the Group's financial and accounting policies.

Corporate Governance Functions

The Board is responsible for performing the corporate governance duties as set out in the terms of reference equivalent to code provision D.3.1 of the CG Code. During the year ended 31 December 2019, the policies of the corporate governance of the Company were reviewed by the Board.

ACCOUNTABILITY AND AUDIT

Directors' Responsibilities for Financial Reporting

The Directors acknowledged their responsibility for preparing the financial statements for each financial period to give a true and fair view of the state of affairs of the Company. In preparing the financial statements for the year ended 31 December 2019, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, fair and reasonable and prepared the financial statements on a going concern basis.

The statement of the external auditors of the Company regarding their reporting responsibilities on the financial statement of the Company is set out in the section "Independent Auditor's Report" of this annual report.

工作概況

截至二零一九年十二月三十一日止年度，審核委員會已根據審核委員會之書面職權範圍審閱季度、中期及年度業績、就外聘核數師之委聘條款向董事會作出推薦建議，以及審視風險管理及內部監控制度是否足夠及其成效及其具備之其他職能。

審核委員會之職權範圍符合企業管治守則，並刊載於本公司及聯交所網站。審核委員會須（其中包括）監察其與外聘核數師的關係；檢討本集團之初步季度業績、中期業績及年度財務報表；監察本集團財務報表之完整性；檢討本集團內部監控系統之範圍、程度及成效、內部審核及風險管理事宜及檢討本集團之財務及會計政策。

企業管治職能

董事會負責履行職權範圍所載相當於企業管治守則守則條文D.3.1之企業管治職務。截至二零一九年十二月三十一日止年度，本公司之企業管治政策已經董事會審閱。

問責及核數

董事對財務報告之責任

董事知悉彼等有責任就各財務期間編製能公平真實反映本公司財務狀況之財務報表。編製截至二零一九年十二月三十一日止年度之財務報表時，董事已挑選合適的會計政策並貫徹應用，作出審慎、公平及合理的判斷及估計，以及編製可持續經營之財務報表。

本公司外聘核數師就彼等對本公司財務報表之申報責任作出之聲明載於本年報「獨立核數師報告書」一節。

CORPORATE GOVERNANCE REPORT

企業管治報告

External Auditor's Remuneration

The Company reviews the appointment of an external auditor on an annual basis including a review of the audit scope and approval of the audit fee. The remuneration in respect of audit service and non-audit service (including professional advice on taxation) for the year ended 31 December 2019 provided by Baker Tilly Hong Kong Limited was HK\$868,000 and HK\$45,000 respectively.

Risk Management and Internal Control

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems. The internal control system includes safeguard of the interest of shareholders and the Group's assets. It has been an important duty of the Board to conduct a review of internal control to ensure the effectiveness and adequacy of the system of the Group annually or at any time necessary. The review covers all material controls, including financial, operational and compliance controls, as well as risk management functions.

The Group has engaged an external independent consultant to conduct the annual review on the effectiveness of the internal control system. Review of the Group's internal controls covering major operational, financial and compliance controls, as well as risk management functions of different systems has been performed on a systematic rotational basis on the risk assessments of the operations and controls. No major issues on the internal control system have been identified during the year ended 31 December 2019.

Disclosure of Inside Information

The Company has adopted a policy on disclosure of Inside Information in respect of procedures and internal control for the handling and dissemination of inside information in a timely manner pursuant to Rule 17.10 of the Listing Rules and the Inside Information Provision under Part XIVA of the Securities and Futures Ordinance.

外聘核數師之酬金

本公司每年審閱外聘核數師之委聘，包括審閱審核範圍及批准核數費用。截至二零一九年十二月三十一日止年度，天職香港會計師事務所有限公司就提供審核服務及非審核服務（包括就稅務提供專業意見）而收取的酬金分別為868,000港元及45,000港元。

風險管理及內部監控

董事會負責評估及界定為達成本公司策略目標而願意承擔的風險性質及程度，並確保本公司設立及維持合適及有效的風險管理及內部監控系統。內部監控制度包括保障股東之利益及本集團之資產。董事會須承擔就此進行檢討之重要責任。董事會每年或按需要檢討本集團之內部監控制度，以確保該制度有效及完善。審閱範圍覆蓋所有重大監控，包括財務、營運及合規監控，以及風險管理職能。

本集團已委聘外部獨立顧問以就內部監控制度之效用進行年度檢討。本集團已根據各業務及監控的風險評估，對不同系統的內部監控（包括主要營運、財務與合規監控以及風險管理職能）有系統地輪流進行審閱。截至二零一九年十二月三十一日止年度，概無識別有關內部監控制度的重大問題。

內幕消息披露

本公司已根據上市規則第17.10條以及證券及期貨條例第XIVA部之內幕消息條文採納有關處理及適時發放內幕消息的相關程序及內部監控的內幕消息披露政策。

CORPORATE GOVERNANCE REPORT

企業管治報告

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Every newly appointed director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the GEM Listing Rules and relevant statutory requirements. Directors are continuously updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged at the expenses of the Company where necessary. For the year 2019, all Directors have participated in continuous professional development by attending seminars and/or studying materials relevant to director's duties and responsibility. Their training records have been provided to the Company.

COMPANY SECRETARY

Ms. Yuen Wing Kwan ("Ms. Yuen") is the Company Secretary of the Company. In accordance with rule 5.15 of the GEM Listing Rules, Ms. Yuen has taken no less than 15 hours of relevant professional training during the year under review.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

During the year ended 31 December 2019, the Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors.

董事之持續專業發展

每位新任董事將於首次獲委任時接受正式、全面及為其而設的就職指引，確保董事對本公司業務及營運有恰當了解，並完全明白彼於GEM上市規則及相關監管規定項下之責任及義務。董事持續獲得有關法定及監管政策與業務環境的最新發展資訊，以便彼等履行職責。如有需要，董事獲安排提供持續簡報及專業發展，費用由本公司承擔。於二零一九年度，各董事均已參與持續專業發展，包括出席講座及／或研習與董事職務及職責有關之資料。本公司已獲提供彼等之培訓記錄。

公司秘書

袁詠筠女士（「袁女士」）為本公司之公司秘書。根據GEM上市規則第5.15條之規定，袁女士已於回顧年度接受不少於15小時之相關專業培訓。

董事進行證券交易的行為守則

截至二零一九年十二月三十一日止年度，本公司已採納有關董事進行證券交易之行為守則，其條款之嚴謹度不遜於GEM上市規則第5.48至5.67條所規定之交易準則。本公司亦已向全體董事作出具體查詢，而本公司並不知悉有任何違反規定交易準則及有關董事進行證券交易之行為守則之情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' AND OFFICERS' LIABILITIES

The Company has arranged for appropriate insurance covering the liabilities of the Directors that may arise out of the corporate activities. The insurance coverage is reviewed on an annual basis.

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2019, the related party transactions, if any, are periodically reviewed and approved by the Audit Committee.

INVESTOR RELATIONS AND COMMUNICATION WITH SHAREHOLDERS

The Company uses two-way communication channels to account to shareholders and investors for the performance of the Company. All the shareholders have received not less than 20 clear business days' notice of annual general meeting at which Directors are available to answer questions on the business. Extensive information about the Group's activities is provided in its annual report, interim report and quarterly reports which are sent to shareholders and investors. The Company's announcements, press releases and publications are published and are also available on GEM website and on the Company's website at www.aurumpacific.com.hk.

During the year ended 31 December 2019, there was not any change in the Company's constitutional documents. A consolidated version of the Company's constitutional documents is available on the Company's website and GEM website.

董事及高級職員之責任

本公司已安排適當保險，為董事因企業事務而可能產生之責任提供保障。投保範圍乃按年進行檢討。

關連方交易

截至二零一九年十二月三十一日止年度，審核委員會定期審閱及批准關連方交易(如有)。

投資者關係及與股東通訊

本公司採用雙向通訊渠道向股東及投資者匯報本公司業績。所有股東均可於舉行股東週年大會前不少於20個營業日獲發通告，會上董事將回答有關業務之提問。寄交股東及投資者之年報、中期報告及季度報告內載有本集團業務之詳盡資料。本公司之公告、新聞稿及出版刊物亦會公開發佈，並於GEM網站及本公司網站www.aurumpacific.com.hk刊載。

截至二零一九年十二月三十一日止年度，本公司憲法文件並無任何變動。本公司憲法文件的綜合版本可於本公司網站及GEM網站查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHT

(i) *Convene an Extraordinary General Meeting*

The Directors may, whenever they think fit, convene an extraordinary general meeting of the Company (the "Extraordinary General Meeting"). The Extraordinary General Meeting shall also be convened on the requisition of one or more shareholders holding, at the date of 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. Such requisition shall be made in writing to the Directors or the secretary for the purpose of requiring an Extraordinary General Meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

(ii) *Send Enquiries to the Board*

Enquiries of shareholders can be sent to the Company either by email at administrator@aurumpacific.com.hk or by post to the Company's Hong Kong head office at 21/F., Henan Building, 90 Jaffe Road, Wanchai, Hong Kong. Shareholders can also make enquiries with the Board directly at the general meetings.

(iii) *Make proposals at general meetings*

Procedures for putting forward proposals at a Shareholders' meeting

Pursuant to the Articles (as amended from time to time), the Shareholders who wish to move a resolution may by means of requisition convene an Extraordinary General Meeting according to the procedures as set out above.

股東權利

(i) *召開股東特別大會*

董事可於其認為恰當的情況下召開本公司股東特別大會(「股東特別大會」)。股東特別大會亦可於一名或多名股東要求下召開，彼等須於遞交要求日期持有不少於本公司十分之一之繳足資本，並有權於股東大會投票。該項要求須以書面向董事或秘書提呈，以供董事會就該要求下任何指定業務交易要求召開股東特別大會。該大會須於該項要求寄存後兩個月內舉行。倘董事於寄存該項要求後二十一(21)日內未能召開該大會，提出要求者本人(彼等)可以相同方式召開大會，而本公司須向提出要求人士償付所有由提出要求人士因董事未能召開大會而產生之合理開支。

(ii) *向董事會作出查詢*

股東查詢可透過發送電子郵件至 administrator@aurumpacific.com.hk 或郵寄至本公司之香港總辦事處，地址為香港灣仔謝斐道90號豫港大廈21樓。股東亦可於股東大會直接向董事會提出查詢。

(iii) *於股東大會上提出建議*

於股東大會議呈建議之程序

根據細則(經不時修訂)，有意動議決議案之股東可根據上述程序後向本公司提交要求書召開股東特別大會。

BIOGRAPHIES OF DIRECTORS

董事簡歷

EXECUTIVE DIRECTORS

Mr. Chan Kwun Chung (“Mr. Chan”), aged 39, has been appointed as an executive Director of the Company since March 2017 and as the chief executive officer, authorised representative and compliance officer of the Company since October 2018. He is also a member of the remuneration committee and nomination committee and is a director of various subsidiaries of the Company.

He obtained his Bachelor of Science in Business Administration and Master of Arts in Applied Economics from the University at Buffalo, The State University of New York in 2002 and 2004 respectively. Prior to joining the Company, Mr. Chan worked in the fields of financial advisory, insurance, healthcare and he has extensive experiences in customer relationship management, project management, business advisory and risk management. Mr. Chan was an independent non-executive director of Evershine Group Holdings Limited (stock code: 8022), a company listed on GEM of the Stock Exchange, from 1 January to 1 March 2017.

Mr. Ng Kin Man (“Mr. Ng”), aged 43, has been appointed as an executive Director of the Company since 1 March 2019. He joined the Company as the chief financial officer in June 2018 and is currently a director of various subsidiaries of the Company. Mr. Ng graduated from Oxford Brookes University in the United Kingdom with a bachelor degree in Accounting and Finance. Mr. Ng is a fellow member of the Hong Kong Institute of Certified Public Accountants, fellow member of the Association of Chartered Certified Accountants and a fellow member and a Certified Tax Advisor of the Taxation Institute of Hong Kong. He has over 17 years of extensive experience in auditing and financial management, IPO, international bond offerings and M&As. He also has extensive experience in different industries and is specializing in property development in the PRC, financial institution field, money lending, manufacturing and general management. Prior to joining the Group, Mr. Ng held senior positions in several listed companies in Hong Kong.

Ms. Sin Pui Ying (“Ms. Sin”), aged 40, has been appointed as an executive Director of the Company since November 2019. She is a member of the Hong Kong Institute of Certified Public Accountants and holds a bachelor’s degree in Business Administration (Accounting and Finance) from the University of Hong Kong. She has over 17 years of experience in finance and accounting. Prior to joining the Company, she was responsible for accounting, internal audit, investment and corporate finance matters for several listed companies in Hong Kong. Ms. Sin is currently an executive director of KNK Holdings Limited (stock code: 8039) and On Real International Holdings Limited (stock code: 8245), the shares of both companies are listed on GEM of the Stock Exchange.

執行董事

陳冠忠先生 (「陳先生」)，39歲，自二零一七年三月獲委任為本公司執行董事及自二零一八年十月獲委任為本公司之行政總裁、授權代表及法規主任。彼亦為薪酬委員會及提名委員會成員，以及本公司多間附屬公司之董事。

彼於二零零二年及二零零四年於紐約州立大學水牛城分校分別獲得工商管理學理學士學位及應用經濟學文學碩士學位。加入本公司之前，陳先生在財務顧問、保險及醫療領域工作，於客戶關係管理、項目管理、業務顧問及風險管理擁有豐富經驗。於二零一七年一月一日至三月一日期間，陳先生曾擔任聯交所GEM上市公司永耀集團控股有限公司(股份代號：8022)的獨立非執行董事。

伍健文先生 (「伍先生」)，43歲，自二零一九年三月一日起獲委任為本公司執行董事。彼於二零一八年六月加入本公司擔任首席財務官，現為本公司多間附屬公司之董事。伍先生畢業於英國牛津布魯克斯大學，獲頒會計及財務學士學位。伍先生為香港會計師公會資深會員、英國特許公認會計師公會資深會員以及香港稅務學會資深會員及註冊稅務師。彼於審計及財務管理、首次公開招股、國際債券發售及併購事務擁有逾17年豐富經驗。彼亦於不同行業擁有豐富經驗，尤其於中國之物業發展、金融機構領域、借貸、製造及一般管理事務方面具有獨特專長。加入本集團前，伍先生於香港多間上市公司擔任高級職位。

洗佩瑩女士 (「洗女士」)，40歲，自二零一九年十一月獲委任為本公司執行董事。彼為香港會計師公會會員並持有香港大學工商管理(會計與金融)學士學位。彼擁有逾17年財務及會計經驗。於加入本公司前，彼曾任職於多間香港上市公司，負責會計、內審、投資及企業融資事宜。洗女士目前為中國卓銀國際控股有限公司(股份代號：8039)及安悅國際控股有限公司(股份代號：8245)之執行董事，上述公司之股份均於聯交所GEM上市。

BIOGRAPHIES OF DIRECTORS

董事簡歷

NON-EXECUTIVE DIRECTOR

Mr. Zheng Yongqiang (“Mr. Zheng”), aged 41, has been appointed as a non-executive Director of the Company since October 2018. He has been a director and shareholder of Global Ocean International Holdings Limited (“Global Ocean”), an indirect non-wholly owned subsidiary of the Company since early 2018 and responsible for the formulation and implementation of business strategy and R&D in software system design and development of Global Ocean. He has over 18 years of experience in software engineering and information technology system development. He currently also serves as the chief technical officer of Guangzhou Mega Environmental Technology Limited. Prior to that, he was the Associate Software Engineer Manager (ASEM) of HSBC Software Development Guangdong Ltd.. Mr. Zheng graduated from South China University of Technology in the PRC with a Bachelor’s Degree in Applied Maths in 2001. He obtained a Professional Master Degree of Engineering from Sun Yat-Sen University in the PRC in 2005, with major in software engineering. He has attained the Qualification Certificate of Computer and Software Technology Proficiency (System Analyst) in the PRC issued by The Personnel Department of Guangdong Province in 2004 and the Certificate of Project Management Professional issued by the Project Management Institute in 2010 respectively.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Leung Man Chun (“Mr. Leung”), aged 32, has been appointed as an independent non-executive Director of the Company since February 2016. He is also the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee. He has been engaging in financial services sector for over 8 years, along with ample experience in an international accounting firm and an international bank. He currently serves as a corporate finance principal for a professional firm. He obtained a Bachelor’s Degree in Social Sciences from Hong Kong Baptist University in 2009. Mr. Leung is a member of the Hong Kong Institute of Certified Public Accountants and joined the Council of the Hong Kong Institute of Certified Public Accountants in 2018. Mr. Leung is currently an independent non-executive director of Evershine Group Holdings Limited (stock code: 8022) shares of which are listed on GEM of the Stock Exchange.

非執行董事

鄭永強先生 (「鄭先生」)，41歲，自二零一八年十月獲委任為本公司非執行董事，並自二零一八年年初起為本公司間接非全資附屬公司匯海國際控股有限公司 (「匯海國際」) 之董事及股東及負責制定和實施匯海國際之業務策略以及軟件系統設計及開發的研發。彼於軟件工程和資訊技術系統開發方面擁有逾18年經驗。彼目前亦為廣州明舸環保科技有限公司的技術總監。在此之前，彼亦曾於匯豐銀行軟件開發 (廣州) 有限公司擔任軟體發展副經理。鄭先生於二零零一年畢業於中國華南理工大學，獲頒應用數學理學學士學位，彼並於二零零五年於中國中山大學取得工程專業碩士學位，主修軟件工程。彼並於二零零四年獲廣東省人事廳頒發中國「計算機軟件技術資格證書 (系統分析師)」和於二零一零年獲項目管理協會頒發「項目管理專業證書」。

獨立非執行董事

梁文俊先生 (「梁先生」)，32歲，自二零一六年二月獲委任為本公司獨立非執行董事，並分別為審核委員會、薪酬委員會及提名委員會主席。彼已於國際會計師行及國際銀行等金融服務機構從事逾八年，並擁有豐富相關經驗。彼現時為一間專業機構擔任企業融資部總監。彼於二零零九年在香港浸會大學取得社會科學學士學位。梁先生為香港會計師公會會員及於二零一八年加入香港會計師公會理事會。梁先生現時擔任永耀集團控股有限公司 (股份代號：8022) (一間股份於聯交所GEM上市的公司) 之獨立非執行董事。

BIOGRAPHIES OF DIRECTORS

董事簡歷

Mr. Fok Kin Fung Eric (“Mr. Fok”), aged 36, has been appointed as an independent non-executive Director of the Company since March 2016. He is also a member of the Audit Committee and Nomination Committee. Mr. Fok has over 10 years’ experience in financial advisory industry, with ample experience in asset management and risk management. Mr. Fok obtained a bachelor degree of banking and finance from the University of London and currently serves as a senior financial advisor at an international insurance corporation.

Dr. Lee G. Lam (“Dr. Lam”), aged 60, has been appointed as an independent non-executive director of the Company since January 2019. He is also the member of the Audit Committee. He is the Chairman of Hong Kong Cyberport Management Company Limited, Non-executive Chairman, Hong Kong and ASEAN Region and Chief Adviser to Macquarie Infrastructure and Real Assets Asia. He is also a member of the Hong Kong Special Administrative Region Government’s Committee on Innovation, Technology Re-Industrialization, and the Court of the City University of Hong Kong, Convenor of the Panel of Advisors on Building Management Disputes of the Hong Kong Special Administrative Region Government Home Affairs Department, president of the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) Sustainable Business Network (ESBN) Executive Council and Chairman of its Task Force on Banking and Finance, Vice Chairman of Pacific Basin Economic Council (PBEC), a member of the Hong Kong Trade Development Council Belt and Road and Greater Bay Area Committee and a member of the Sir Murray MacLehose Trust Fund Investment Advisory Committee.

Dr. Lam holds a BSc in Sciences and Mathematics, an MSc in Systems Science and an MBA from the University of Ottawa in Canada, an LLB (Hons) in law from Manchester Metropolitan University in the UK, a LLM in Law from the University of Wolverhampton in the UK, an MPA and a PhD from the University of Hong Kong. He is also a Solicitor of the High Court of Hong Kong (and formerly a member of the Hong Kong Bar), an Accredited Mediator of the Centre for Effective Dispute Resolution, a Fellow of Certified Management Accountants (CMA) Australia, the Institute of Public Accountants, the Institute of Financial Accountants, the Hong Kong Institute of Arbitrators, and the Hong Kong Institute of Directors, and an Honorary Fellow of Certified Public Accountants (CPA) Australia, the Hong Kong Institute of Facility Management, and the University of Hong Kong School of Professional and Continuing Education. In 2019, Dr. Lam was awarded by the Hong Kong Government a Bronze Bauhinia Star for serving the public.

霍健烽先生 (「霍先生」)，36歲，自二零一六年三月獲委任為本公司獨立非執行董事，並為審核委員會及提名委員會成員。霍先生已於財務顧問業擁有逾10年經驗，並於資產管理及風險管理擁有豐富經驗。霍先生於倫敦大學取得銀行及金融學士學位，而現時於一間國際保險公司出任高級財務顧問。

林家禮博士 (「林博士」)，60歲，自二零一九年一月獲委任為本公司獨立非執行董事，並為審核委員會成員。他現為香港數碼港管理有限公司主席、麥格理基礎設施及有形資產亞洲之香港及東盟區非執行主席兼首席顧問、香港特別行政區政府創新、科技及再工業化委員會委員、香港城市大學顧問委員會成員、香港特區政府民政事務總署大廈管理糾紛顧問小組召集人、聯合國亞洲及太平洋經濟社會公署ESBN執行委員會主席及其銀行及金融業專案組主席、太平洋地區經濟理事會(PBEC)副主席、香港貿易發展局一帶一路及大灣區委員會委員及麥理浩爵士信託基金投資顧問委員會成員。

林博士持有加拿大渥太華大學科學及數學學士、系統科學碩士及工商管理碩士學位，英國曼徹斯特城市大學法律榮譽學士學位，英國胡佛漢頓大學法律碩士學位，香港大學公共行政碩士及哲學博士等學位。彼亦為香港高等法院律師(前大律師)、CEDR認可調解員、香港仲裁司學會及香港董事學會資深會員、澳洲會計師公會(CPA)榮譽資深會員、澳洲管理會計師公會(CMA)資深會員、公共會計師公會資深會員、財務會計師公會資深會員、香港設施管理學會榮譽資深會員及香港大學專業進修學院榮譽院士。林博士於二零一九年獲香港特區政府頒授銅紫荊星章。

BIOGRAPHIES OF DIRECTORS

董事簡歷

Dr. Lam is currently an independent non-executive Director of each of CSI Properties Limited (Stock Code: 497), Elife Holdings Limited (Stock Code: 223), Greenland Hong Kong Holdings Limited (Stock Code: 337), Hang Pin Living Technology Company Limited (formerly Hua Long Jin Kong Company Limited, Stock Code: 1682), Haitong Securities Co., Ltd. (Stock Code: 6837; 600837 on the Shanghai Stock Exchange), Huarong Investment Stock Corporation Limited (Stock Code: 2277), Mingfa Group (International) Company Limited (Stock Code: 846) and Mei Ah Entertainment Group Limited (Stock Code: 391), Vongroup Limited (Stock Code: 318). He is non-executive director of China LNG Group Limited (Stock Code: 931), China Shandong Hi-Speed Financial Group Limited (Stock code: 412), National Arts Entertainment and Culture Group Limited (Stock Code: 8228), Sunwah Kingsway Capital Holdings Limited (Stock Code: 188), and Tianda Pharmaceuticals Limited (Stock Code: 455). Dr. Lam is also independent non-executive director of the following listed companies on the Singapore Exchange: China Real Estate Grp Ltd. (formerly Asia-Pacific Strategic Investments Limited, Stock code: 5RA), JCG Investment Holdings Ltd. (Stock code: VFP), Top Global Limited (Stock code: BHO) and Thomson Medical Group Limited (Stock Code: A50), and is non-executive director of Singapore eDevelopment Limited (Stock code: 40V). Dr. Lam is independent non-executive director of Sunwah International Limited (Stock code: SWH), whose shares are listed on the Toronto Stock Exchange, independent non-executive director of AustChina Holdings Limited (Stock code: AUH), whose shares are listed on the Australian Securities Exchange and TMC Life Sciences Berhad (Stock code: 0101), whose shares are listed on the Bursa Malaysia, and non-executive director of Adamas Finance Asia Limited (Stock code: ADAM), whose shares are listed on the London Securities Exchange.

In the past three years, Dr. Lam was a non-executive director of Green Leader Holdings Group Limited (Stock Code: 0061) from 1 June 2019 to 22 July 2019 and Roma Group Limited (Stock Code: 8072) from 13 September 2017 to 11 December 2017, and an independent non-executive director of each of Hsin Chong Group Holdings Limited (Stock Code: 404) from 17 May 2018 to 27 September 2019 (cancellation of listing with effect from 31 December 2019), Glorious Sun Enterprises Limited (Stock Code: 393) from 22 September 2004 to 31 August 2019, Xi'an Haitian Antenna Technologies Co., Ltd. (formerly Xi'an Haitiantian Holdings Co., Ltd.) (Stock Code: 8227) from 15 September 2017 to 23 July 2018, all of which are listed on the Stock Exchange; and an independent non-executive director of Rowsley Ltd. (Stock Code: A50) from 26 June 2002 to 25 April 2018, a company listed on Singapore Exchange, and Vietnam Equity Holding (Stock Code: 3MS) from 25 October 2007 to 28 February 2018, a company listed on Stuttgart Stock Exchange.

林博士現擔任資本策略地產有限公司(股份代號: 497)綠地香港控股有限公司(股份代號: 337)、易生活控股有限公司(股份代號: 223)、杭品生活科技股份有限公司(前稱: 華隆金控有限公司, 股份代號: 1682)、海通證券股份有限公司(股份代號: 6837, 亦於上海證券交易所上市, 股份代號: 600837)、華融投資股份有限公司(股份代號: 2277)、明發集團(國際)有限公司(股份代號: 846)及美亞娛樂資訊集團有限公司(股份代號: 391)、黃河實業有限公司(股份代號: 318)之獨立非執行董事。彼為中國天然氣集團有限公司(股份代號: 931)、中國山東高速金融集團有限公司(股份代號: 412)、國藝娛樂文化集團有限公司(股份代號: 8228)、新華滙富金融控股有限公司(股份代號: 188)及天大藥業有限公司(股份代號: 455)之非執行董事。林博士亦為新加坡證券交易所上市公司China Real Estate Grp Ltd.(前稱: Asia-Pacific Strategic Investments Limited, 股份代號: 5RA)、JCG Investment Holdings Ltd.(股份代號: VFP)、Top Global Limited(股份代號: BHO)及Thomson Medical Group Limited(股份代號: A50)之獨立非執行董事, 以及Singapore eDevelopment Limited(股份代號: 40V)之非執行董事。林博士亦為多倫多證券交易所上市公司Sunwah International Limited(股份代號: SWH)之獨立非執行董事; 澳洲證券交易所上市公司 AustChina Holdings Limited(股份代號: AUH)之獨立非執行董事; 馬來西亞交易所上市公司TMC Life Sciences Berhad(股份代號: 0101)之獨立非執行董事; 以及倫敦證券交易所上市公司Adamas Finance Asia Limited(股份代號: ADAM)之非執行董事。

林博士於過去三年曾任聯交所上市公司綠領控股集團有限公司(股份代號: 0061)(自二零一九年六月一日至二零一九年七月二十二日)及羅馬集團有限公司(股份代號: 8072)(自二零一七年九月十三日至二零一七年十二月十一日)之非執行董事; 新昌集團控股有限公司(股份代號: 404)(自二零一八年五月十七日至二零一九年九月二十七日)(由二零一九年十二月三十一日起取消上市)、旭日企業有限公司(股份代號: 393)(自二零零四年九月二十二日至二零一九年八月三十一日)、西安海天天綫科技股份有限公司(前稱: 西安海天天實業股份有限公司)(股份代號: 8227)(自二零一七年九月十五日至二零一八年七月二十三日)之獨立非執行董事; 另外亦分別為新加坡交易所上市公司Rowsley Ltd.(股份代號: A50)(自二零零二年六月二十六日至二零一八年四月二十五日)及斯圖加特證券交易所上市公司Vietnam Equity Holding(股份代號: 3MS)(自二零零七年十月二十五日至二零一八年二月二十八日)之獨立非執行董事。

REPORT OF THE DIRECTORS

董事會報告

The Directors hereby present their annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the principal subsidiaries are set out in note 33 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group for the year and a discussion on the Group's future business development are provided in the Management Discussion and Analysis on pages 5 to 12. The principal risks and uncertainties facing the Group are provided in the Management Discussion and Analysis on page 11 and disclosed in the section headed "Financial risk management and fair values of financial instruments" in note 29 to the consolidated financial statements.

An analysis of the Group's performance during the year using financial key performance indicators is provided in the Five-years Financial Summary on page 192. The Group is committed to supporting the environmental sustainability. The Group has complied with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources and energy saving. Green initiatives and measures have been adopted in the Group's operation. A separate Environmental, Social and Governance Report will be published no later than three months after the publication of this annual report. For details, please refer to the Company's website.

The Group has complied with the relevant laws and regulations that have significant impact on the operations of the Group. The Group recognises that employees, customers and business partners are the keys to sustainable development. The Group is committed to establishing a close and caring relationship with our employees, providing quality services to our customers and enhancing cooperation with our business partners.

董事謹此提呈本集團截至二零一九年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股。主要附屬公司之主要業務載於綜合財務報表附註33。

業務回顧

本集團本年度之業務回顧及本集團未來業務發展之討論載於第5頁至第12頁管理層論述及分析。本集團主要面對的風險和不確定因素載於第11頁管理層論述及分析並於綜合財務報表附註29「財務風險管理及金融工具公平值」一節披露。

採用財務表現關鍵指標對本集團年內表現之分析載於第192頁五年財務摘要。本集團致力支持環境的可持續性。本集團已遵守與環境保護相關的法律及法規，並採取有效措施以高效利用資源及節約能源。本集團之營運已採用綠色舉措和措施。環境、社會及管治報告將於本年報刊發後的三個月內另行刊發。詳情請參閱本公司網站。

本集團已遵守對本集團營運產生重大影響之相關法律及法規。本集團深知員工、客戶及業務夥伴為業務持續發展的關鍵。本集團致力與員工建立密切的關係，向客戶提供高質素服務及提升與業務夥伴的合作關係。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The information in respect of the Group's sales and purchases from continuing operations attributable to the major customers and suppliers respectively during the financial year under review is as follows:

| | |
|-------------------------------------|---------|
| The largest customer | 最大客戶 |
| Five largest customers in aggregate | 五大客戶合計 |
| The largest supplier | 最大供應商 |
| Five largest suppliers in aggregate | 五大供應商合計 |

During the year ended 31 December 2019, none of the Directors, their associates or any shareholder of the Company (who to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interest in these major customers and suppliers.

CONSOLIDATED FINANCIAL STATEMENTS

The results of the Group and the state of the Group's and the Company's affairs for the year ended 31 December 2019 are set out in the consolidated financial statements on pages 53 to 191.

DIVIDEND POLICY

The Company pursues a continuity-based dividend policy ("Dividend Policy") which aims to allow the shareholders to participate in the Company's profits and for the Company to retain adequate reserves for future growth.

In deciding whether to propose a dividend and in determining the dividend amount, the Board should take into account, inter alia, the Company's operating results, actual and expected financial performance, retained earnings and distributable reserves of the Company and members of the Group, the Group's debt to equity ratios, liquidity position, the Group expected working capital requirements and future expansion plans, any restrictions on payment of dividends that may be imposed by the Group's lender, general economic conditions, business cycle of the Group's business and any other factors that the Board may deem appropriate and relevant.

主要客戶及供應商

有關本集團於回顧財政年度分別源自主要客戶及供應商之持續經營業務之銷售及採購資料載列如下：

Percentage of the Group's total 佔本集團總額之百分比

| | Sales 銷售 | Purchases 採購 |
|-------------------------------------|-------------|-----------------|
| The largest customer | 5% | |
| Five largest customers in aggregate | 22% | |
| The largest supplier | | 33% |
| Five largest suppliers in aggregate | | 85% |

於截至二零一九年十二月三十一日止年度，董事、彼等之聯繫人或據董事所知擁有本公司已發行股本5%以上之本公司任何股東概無於此等主要客戶及供應商中擁有任何權益。

綜合財務報表

本集團截至二零一九年十二月三十一日止年度之業績，以及本集團及本公司之事務狀況載於第53至191頁之綜合財務報表。

股息政策

本公司實行以持續性為本之股息政策（「股息政策」），旨在讓股東分享本公司溢利，並使本公司可保留足夠儲備以供未來發展之用。

於決定是否建議派付股息及釐定股息金額時，董事會將計及（其中包括）本公司之經營業績、本公司及本集團成員公司之實際及預期財務表現、留存盈利及可供分派儲備、本集團之股本負債比率及流動資金狀況、本集團之預期營運資金需求及未來擴張計劃、本集團貸款人可能施加之任何股息派付限制、整體經濟狀況、本集團業務之業務週期以及董事會可能認為合適相關之任何其他因素。

REPORT OF THE DIRECTORS

董事會報告

The Board will review, modify and/or update the Dividend Policy at any time as it deems fits and necessary.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2019.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on the consolidated financial statements.

DISTRIBUTABLE RESERVES

As 31 December 2019, the aggregate amount of reserves available for distribution to owners of the Company was HK\$96,879,000 (2018: HK\$207,064,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 10 to the consolidated financial statements.

OTHER BORROWINGS

Details of the interest-bearing borrowings of the Group are set out in note 22 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the share capital during the financial year are set out in note 28 to the consolidated financial statements.

董事會將在認為合適及必要之情況下，隨時檢討、修訂及／或更新股息政策。

股息

董事會不建議派付截至二零一九年十二月三十一日止年度之末期股息。

儲備

本集團年內儲備變動詳情載於綜合財務報表之綜合股東權益變動表。

可供分派儲備

於二零一九年十二月三十一日，可供分派予本公司擁有人之儲備總額為96,879,000港元（二零一八年：207,064,000港元）。

物業、廠房及設備

本集團物業、廠房及設備之變動詳情載於綜合財務報表附註10。

其他借款

本集團的附息借款詳情載於綜合財務報表附註22。

股本

本財政年度之股本變動詳情載於綜合財務報表附註28。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The changes of Directors during the financial year and up to the date of this report are as follows:

董事

於本財政年度及直至本報告日期之董事變動如下：

| | | Appointed on 委任 | Resigned/ Retired on 辭任/退任 |
|--|----------------|--------------------|----------------------------------|
| Executive Directors | 執行董事 | | |
| Mr. Chan Kwun Chung | 陳冠忠先生 | 20/3/2017 | N/A不適用 |
| Mr. Ng Kin Man | 伍健文先生 | 1/3/2019 | N/A不適用 |
| Ms. Sin Pui Ying | 冼佩瑩女士 | 22/11/2019 | N/A不適用 |
| Mr. Lee Cheung Yuet Horace | 李暢悅先生 | 5/2/2018 | 1/4/2019 |
| Non-executive Director | 非執行董事 | | |
| Mr. Zheng Yongqiang | 鄭永強先生 | 1/10/2018 | N/A不適用 |
| Independent non-executive Directors | 獨立非執行董事 | | |
| Mr. Leung Man Chun | 梁文俊先生 | 23/2/2016 | N/A不適用 |
| Mr. Fok Kin Fung Eric | 霍健烽先生 | 2/3/2016 | N/A不適用 |
| Dr. Lee G. Lam | 林家禮博士 | 1/1/2019 | N/A不適用 |
| Mr. Pang Siu Yin | 彭兆賢先生 | 15/1/2018 | 17/7/2019 |

In accordance with Article 112 of the Company's Articles, Ms. Sin Pui Ying, who was appointed as an executive Director on 22 November 2019, will hold office until the forthcoming annual general meeting, and, being eligible, will offer herself for re-election at the annual general meeting.

冼佩瑩女士於二零一九年十一月二十二日獲委任為執行董事，按本公司之細則第112條規定，其任期將直至應屆股東週年大會舉行為止，而彼符合資格並願意於股東週年大會上膺選連任。

In accordance with Article 108(A) of the Company's Articles, Mr. Chan Kwun Chung and Mr. Leung Man Chun will retire from office by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

按本公司之細則第108(A)條規定，陳冠忠先生及梁文俊先生將於應屆股東週年大會上輪值退任，而彼等符合資格並願意膺選連任。

Biographical details of the Directors are set out in the section "Biographies of Directors" of this annual report.

董事之詳細履歷載於本年報「董事簡歷」一節。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' CONTRACTS

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

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of the Securities and Futures Ordinance (the "SFO")) (Chapter 571 under the laws of Hong Kong), as recorded in the register required to be kept by the Company under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Interest in a subsidiary of the Company

Mr. Zheng Yongqiang personally holds voting shares of HK\$1 each in the following subsidiary:

董事合約

擬於應屆股東週年大會重選連任之董事，概無與本公司訂有不可由本公司於一年內免付補償（一般法定補償除外）而終止之服務合約。

董事於股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，董事於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）（香港法例第571章））之股份、相關股份及債券中擁有須記入本公司根據證券及期貨條例第XV部第352條規定備存之登記冊內，或根據GEM上市規則第5.46條至5.67條須知會本公司及聯交所之權益及淡倉如下：

於本公司一間附屬公司的權益

鄭永強先生個人持有以下附屬公司每股面值1港元之投票權股份：

| Name | 名稱 | Number of voting shares held 所持投票權股份之數目 | Personal interest 個人權益 |
|---|------------|--|---------------------------|
| Global Ocean International Holdings Limited | 滙海國際控股有限公司 | 2,000 | |

Save as disclosed above, as at 31 December 2019, none of the Directors of the Company, had, was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO, (Chapter 571 under the laws of Hong Kong)) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

除上文所披露者外，於二零一九年十二月三十一日，概無本公司董事於本公司及其相聯法團（定義見證券及期貨條例（香港法例第571章）第XV部）之股份、相關股份或債券中，擁有或被視為擁有任何(i)須根據證券及期貨條例第XV部第7及第8分部知會本公司及聯交所之權益及淡倉（包括根據證券及期貨條例該等條文被當作或視為擁有之權益或淡倉）；或(ii)須記錄於根據證券及期貨條例第352條存置的登記冊內之權益及淡倉；或(iii)須根據GEM上市規則第5.46至5.67條知會本公司及聯交所之權益及淡倉。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS IN SECURITIES OF THE COMPANY

Substantial Shareholders

To the best knowledge of Directors, as at 31 December 2019, the interests and short positions of the persons, other than Directors, in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

| Name of substantial shareholder 主要股東姓名／名稱 | Capacity 身份 | Number of shares 股份數目 (Note 1) (附註1) | Approximate percentage of shareholding 概約股權百分比 (Note 2) (附註2) |
|--|---------------------------|---|--|
| Mr. Chiu Ngai Hung 趙毅雄先生 | Beneficial owner 實益擁有人 | 689,737,955 (L) | 54.20% |

Notes:

- The letter "L" denotes a long position in the shares of the Company.
- The total number of 1,272,640,000 shares in issue as at 31 December 2019 has been used for the calculation for the approximately percentage.

Save as disclosed above, as at 31 December 2019, the Company had not been notified of other interests or short positions of any other person (other than the Directors, chief executives and the substantial shareholders of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

主要股東及其他人士須披露其於本公司證券之權益

主要股東

據董事所深知，於二零一九年十二月三十一日，除董事外之人士於股份或相關股份中擁有記入本公司根據證券及期貨條例第336條須備存之登記冊內之權益及淡倉如下：

附註：

- [L]指該於本公司股份的好倉。
- 於二零一九年十二月三十一日已發行股份總數1,272,640,000股已用於計算概約百分比。

除上文所披露者外，於二零一九年十二月三十一日，本公司並無獲通知有任何其他人士（董事、本公司主要行政人員及主要股東除外）於本公司股份或相關股份中擁有記錄於須根據證券及期貨條例第336條存置之登記冊之其他權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

On 8 May 2013, the Company passed an ordinary resolution at the annual general meeting to adopt a new share option scheme (the "Share Option Scheme") whereby the Board may grant share options to employees, directors, suppliers, consultants, agents and advisers or any person, at its discretion, for the primary purpose to recognise and motivate their contributions to the Group. The Share Option Scheme is valid for a period of 10 years commencing from 8 May 2013. Details of the Share Option Scheme were set out in the circular of the Company dated 27 March 2013 and note 27 to the consolidated financial statements.

On 29 April 2016, the Company passed an ordinary resolution at the extraordinary general meeting to amend the definition of "Eligible Participant" of the Share Option Scheme and the definition of "Invested Entity" be added to the Share Option Scheme ("Amendments to the Share Option Scheme"). Details of the Amendments to the Share Option Scheme are set out in the Company's announcement dated 29 April 2016 and the Company's circular dated 13 April 2016.

At the annual general meeting of the Company held on 25 June 2018, Shareholders approved the refreshment of the maximum number of shares which may be allotted and issued upon the exercise of all share options under the Share Option Scheme. As at the date of this annual report, the total number of options available for granting by the Company under the Share Option Scheme was 127,264,000, representing 10% of the shares of the Company in issue on that date.

For the year ended 31 December 2019 and up to date of this report, the Company had not granted any options and no outstanding options under the Share Option Scheme.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in this annual report, no transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries or fellow subsidiaries was a party, and in which the Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year under review.

MANAGEMENT CONTRACTS

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under Articles, or law of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

購股權計劃

於二零一三年五月八日，本公司於股東週年大會通過採納新購股權計劃（「購股權計劃」）之普通決議案，據此，董事會可酌情向僱員、董事、供應商、諮詢人、代理及顧問或任何人士授出購股權，其主要目的為認同及鼓勵彼等對本集團的貢獻。購股權計劃之有效期由二零一三年五月八日起計為期十年。購股權計劃之詳情載於本公司日期為二零一三年三月二十七日之通函及綜合財務報表附註27。

於二零一六年四月二十九日，本公司於股東特別大會通過普通決議案，修改「合資格參與者」之定義及將「投資實體」之定義加入至購股權計劃（「購股權計劃修訂」）。購股權計劃修訂詳情載於本公司日期為二零一六年四月二十九日之公告及本公司日期為二零一六年四月十三日之通函。

於二零一八年六月二十五日舉行之本公司股東週年大會上，股東批准更新根據購股權計劃行使所有購股權時可配發及發行的股份最高數目。於本年報日期，本公司根據購股權計劃可予授出之購股權總數為127,264,000份，佔本公司於該日期之已發行股份之10%。

截至二零一九年十二月三十一日止年度及截至本報告日期，本公司概無授出購股權及持有購股權計劃下之未行使購股權。

董事於交易、安排或重大合約之權益

除於本年報披露者外，董事概無於本公司或其任何附屬公司或同系附屬公司所訂立且於年終或回顧年度內任何時間仍然生效之交易、安排或重大合約中，直接或間接擁有任何重大權益。

管理合約

於回顧年度內並無訂立或存在涉及本集團全部或任何重要部分業務的管理及行政有關的合約。

優先購買權

細則或開曼群島法例並無有關優先購買權之條文規定本公司須按比例向現有股東提呈發售新股份。

REPORT OF THE DIRECTORS

董事會報告

FIVE-YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five years is set out on page 192 of this annual report.

RETIREMENT SCHEMES

Particulars of the retirement schemes of the Group are set out in note 26 to the consolidated financial statements.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme of the Company, no equity-linked agreements that will or may result in the Company issuing shares or that requires the Company to enter into an agreement that will or may result in the Company issuing shares, were entered into by the Group during the Year or existed at the end of 2019.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2019 and up to the date of this report, the Directors have the following interests in the business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business:

五年財務摘要

本集團於過去五年之業績及資產與負債概要載於本年報第192頁。

退休計劃

本集團之退休計劃詳情載於綜合財務報表附註26。

股票掛鈎協議

除了本公司之購股權計劃，於本年度或於二零一九年年結時，本公司概無訂立任何將會或可導致本公司發行股份的股票掛鈎協議，或要求本公司訂立任何協議將會或可導致本公司發行股份的股票掛鈎協議。

董事於競爭業務中之權益

於二零一九年十二月三十一日及直至本報告日期，董事於與本集團業務直接或間接構成競爭或可能構成競爭之業務（除本集團業務外）中擁有下列權益：

| Director 董事 | Name of company 公司名稱 | Nature of business 業務性質 | Nature of interests 權益性質 |
|-----------------------------|---|------------------------------------|---|
| Mr. Leung Man Chun 梁文俊先生 | *Evershine Group Holdings Limited ("Evershine") and its subsidiary *永耀集團控股有限公司（「永耀」）及其附屬公司 | Money lending business 借貸業務 | Independent non-executive director of Evershine 永耀之獨立非執行董事 |
| Dr. Lee G. Lam 林家禮博士 | ^China Shandong Hi-Speed Financial Group Limited ("China Shandong") and its subsidiary ^中國山東高速金融集團有限公司（「中國山東」）及其附屬公司 | Money lending business 借貸業務 | Non-executive director of China Shandong 中國山東之非執行董事 |
| | ^Hang Pin Living Technology Company Limited ("Hang Pin Living") and its subsidiary ^杭品生活科技股份有限公司（「杭品生活」）及其附屬公司 | Money lending business 借貸業務 | Independent non-executive director of Hang Pin Living 杭品生活之獨立非執行董事 |
| | ^Mei Ah Entertainment Group Limited ("Mei Ah") and its associate ^美亞娛樂資訊集團有限公司（「美亞」）及其關聯公司 | Mobile game applications 手機遊戲應用 | Independent non-executive director of Mei Ah 美亞之獨立非執行董事 |

* listed on GEM of the Stock Exchange

* 於聯交所GEM上市

^ listed on the Main Board of the Stock Exchange

^ 於聯交所主板上市

REPORT OF THE DIRECTORS

董事會報告

As the Board is independent to the boards of the above mentioned companies, the Group is capable of carrying on its business independently of, and at arm's length, from the business of those companies.

Save as disclosed above, as far as the Directors are aware of, none of the Directors has an interest in any business which competes or may compete with the business in which the Group is engaged.

DIRECTORS' AND CHIEF EXECUTIVES' RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable any of the Directors and chief executive, their respective spouses or children under the age of 18 to acquire benefits by means of acquisition of shares in, or debt securities (including debentures) of the Company or any other body corporate.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the section "Corporate Governance Report" on pages 13 to 27 of this annual report.

AUDIT COMMITTEE

The primary duties of the audit committee are to review, in draft form, the Company's annual report and accounts, half-year report, quarterly reports and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process, risk management and internal control of the Group. As at the date of this report, the audit committee comprises three INEDs, namely Mr. Leung Man Chun, Mr. Fok Kin Fung Eric and Dr. Lee G. Lam. Mr. Leung Man Chun is the chairman of the audit committee.

The audit committee has reviewed the accounting principles and practices adopted by the Company and discussed with the Board the internal controls and financial reporting matters, including a review of the financial statements for the year ended 31 December 2019.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the INEDs a written confirmation of his independence pursuant to rule 5.09 of the GEM Listing Rules. Based on such confirmation, the Board considers all of the INEDs are independent.

由於董事會獨立於上述公司之董事會，故本集團有能力獨立於此等公司的業務按公平基準經營其業務。

除上文所披露者外，據董事所知，董事概無於對本集團所從事業務構成或可能構成競爭之任何業務中擁有權益。

董事及主要行政人員購買股份或債務證券之權利

除於本報告所披露者外，本公司或其任何附屬公司於本年度任何時間概無訂立任何安排，致使任何董事及主要行政人員、彼等各自之配偶或未滿18歲之子女可藉購入本公司或任何其他法人團體之股份或債務證券（包括債券）而獲益。

企業管治

本公司所採納企業管治常規之詳情載於本年報第13頁至第27頁之「企業管治報告」一節。

審核委員會

審核委員會之主要職責為審閱本公司之年報與賬目、半年報告及季度報告之初稿，並就此向董事會提供建議及意見。審核委員會亦負責審閱及監督本集團之財務申報程序、風險管理及內部監控。於本報告日期，審核委員會由三名獨立非執行董事梁文俊先生、霍健烽先生及林家禮博士組成。梁文俊先生為審核委員會主席。

審核委員會已檢討本公司所採納之會計原則及常規，並與董事會討論內部監控及財務申報事宜，包括審閱截至二零一九年十二月三十一日止年度之財務報表。

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條發出有關其獨立性之確認書。根據有關確認書，董事會認為全體獨立非執行董事均為獨立人士。

REPORT OF THE DIRECTORS

董事會報告

CHANGES IN INFORMATION OF DIRECTORS

Changes in information of Directors since the date of the 2019 interim report required to be disclosed pursuant to Rule 17.50A(1) of the Listing Rules are as follows:

Dr. Lee G. Lam resigned as an independent non-executive director of Glorious Sun Enterprises Limited and Hsin Chong Group Holdings Limited and has been appointed as an independent non-executive director of Greenland Hong Kong Holdings Limited.

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

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

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report, the Company has complied with the public float requirement under rule 11.23 of the GEM Listing Rules.

PERMITTED INDEMNITY PROVISION

At no time during the year and up to date of this report, there was or is, any permitted indemnity provision being in force for the benefit of the directors of the Company (whether made by the Company or otherwise) or any of its subsidiaries (if made by the Company).

AUDITOR

Baker Tilly Hong Kong Limited retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Baker Tilly Hong Kong Limited as auditor of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

Chan Kwun Chung

Executive Director

19 March 2020

董事資料的變動

自二零一九年中期報告日期以來，根據上市規則第17.50A(1)條須予披露之董事資料之變動載列如下：

林家禮博士辭任旭日企業有限公司及新昌集團控股有限公司獨立非執行董事並獲委任為綠地香港控股有限公司獨立非執行董事。

購買、出售或贖回本公司上市證券

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

充足公眾持股量

於本報告日期，本公司已遵守GEM上市規則第11.23條項下之公眾持股量規定。

獲准許彌償條文

於年內及截至本報告日期止任何時間，概無曾經存在或現存任何以本公司或其任何附屬公司（倘由本公司訂立）之董事為受益人之獲准許彌償條文生效（不論是否由本公司或其他公司訂立）。

核數師

天職香港會計師事務所有限公司退任後符合資格獲續聘。有關續聘天職香港會計師事務所有限公司為本公司核數師之決議案將於應屆股東週年大會上提呈。

代表董事會

執行董事

陳冠忠

二零二零年三月十九日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



**Independent auditor's report to the shareholders of
Aurum Pacific (China) Group Limited**
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Aurum Pacific (China) Group Limited and its subsidiaries (together the "Group") set out on pages 53 to 191, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, 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 31 December 2019 and of its consolidated financial performance and 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.

**致奧栢中國集團有限公司股東
獨立核數師報告**
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第53頁至191頁奧栢中國集團有限公司及其附屬公司(以下統稱「貴集團」)之綜合財務報表,此綜合財務報表包括於二零一九年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表、綜合損益及其他全面收益表、綜合股東權益變動表和綜合現金流量表,以及包括主要會計政策概要之綜合財務報表附註。

我們認為,綜合財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈之《香港財務報告準則》(「香港財務報告準則」)真實公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況以及 貴集團於截至該日止年度之綜合財務表現及其綜合現金流量,並已根據香港公司條例之披露規定妥為編製。

意見之基礎

我們已根據香港會計師公會頒佈之《香港審計準則》(「香港審計準則」)進行審計。我們報告中「核數師對審計綜合財務報表之責任」一節進一步描述我們在該等標準下之責任。我們根據香港會計師公會之專業會計師職業道德守則(簡稱「守則」)獨立於 貴集團,而我們亦根據守則履行其他道德責任。我們相信,我們所獲得之審計憑證能充足及適當地為我們之審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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.

主要審計事項

根據我們之專業判斷，主要審計事項為該等對本期綜合財務報表審計最重要之事項。該等事項是在我們對綜合財務報表進行審計之整體情況下處理，並就此得出意見，而我們並不就該等事項獨立提出意見。

The Key Audit Matter

主要審計事項

How the matter was addressed in our audit

我們於審計中處理該事項之方法

Key judgements relating to the impairment testing on goodwill

與商譽之減值測試有關之主要判斷

Refer to Notes 2(g), 2(m)(iii) and 12 of the consolidated financial statements

請參閱綜合財務報表附註2(g)、2(m)(iii)及12

As at 31 December 2019, the Group's carrying amount of goodwill was allocated to two cash-generating units ("CGUs"), namely, software platform and mobile games and applications business of HK\$20,236,000 and HK\$19,555,000 together with accumulated impairment of HK\$Nil and HK\$69,878,000.

於二零一九年十二月三十一日，貴集團商譽之賬面值連同累計減值分配至兩個現金產生單位（「現金產生單位」），即軟件平台及手機遊戲及應用業務，賬面值為20,236,000港元及19,555,000港元，累計減值為零港元及69,878,000港元。

Our audit procedures in this area included, amongst others: 我們在此方面之審計程序包括（其中包括）：

- evaluating the assumptions and methodologies used by the management, in particular those relating to the sales growth rate and pre-tax discount rate;
- 評估管理層所使用之假設及方法，特別是與銷售增長率及稅前貼現率有關之假設及方法；
- assessing and challenging the cash flow projections prepared by the management, including assessing historical accuracy of management's estimates and comparing historic actual results to those budgeted to assess the quality of management's forecasting;
- 評估及質疑管理層所編製之現金流量預測，包括評估管理層估計之過往準確性，並將過往實際結果與該等預算進行比較以評估管理層預測之質量；

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KEY AUDIT MATTERS (CONTINUED)

主要審計事項(續)

The Key Audit Matter

主要審計事項

How the matter was addressed in our audit

我們於審計中處理該事項之方法

Key judgements relating to the impairment testing on goodwill (Continued)

與商譽之減值測試有關之主要判斷(續)

Refer to Notes 2(g), 2(m)(iii) and 12 of the consolidated financial statements (Continued)

請參閱綜合財務報表附註2(g)、2(m)(iii)及12(續)

The assessment of the recoverability of goodwill is based on the future businesses' prospect and forecast business performance of these businesses.

商譽之可回收性評估乃基於該等業務之未來業務前景及預期業績表現。

Due to its inherent uncertainty involved in forecasting and discounting future cash flows, which are the basis of the assessment of recoverability, this is one of the key judgemental areas that our audit concentrated on. There is the risk that the key assumptions, estimates and judgements on which the calculations are based are inappropriate and that goodwill is overstated as a result.

由於其在預測及貼現未來現金流量方面涉及內在不確定性(其為評估可回收性之基準)，此為我們審計所關注之主要判斷領域之一。倘根據該等計算所依據之主要假設、估計及判斷不適當，則會存有誇大商譽之風險。

- assessing the robustness of the forecasts to changes in assumptions, including sales growth beyond the 2020 detailed forecast, long-term growth rates and discount rates in the model to assess the appropriateness of the carrying amount of the goodwill; and
- 評估預測對假設變化之穩健性，包括於模式中之二零二零年後詳細預測之銷售增長、長期增長率及貼現率，以評估商譽之賬面值是否適當；及
- assessing the adequacy of the disclosures in relating to those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.
- 評估該等與減值測試結果最敏感之假設(即該等對確定商譽可收回金額具有最顯著影響之假設)有關之披露是否充分。

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KEY AUDIT MATTERS (CONTINUED)

主要審計事項(續)

The Key Audit Matter

主要審計事項

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我們於審計中處理該事項之方法

Key judgements relating to the impairment testing on intangible assets

與無形資產之減值測試有關之主要判斷

Refer to Notes 2(k), 2(m)(iii) and 11 of the consolidated financial statements

請參閱綜合財務報表附註2(k)、2(m)(iii)及11

The Group has generated significant intangible assets of HK\$34,275,000 (2018: HK\$44,111,000) arising from First Surplus Investments Ltd. and its subsidiaries (together "FS Group"), whose recoverability is dependent on the ability of the businesses to which it relates to generate sufficient future economic benefits. There is a risk that this will not be the case which would result in an impairment being required.

貴集團自First Surplus Investments Ltd.及其附屬公司(統稱「FS集團」)之收購中產生值34,275,000港元(二零一八年: 44,111,000港元)的大量無形資產,其可回收性取決於其相關業務產生充足之未來經濟效益之能力。因此將存有導致未能產生充足之未來經濟效益而須予減值之情況之風險。

Our audit procedures in this area included, amongst others:

我們在此方面之審計程序包括(其中包括):

- evaluating the assumptions and methodologies used by the management, in particular those relating to the sales growth rate and pre-tax discount rate;
- 評估管理層所使用之假設及方法,特別是與銷售增長率及稅前貼現率有關之假設及方法;
- assessing and challenging the cash flow projections prepared by the management, including assessing historical accuracy of management's estimates and comparing historic actual results to those budgeted to assess the quality of management's forecasting;
- 評估及質疑管理層所編製之現金流量預測,包括評估管理層估計之過往準確性,並將過往實際結果與該等預算進行比較以評估管理層預測之質量;

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KEY AUDIT MATTERS (CONTINUED)

主要審計事項(續)

The Key Audit Matter

主要審計事項

How the matter was addressed in our audit

我們於審計中處理該事項之方法

Key judgements relating to the impairment testing on intangible assets (Continued)

與無形資產之減值測試有關之主要判斷(續)

Refer to Notes 2(k), 2(m)(iii) and 11 of the consolidated financial statements (Continued)

請參閱綜合財務報表附註2(k)、2(m)(iii)及11(續)

The carrying amounts of these intangible assets are dependent on the business being able to generate revenue from the ultimate users for the mobile games and mobile applications developed by FS Group.

該等無形資產之賬面值取決於該業務能否自FS集團開發之手機遊戲及手機應用之最終用戶產生收益。

Impairment reviews are performed by the Group when there is an indication that the carrying amount may not be supported. The impairment reviews are based on discounted cash flow projections reflecting a number of assumptions and estimates which require judgement and are inherently uncertain.

當出現賬面值未能支持之情況，貴集團將進行減值審閱。減值審閱乃基於貼現現金流量預測，該預測反映多項需作判斷之假設及估計並存在固有之不確定性。

- assessing the robustness of the forecasts to changes in assumptions, including sales growth beyond the 2020 detailed forecast, long-term growth rates and discount rates in the model to assess the appropriateness of the carrying amount of these intangible assets; and
- 評估預測對假設變化之穩健性，包括於模式中之二零二零年後詳細預測之銷售增長、長期增長率及貼現率，以評估該等無形資產之賬面值是否適當；及
- assessing the adequacy of the disclosures in relating to those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of these intangible assets.
- 評估該等與減值測試結果最敏感之假設(即該等對確定該等無形資產可收回金額具有最顯著影響之假設)有關之披露是否充分。

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KEY AUDIT MATTERS (CONTINUED)

主要審計事項(續)

The Key Audit Matter

主要審計事項

How the matter was addressed in our audit

我們於審計中處理該事項之方法

Valuation and existence of loans and interest receivables

應收貸款及利息之估值及存在

Refer to Notes 2(m)(i), 2(p), 19 and 29(a) of the consolidated financial statements

請參閱綜合財務報表附註2(m)(i)、2(p)、19及29(a)

The Group recognised loans and interest receivables recorded initially at fair value and subsequently at amortised cost in the consolidated statement of financial position. As at 31 December 2019, the carrying amount of the loans receivable and interest receivables were HK\$106,045,000 (2018: HK\$108,519,000) and HK\$6,058,000 (2018: HK\$2,197,000) respectively.

貴集團於綜合財務狀況表中確認初步以公平值記錄之應收貸款及利息，並其後按攤銷成本確認。於二零一九年十二月三十一日，應收貸款及應收利息之賬面值分別為106,045,000港元(二零一八年：108,519,000港元)及6,058,000港元(二零一八年：2,197,000港元)。

The measurement of expected credit losses ("ECL") requires the application of significant judgements which include the identification of exposures with a significant deterioration in credit quality, and assumptions used in the ECL model such as the probabilities of default, loss given default, expected future cash flows and forward-looking macroeconomic factors.

預期信貸虧損(「預期信貸虧損」)之計量要求應用重大判斷，其包括識別信貸質量顯著惡化之風險，以及預期信貸虧損模式中使用之假設，例如違約可能性、違約損失、預期未來現金流量及前瞻性之宏觀經濟因素。

Our audit procedures in this area included, amongst others:

我們在此方面之審計程序包括(其中包括)：

- obtaining and reviewing the sample of loan agreements (including supplemental agreements and loan extension agreements, if any) and agreeing the principal amounts, interest rates, maturity dates and other information to the Group's accounting records;
- 獲取及審查貸款協議樣本(包括補充協議及延期貸款協議(如有))並確認 貴集團會計記錄中之本金、利率、到期日及其他資料；
- testing of controls designed and applied in the process of approving and granting loans, subsequent monitoring of repayment status and of any loan extensions;
- 對批准及授出貸款之過程中所設計及應用之控制進行測試，其後監察還款狀態及任何延期貸款；
- assessing the effectiveness of key controls over the application of the impairment methodology, the governance for the ECL models, inputs and assumptions used by the Group in calculating the ECL;
- 評估主要控制措施對應用減值方法、預期信貸虧損模式之管治、貴集團在計算預期信貸虧損時使用之輸入數據及假設之有效性；

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KEY AUDIT MATTERS (CONTINUED)

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主要審計事項

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Valuation and existence of loans and interest receivables (Continued)

應收貸款及利息之估值及存在(續)

Refer to Notes 2(m)(i), 2(p), 19 and 29(a) of the consolidated financial statements (Continued)

請參閱綜合財務報表附註2(m)(i)、2(p)、19及29(a)(續)

Due to the significance of loans and interest receivables (representing 43% of total assets) and inherent uncertainty in such estimates, we considered this as a key audit matter.

由於應收貸款及利息數額重大(佔總資產43%)及估計之固有不确定性,我們認為此乃一項主要審計事項。

- assessing the reasonableness of the Group's ECL models and the Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- 評估 貴集團預期信貸虧損模式及 貴集團判斷信貸風險是否已顯著增加致使金融資產之撥備應按年全期預期信貸虧損基準計量之條件及定性評估之合理性;
- recalculation of loan interest income recognised on a sample basis;
- 抽樣重新計算確認之貸款利息收入;
- obtaining direct confirmation of loan balances from the borrowers on a sample basis; and
- 抽樣直接獲取借款人之貸款結欠確認信;及
- reviewing subsequent settlement records and corroborating enquiries with the management about the reasons for not considering a provision against any unsettled past-due balances.
- 審查其後之結算記錄,並向管理層詢問確認不就任何未結算逾期餘額考慮提撥撥備之原因。

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OTHER INFORMATION

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

董事負責其他資料。其他資料包括年報內之所有資料，但不包括綜合財務報表及我們就該等報表所作出之核數師報告。

我們對綜合財務報表之意見不包括其他資料，而我們並不就此發表任何形式之保證結論。

有關我們對綜合財務報表之審計，我們之責任是閱讀上述所識別之其他資料，並在此過程中考慮其他資料是否與綜合財務報表或我們在審計中所獲悉之情況具有重大不一致之情況，或可能以其他方式被重大錯誤陳述。

倘根據我們所進行之工作，我們認為此等其他資料存有重大錯誤陳述，則我們須報告該事實。我們於該方面並無任何須予報告之事項。

董事及治理層就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實而公平反映之綜合財務報表，及落實其認為編製綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事有責任評估 貴集團持續經營能力、披露（如適用）與持續經營有關之事項及使用持續經營為會計基準，除非董事擬將 貴集團清盤或終止經營業務，或須強迫進行清盤或終止經營業務而並無實際之替代方法。

該等治理層負責監察 貴集團之財務報告過程。

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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, 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 HKSAs 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 HKSAs, 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.

核數師對審計綜合財務報表之責任

我們之目標是就綜合財務報表整體是否不存在由於欺詐或錯誤而導致之重大錯誤陳述獲得合理保證以及出具包括我們意見之核數師報告。本報告僅向閣下(作為一個團體)作出,除此之外不得用於其他用途。我們並不會就本報告之內容向任何人士承擔或負上任何責任。

合理之保證是一種高水平之保證,但概不保證根據香港會計準則所進行之審計一定能發現存在之重大錯誤陳述。錯誤陳述可能是由於欺詐或錯誤而導致,並且若其(個別或共同地)可合理預期會影響用戶根據該等綜合財務報表所作出之經濟決定,則被視為重大錯誤陳述。

作為根據香港會計準則進行審計之一部分,我們在審計期間作出專業判斷及秉持專業之懷疑態度。我們亦:

- 察悉及評估綜合財務報表之重大錯誤陳述風險(無論是由於欺詐或錯誤而導致),設計及執行審計程序以回應該等風險,並獲得充足及適當之審計證據,為我們之意見提供基礎。未能發現因欺詐而導致之重大錯誤陳述之風險高於因錯誤而導致之重大錯誤陳述之風險,原因為欺詐可能涉及串謀、偽造、故意遺漏、錯誤陳述或僭越內部監控。
- 瞭解與審計相關之內部監控,以設計適合該情況之審計程序,但目的並非對貴集團內部監控之有效性發表意見。

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獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

核數師對審計綜合財務報表之責任 (續)

- 評估董事採用之會計政策是否恰當以及所作出的會計估計及相關披露是否合理。
- 就董事使用持續經營會計基礎之適當性作出總結，並根據所獲得之審計證據，確定是否存在與可能對貴集團持續經營能力產生重大疑慮之有關事件或情況之重大不確定性。倘我們斷定存在重大不確定性，我們須在核數師報告中提請注意綜合財務報表之相關披露，或倘該等披露不充分，我們須修改我們之意見。我們之結論乃基於截至核數師報告日期止獲得之審計證據。然而，未來事件或情況可能導致貴集團終止持續經營。
- 評估綜合財務報表(包括該等披露)的整體呈列方式、結構及內容，以及綜合財務報表是否公允呈列反映相關交易及事項。
- 就貴集團內各實體或業務活動之財務資料獲取充足適當之審計證據，以對綜合財務報表發表意見。我們負責貴集團審核之指導、監督及執行工作。我們對審計意見承擔全部責任。

我們與治理層就有關(其中包括)計劃之審計範圍及時間安排以及重大審計發現(包括我們在審計期間發現內部監控之任何重大缺陷)進行溝通。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

The engagement director on the audit resulting in this independent auditor's report is Tong Wai Hang.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 19 March 2020

Tong Wai Hang

Practising certificate number P06231

核數師對審計綜合財務報表之責任 (續)

我們還就遵守關於獨立性之相關職業道德要求向治理層提供聲明，並就可能被合理認為影響我們獨立性之所有關係及其他事項以及相關之防範措施(如適用)與治理層進行溝通。

從與治理層溝通之事項中，我們確定該等對當期綜合財務報表審計最為重要並因而構成關鍵審計事項的事項。我們在審計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，或在極其罕見情況下，倘合理預期在審計報告中溝通某事項造成之負面後果超過其產生之公眾利益，則我們確定不應在審計報告中溝通該事項。

此獨立核數師報告之審計項目總監為湯偉行。

天職香港會計師事務所有限公司

執業會計師

香港，二零二零年三月十九日

湯偉行

執業證書編號P06231

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|-------------------|-------------|----------------------------------|--|
| Revenue | 收益 | 3 | | |
| – Provision of software platform | – 提供軟件平台 | | 20,107 | 18,603 |
| – Interest income from money lending | – 放債所得利息收入 | | 17,040 | 13,473 |
| – Mobile games and applications | – 手機遊戲及應用 | | 2,926 | 21,892 |
| | | | 40,073 | 53,968 |
| Cost of sales | 銷售成本 | | (4,598) | (9,124) |
| Gross profit | 毛利 | | 35,475 | 44,844 |
| Other income, net | 其他收入(淨額) | 4 | 501 | 1,103 |
| Changes in fair value of: | 公平值變動: | | | |
| – prepayment option embedded in promissory note issued | – 已發行承兌票據附帶之提前還款權 | | – | (116) |
| – consideration payable for business combination | – 業務合併應付代價 | | – | (778) |
| Administrative expenses | 行政開支 | | (49,618) | (49,146) |
| Research and development expenses | 研發開支 | | (6,483) | (7,564) |
| Selling and distribution expenses | 銷售及分銷開支 | | (2,174) | (2,498) |
| Impairment loss on goodwill | 商譽減值虧損 | 12 | (44,975) | (24,903) |
| Loss on disposal of associates | 出售聯營公司虧損 | 13 | – | (3,339) |
| Loss from operations | 經營虧損 | | (67,274) | (42,397) |
| Finance costs | 融資成本 | 5(a) | (2,327) | (2,513) |
| Share of profits of associates | 應佔聯營公司溢利 | | – | 1,376 |
| Loss before taxation | 除稅前虧損 | 5 | (69,601) | (43,534) |
| Income tax credit | 所得稅抵免 | 6 | 2,118 | 1,462 |
| Loss for the year | 年度虧損 | | (67,483) | (42,072) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|-----------------------------|----------------|-------------|----------------------------------|--|
| Attributable to: | 以下人士應佔： | | | |
| – owners of the Company | – 本公司擁有人 | | (61,470) | (38,967) |
| – non-controlling interests | – 非控股權益 | | (6,013) | (3,105) |
| | | | (67,483) | (42,072) |
| | | | HK cents 港仙 | HK cents 港仙 |
| Loss per share | 每股虧損 | | | |
| Basic and diluted | 基本及攤薄 | 9 | (4.83) | (3.21) |

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團於二零一九年一月一日使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料。見附註2(c)。

The notes on pages 62 to 191 form part of the consolidated financial statements.

第62頁至191頁之附註為本綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|----------------------------------|----------------------------------|--|
| Loss for the year | 年度虧損 | (67,483) | (42,072) |
| Other comprehensive expense for the year, net of nil tax | 年度其他全面開支，經扣除零稅項 | | |
| Items that may be reclassified subsequently to profit or loss: | 其後可能重新分類至損益之項目： | | |
| – Exchange differences on translation of financial statements of foreign operations | – 換算外國業務財務報表之匯兌差額 | (26) | (206) |
| – Share of exchange differences of associates | – 應佔聯營公司匯兌差額 | – | (661) |
| – Cumulative exchange gain reclassified to profit or loss upon disposal of associates | – 出售聯營公司後重新分類至損益之累計匯兌收益 | – | (737) |
| Item that will not be reclassified to profit or loss: | 其後將不會重新分類至損益之項目： | | |
| – Equity investments at fair value through other comprehensive income (“FVOCI”) | – 按公平值計入其他全面收益 (「FVOCI」) 計量之股本投資 | | |
| – net movement in fair value reserve (non-recycling) | – 公平值儲備之變動淨額 (不可迴轉) | (348) | – |
| | | (374) | (1,604) |
| Total comprehensive expense for the year | 年度全面開支總額 | (67,857) | (43,676) |
| Attributable to: | 以下人士應佔： | | |
| – owners of the Company | – 本公司擁有人 | (61,839) | (40,495) |
| – non-controlling interests | – 非控股權益 | (6,018) | (3,181) |
| | | (67,857) | (43,676) |

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團於二零一九年一月一日使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料。見附註2(c)。

The notes on pages 62 to 191 form part of the consolidated financial statements.

第62頁至191頁之附註為本綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日
(Expressed in Hong Kong dollars) (以港元列示)

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|------------------|-------------|----------------------------------|--|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 10 | 41,363 | 47,734 |
| Intangible assets | 無形資產 | 11 | 34,275 | 44,111 |
| Goodwill | 商譽 | 12 | 39,791 | 84,766 |
| Investment in equity securities | 股本證券之投資 | 15 | 152 | 500 |
| Right-of-use assets | 使用權資產 | 16 | 4,103 | – |
| Deposits paid for purchase of property, plant and equipment | 購置物業、廠房及設備已付按金 | | – | 3,000 |
| Deferred tax assets | 遞延稅項資產 | 25(b) | 1,248 | 1,248 |
| | | | 120,932 | 181,359 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | | – | 44 |
| Contract assets | 合約資產 | 17(a) | 3,865 | 3,872 |
| Trade and other receivables | 應收賬款及其他應收款 | 18 | 14,188 | 13,845 |
| Loans receivable | 應收貸款 | 19 | 106,045 | 108,519 |
| Interest receivables | 應收利息 | 19 | 6,058 | 2,197 |
| Cash and cash equivalents | 現金及現金等值物 | | 9,610 | 14,948 |
| | | | 139,766 | 143,425 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付賬款及其他應付款 | 21 | 2,651 | 3,384 |
| Contract liabilities | 合約負債 | 17(b) | 5,196 | 6,735 |
| Interest-bearing borrowings | 付息借款 | 22 | 40,266 | 33,000 |
| Lease liabilities | 租賃負債 | 23 | 2,724 | – |
| Obligations under finance leases | 融資租賃承擔 | 24 | – | 1,030 |
| Current tax payable | 應付即期稅項 | 25(a) | 715 | 623 |
| | | | 51,552 | 44,772 |
| Net current assets | 流動資產淨值 | | 88,214 | 98,653 |
| Total assets less current liabilities | 資產總值減流動負債 | | 209,146 | 280,012 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日
(Expressed in Hong Kong dollars) (以港元列示)

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|---------------------|-------------|----------------------------------|--|
| Non-current liabilities | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | 23 | 1,267 | – |
| Obligations under finance leases | 融資租賃承擔 | 24 | – | 2,158 |
| Deferred tax liabilities | 遞延稅項負債 | 25(b) | 5,160 | 7,278 |
| | | | 6,427 | 9,436 |
| NET ASSETS | 資產淨值 | | 202,719 | 270,576 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 28(a) | 50,906 | 50,906 |
| Reserves | 儲備 | | 135,638 | 197,477 |
| Total equity attributable to owners of the Company | 本公司擁有人應佔權益總額 | | 186,544 | 248,383 |
| Non-controlling interests | 非控股權益 | | 16,175 | 22,193 |
| TOTAL EQUITY | 權益總額 | | 202,719 | 270,576 |

Approved and authorised for issue by the board of directors on 19 March 2020.

董事會於二零二零年三月十九日批准及授權刊發。

Chan Kwun Chung

陳冠忠

Director

董事

Ng Kin Man

伍健文

Director

董事

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團於二零一九年一月一日使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料。見附註2(c)。

The notes on pages 62 to 191 form part of the consolidated financial statements.

第62頁至191頁之附註為本綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合股東權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | | |
|---|---|---|-----------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | | Share capital | Share premium | Capital reserve | Capital surplus | Exchange reserve | Fair value reserve (non-recycling) (不可迴轉) 公平價值儲備 | Other reserve | Accumulated losses | Total | Non-controlling interests | Total |
| | | 股本 HK\$'000 千港元 | 股份溢價 HK\$'000 千港元 | 資本儲備 HK\$'000 千港元 | 資本盈餘 HK\$'000 千港元 | 匯兌儲備 HK\$'000 千港元 | 公平價值儲備 (不可迴轉) HK\$'000 千港元 | 其他儲備 HK\$'000 千港元 | 累計虧損 HK\$'000 千港元 | 總計 HK\$'000 千港元 | 非控股權益 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| | | (note 28(b)(i)) (附註28(b)(i)) | (note 28(b)(ii)) (附註28(b)(ii)) | (note 28(b)(iii)) (附註28(b)(iii)) | (note 28(b)(iii)) (附註28(b)(iii)) | (note 28(b)(iv)) (附註28(b)(iv)) | (note 28(b)(v)) (附註28(b)(v)) | (note 28(b)(vi)) (附註28(b)(vi)) | (note 28(b)(v)) (附註28(b)(v)) | (note 28(b)(v)) (附註28(b)(v)) | (note 28(b)(v)) (附註28(b)(v)) | (note 28(b)(v)) (附註28(b)(v)) |
| Balance at 1 January 2018 | 於二零一八年一月一日之結餘 | 43,546 | 356,513 | 2,427 | 16,699 | 1,258 | - | - | (163,803) | 256,640 | 25,273 | 281,913 |
| Changes in equity for 2018: | 二零一八年之權益變動: | | | | | | | | | | | |
| Loss for the year | 年度虧損 | - | - | - | - | - | - | - | (38,967) | (38,967) | (3,105) | (42,072) |
| Other comprehensive expense for the year, net of nil tax | 年度其他全面開支， 經扣除零稅項 | | | | | | | | | | | |
| - Exchange differences on translation of financial statements of foreign operations | - 換算外國業務財務報表之匯兌差額 | - | - | - | - | (130) | - | - | - | (130) | (76) | (206) |
| - Share of exchange differences of associates | - 應佔聯營公司匯兌差額 | - | - | - | - | (661) | - | - | - | (661) | - | (661) |
| - Cumulative exchange gain reclassified to profit or loss upon disposal of associates | - 出售聯營公司後重新分類至損益之累計匯兌收益 | - | - | - | - | (737) | - | - | - | (737) | - | (737) |
| Total comprehensive expense for the year | 年度全面開支總額 | - | - | - | - | (1,528) | - | - | (38,967) | (40,495) | (3,181) | (43,676) |
| Issue of shares (note 28(a)(ii)) | 股份發行(附註28(a)(ii)) | 7,360 | 24,977 | - | - | - | - | - | - | 32,337 | - | 32,337 |
| Partial disposal of equity interest in a subsidiary (note 33(b)) | 部份出售於一間附屬公司之股本權益(附註33(b)) | - | - | - | - | - | - | 3 | - | 3 | (1) | 2 |
| Acquisition of non-controlling interests (note 33(c)) | 收購非控股權益(附註33(c)) | - | - | - | - | - | - | (102) | - | (102) | 102 | - |
| | | 7,360 | 24,977 | - | - | (1,528) | - | (99) | (38,967) | (8,257) | (3,080) | (11,337) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | 50,906 | 381,490 | 2,427 | 16,699 | (270) | - | (99) | (202,770) | 248,383 | 22,193 | 270,576 |
| Changes in equity for 2019: | 二零一九年之權益變動: | | | | | | | | | | | |
| Loss for the year | 年度虧損 | - | - | - | - | - | - | - | (61,470) | (61,470) | (6,013) | (67,483) |
| Other comprehensive expense for the year, net of nil tax | 年度其他全面開支， 經扣除零稅項 | | | | | | | | | | | |
| - Exchange differences on translation of financial statements of foreign operations | - 換算外國業務財務報表之匯兌差額 | - | - | - | - | (21) | - | - | - | (21) | (5) | (26) |
| - Equity investments at FVOCI: net movement in fair value reserve (non-recycling) | - 按FVOCI計量之股本投資： 公平價值儲備之變動淨額 (不可迴轉) | - | - | - | - | - | (348) | - | - | (348) | - | (348) |
| Total comprehensive expense for the year | 年度全面開支總額 | - | - | - | - | (21) | (348) | - | (61,470) | (61,839) | (6,018) | (67,857) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 50,906 | 381,490 | 2,427 | 16,699 | (291) | (348) | (99) | (264,240) | 186,544 | 16,175 | 202,719 |

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團於二零一九年一月一日使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料。見附註2(c)。

The notes on pages 62 to 191 form part of the consolidated financial statements.

第62頁至191頁之附註為本綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | Notes 附註 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|------------------------|-------------|----------------------------------|--|
| Operating activities | 經營活動 | | | |
| Loss before taxation | 除稅前虧損 | | (69,601) | (43,534) |
| Adjustments for: | 調整： | | | |
| – Changes in fair value of prepayment option embedded in promissory note issued | – 已發行承兌票據附帶之提前還款權公平值變動 | | – | 116 |
| – Changes in fair value of consideration payable for business combinations | – 業務合併應付代價之公平值變動 | | – | 778 |
| – Bank interest income | – 銀行利息收入 | 4 | (3) | (3) |
| – Gain on disposal of a joint venture | – 出售一間合營企業之收益 | 4 | – | (12) |
| – Gain on early termination of leases | – 提前終止租賃之收益 | 4 | (20) | – |
| – Reversal of impairment loss on loans and interest receivables | – 應收貸款及利息減值虧損撥回 | 4 | – | (371) |
| – Waiver of amount due to a joint venture | – 應付一間合營企業款項之豁免 | 4 | – | (14) |
| – Finance costs | – 融資成本 | 5(a) | 2,327 | 2,513 |
| – Amortisation of intangible assets | – 無形資產攤銷 | 5(c) | 12,836 | 12,836 |
| – Depreciation of property, plant and equipment | – 物業、廠房及設備折舊 | 5(c) | 6,476 | 7,536 |
| – Depreciation of right-of-use assets | – 使用權資產折舊 | 5(c) | 4,145 | – |
| – Impairment loss on contract assets | – 合約資產減值虧損 | 5(c) | 7 | 3 |
| – Impairment loss on trade receivables | – 應收賬款減值虧損 | 5(c) | 113 | 9 |
| – Impairment loss on loans and interest receivables | – 應收貸款及利息減值虧損 | 5(c) | 4,850 | – |
| – Loss on disposal of property, plant and equipment | – 出售物業、廠房及設備虧損 | 5(c) | 34 | 119 |
| – Write-down of inventories | – 撇減存貨 | 5(c) | 44 | – |
| – Write-off loans and interest receivables | – 撇銷應收貸款及利息 | 5(c) | 27 | 31 |
| – Impairment loss on goodwill | – 商譽減值虧損 | 12 | 44,975 | 24,903 |
| – Loss on disposal of associates | – 出售聯營公司虧損 | 13 | – | 3,339 |
| – Share of profits of associates | – 應佔聯營公司溢利 | | – | (1,376) |
| – Effect of foreign exchange rate changes, net | – 匯率變動影響淨額 | | 26 | (201) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|--|-----------------------|----------------------------------|--|
| | Notes 附註 | | |
| Operating profit before working capital changes | 營運資金變動前之經營溢利 | 6,236 | 6,672 |
| Movement in account with a joint venture | 一間合營企業賬目變動 | – | 24 |
| Increase in contract assets | 合約資產增加 | – | (3,875) |
| Increase in trade and other receivables | 應收賬款及其他應收款增加 | (456) | (9,021) |
| Increase in loans and interest receivables | 應收貸款及利息增加 | (6,264) | (11,956) |
| (Decrease)/increase in trade and other payables | 應付賬款及其他應付款 (減少)/增加 | (733) | 436 |
| (Decrease)/increase in contract liabilities | 合約負債(減少)/增加 | (1,539) | 6,735 |
| Decrease in deferred income | 遞延收入減少 | – | (7,174) |
| Net cash used in operation | 營運所用現金淨額 | (2,756) | (18,159) |
| Hong Kong Profits Tax refunded/(paid) | 退回/(已付)香港利得稅 | 92 | (95) |
| Net cash used in operating activities | 經營活動所用現金淨額 | (2,664) | (18,254) |
| Investing activities | 投資活動 | | |
| Expenditure on projects development | 項目開發支出 | (3,000) | – |
| Interest received | 已收利息 | 3 | 3 |
| Payment for consideration payable for business combination | 業務合併應付代價支付款項 | – | (72,429) |
| | 29(f) | | |
| Payment for purchase of property, plant and equipment | 購買物業、廠房及設備支付款項 | (533) | (2,235) |
| Proceeds from disposal of associates | 出售聯營公司所得款項 | – | 31,540 |
| | 13 | | |
| Proceeds from disposal of a joint venture | 出售一間合營企業所得款項 | – | 15 |
| | 14 | | |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得款項 | – | 80 |
| Proceeds from partial disposal of a subsidiary | 部份出售一間附屬公司所得款項 | – | 2 |
| | 33(b) | | |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|-------------------|----------------------------------|--|
| | Notes 附註 | | |
| Net cash used in investing activities | 投資活動所用現金淨額 | (3,530) | (43,024) |
| Financing activities | 融資活動 | | |
| Capital element of lease rentals paid | 已付租賃租金資本部分 | (4,031) | (982) |
| Interest element of lease rentals paid | 已付租賃租金利息部分 | (299) | (166) |
| Interest paid | 已付利息 | (2,028) | (2,347) |
| Proceeds from issue of shares | 發行股份所得款項 | – | 32,337 |
| Proceeds from new bank loans | 新銀行貸款所得款項 | 43,200 | – |
| New loan from a third party | 來自一名第三方之新貸款 | 10,000 | 33,000 |
| Repayment of bank loans | 償還銀行貸款 | (2,934) | – |
| Loans repayment to third parties | 向第三方償還貸款 | (43,000) | (28,000) |
| | | | |
| Net cash generated from financing activities | 融資活動所得現金淨額 | 908 | 33,842 |
| | | | |
| Net decrease in cash and cash equivalents | 現金及現金等值物減少淨額 | (5,286) | (27,436) |
| | | | |
| Cash and cash equivalents at 1 January | 於一月一日之現金及現金等值物 | 14,948 | 42,389 |
| | | | |
| Effect of foreign exchange rate changes | 匯率變動影響 | (52) | (5) |
| | | | |
| Cash and cash equivalents at 31 December | 於十二月三十一日之現金及現金等值物 | 9,610 | 14,948 |

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團於二零一九年一月一日使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料。見附註2(c)。

The notes on pages 62 to 191 form part of the consolidated financial statements.

第62頁至191頁之附註為本綜合財務報表之組成部分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

1 COMPANY INFORMATION

Aurum Pacific (China) Group Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company has its registered office and principal place of business at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands and 21st Floor, Henan Building, 90 Jaffe Road, Wanchai, Hong Kong respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 33(a).

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries (together the “Group”).

The consolidated financial statements are presented in thousands of units of Hong Kong dollars (“HK\$’000”) unless otherwise stated. Hong Kong dollars (“HK\$”) is the Company’s functional currency and the Group’s presentation currency.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

1 公司資料

奧栢中國集團有限公司(「本公司」)為於開曼群島註冊成立之獲豁免有限公司，其股份在香港聯合交易所有限公司(「聯交所」)GEM上市。本公司之註冊辦事處及主要營業地點之地址分別是Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, the Cayman Islands及香港灣仔謝斐道90號豫港大廈21樓。

本公司為投資控股公司。其附屬公司之主要業務列載於附註33(a)。

截至二零一九年十二月三十一日止年度綜合財務報表涵蓋本公司及其附屬公司(統稱為「本集團」)。

除另有註明外，綜合財務報表以千港元(「千港元」)呈報。港元(「港元」)為本公司之功能貨幣及本集團之呈報貨幣。

2 主要會計政策

(a) 遵例聲明

此等綜合財務報表已根據由香港會計師公會(「香港會計師公會」)頒佈之所有適用香港財務報告準則(「香港財務報告準則」)(包括所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋之統稱)、香港普遍採納之會計原則及香港公司條例之披露規定而編製。該等綜合財務報表亦遵守聯交所GEM證券上市規則(「GEM上市規則」)規定之適用披露條文。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) *Statement of compliance (Continued)*

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

A summary of the significant accounting policies adopted by the Group is set out below.

(b) *Basis of preparation of the consolidated financial statements*

The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except that investment in equity securities and derivative financial instruments are stated at fair value as explained in the accounting policies set out in notes 2(h) and 2(i) respectively.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2 主要會計政策(續)

(a) *遵例聲明(續)*

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可提前採用之新訂及經修訂香港財務報告準則。首次應用該等發展所引致本公司當前及以往會計期間之任何會計政策變動已於該等綜合財務報表內反映，有關資料載列於附註2(c)。

本集團所採納之主要會計政策概述如下。

(b) *編製綜合財務報表之基準*

編製綜合財務報表所用之計量基準為歷史成本基準，惟股本證券之投資及衍生金融工具分別按附註2(h)及2(i)所載會計政策提述之公平值呈列。

編製符合香港財務報告準則之綜合財務報表，需要管理層作出判斷、估計及假設，而此等判斷、估計及假設會影響政策之採用，以及資產、負債、收入與開支之呈報金額。該等估計及相關假設乃以過往經驗及認為在有關情況下屬合理之多個其他因素為基礎，有關結果會成為就無法從其他來源明確得知之資產及負債賬面值作出判斷時之基礎。實際結果可能有別於該等估計。

估計及相關假設會持續檢討。倘會計估計修訂只會影響作出有關修訂之會計期間，則會計估計修訂會在有關期間內確認；但倘修訂對當前及未來期間均有影響，則會在作出有關修訂之期間及未來期間確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Basis of preparation of the consolidated financial statements (Continued)

Judgements made by management in the application of HKFRSs that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 35.

(c) Changes in accounting policies

The HKICPA has issued a new HKFRS, HKFRS 16 “Leases”, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. Except for HKFRS 16 “Leases”, none of the developments have had a material impact on how the Group’s consolidated financial statements for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 36).

HKFRS 16 “Leases” replaces HKAS 17 “Leases” and the related interpretations 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”.

HKFRS 16 introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 and remain substantially unchanged. It also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the consolidated financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

2 主要會計政策 (續)

(b) 編製綜合財務報表之基準 (續)

管理層採用香港財務報告準則時所作對綜合財務報表有重大影響之判斷，以及估計不明朗因素之主要來源，會在附註35內討論。

(c) 更改會計政策

香港會計師公會已頒佈一項新香港財務報告準則(香港財務報告準則第16號「租賃」)及若干香港財務報告準則之修訂，其於本集團當前會計期間首次生效。除香港財務報告準則第16號「租賃」外，概無變動對本集團於當前期間或所編製或呈列之過往期間之綜合財務報表造成重大影響。

本集團並無採用任何於當前會計期間尚未生效之新訂準則或詮釋(見附註36)。

香港財務報告準則第16號「租賃」取代香港會計準則第17號「租賃」及相關詮釋香港(國際財務報告詮釋委員會)一 詮釋第4號「釐定安排是否包含租賃」、香港(準則詮釋委員會)第15號「經營租賃—優惠」以及香港(準則詮釋委員會)第27號「評估涉及租賃法律形式交易的內容」。

香港財務報告準則第16號為承租人引入單一會計模式，要求承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃(「短期租賃」)及低價值資產租賃除外。出租人會計規定乃轉承自香港會計準則第17號及其大致上維持不變。其亦引入其他定性及定量披露規定，以便綜合財務報表使用者評估租賃對實體財務狀況、財務表現及現金流量的影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) *Changes in accounting policies (Continued)*

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

(i) *New definition of a lease*

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

2 主要會計政策(續)

(c) *更改會計政策(續)*

本集團自二零一九年一月一日起首次應用香港財務報告準則第16號。本集團選擇採用經修訂追溯法，因而將首次應用的累計影響確認為對二零一九年一月一日期初權益結餘的調整。比較資料不予重列，並繼續根據香港會計準則第17號匯報。

有關過往會計政策變動的性質及影響以及所應用過渡選擇的進一步詳情載列如下：

(i) *租賃的新定義*

租賃定義變動主要與控制權的概念有關。香港財務報告準則第16號根據客戶是否在某一時段內控制已識別資產的用途（其可由指定使用量釐定）而界定租賃。當客戶有權指示已識別資產的用途以及從該用途中獲得絕大部分經濟利益時，即表示擁有控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(i) New definition of a lease (Continued)

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

(ii) Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are in relation to leased properties as disclosed in note 30. For an explanation of how the Group applies lessee accounting, see note 2(l)(i).

2 主要會計政策(續)

(c) 更改會計政策(續)

(i) 租賃的新定義(續)

本集團僅就於二零一九年一月一日或之後訂立或變更的合約應用香港財務報告準則第16號有關租賃的新定義。就於二零一九年一月一日之前訂立的合約而言，本集團採用過渡性可行權宜方法，繼續沿用先前對現有安排是否屬租賃或包含租賃所作的評估。因此，先前根據香港會計準則第17號評估為租賃的合約繼續根據香港財務報告準則第16號入賬列為租賃，而先前評估為非租賃服務安排的合約則繼續入賬列為尚待履行的合約。

(ii) 承租人會計處理方法及過渡影響

香港財務報告準則第16號刪除香港會計準則第17號先前要求承租人將租賃分類為經營租賃或融資租賃的規定。取而代之，本集團作為承租人時須資本化所有租賃，包括先前根據香港會計準則第17號分類為經營租賃的租賃，惟短期租賃及低價值資產租賃因豁免而除外。就本集團而言，該等新資本化的租賃主要與附註30披露之租賃物業有關。有關本集團如何應用承租人會計處理方法之解釋，請參見附註2(l)(i)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(ii) Lessee accounting and transitional impact (Continued)

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 5.2%.

To ease the transition to HKFRS 16, the Group applied the following recognition exemption and practical expedients at the date of initial application of HKFRS 16:

- the Group elected not to apply the requirements of HKFRS 16 in respect of the recognition of lease liabilities and right-of-use assets to leases for which the remaining lease terms ended within 12 months from the date of initial application of HKFRS 16, i.e. where the lease term ends on or before 31 December 2019;
- when measuring the lease liabilities at the date of initial application of HKFRS 16, the Group applied a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment); and

2 主要會計政策(續)

(c) 更改會計政策(續)

(ii) 承租人會計處理方法及過渡影響(續)

於過渡至香港財務報告準則第16號當日(即二零一九年一月一日)，本集團就先前分類為經營租賃的租賃按餘下租賃付款現值釐定餘下租期及計量租賃負債，並已使用二零一九年一月一日之相關遞增借款利率進行貼現。用於確定剩餘租賃付款現值的增量借款利率的加權平均值為5.2%。

為方便過渡至香港財務報告準則第16號，本集團於首次應用香港財務報告準則第16號當日應用以下確認豁免及可行權宜方法：

- 本集團選擇不應用香港財務報告準則第16號有關確認租賃負債及使用權資產的規定應用於剩餘租期於首次應用香港財務報告準則第16號當日起計12個月內結束(即租期於二零一九年十二月三十一日或之前結束)的租賃；
- 於首次應用香港財務報告準則第16號當日計量租賃負債時，就具有合理類似特征的租賃組合(例如類似經濟環境內相似類別相關資產並具類似剩餘租期的租賃)應用單一折讓率；及

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(Expressed in Hong Kong dollars)
(以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(ii) Lessee accounting and transitional impact (Continued)

- when measuring the right-of-use assets at the date of initial application of HKFRS 16, the Group relied on the previous assessment for onerous contract provisions as at 31 December 2018 as an alternative to performing an impairment review.

The right-of-use assets in relation to leases previously classified as operating leases have been recognised at an amount equal to the amount recognised for the remaining lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position at 31 December 2018.

So far as the impact of the adoption of HKFRS 16 on leases previously classified as finance leases is concerned, the Group is not required to make any adjustments at the date of initial application of HKFRS 16, other than changing the captions for the balances. Accordingly, instead of “obligations under finance leases”, the Group reclassified these amounts to “lease liabilities”, and the depreciated carrying amount of the corresponding leased assets, which were previously recognised under property, plant and equipment, were recategorised as right-of-use assets. There is no impact on the opening balance of equity.

2 主要會計政策(續)

(c) 更改會計政策(續)

(ii) 承租人會計處理方法及過渡影響(續)

- 於首次應用香港財務報告準則第16號當日計量使用權資產時，本集團依賴於二零一八年十二月三十一日關於虧損合約撥備之先前評估，作為進行減值審閱的替代方法。

與先前分類為經營租賃的租賃有關的使用權資產已按相等於就餘下租賃負債所確認的金額予以確認，並按於二零一八年十二月三十一日的綜合財務狀況表中確認與該租賃有關的任何預付或應計租賃付款金額作出調整。

就採納香港財務報告準則第16號對先前分類為融資租賃之租賃之影響而言，除變更相關結餘之文字外，本集團無需於首次應用香港財務報告準則第16號當日作出任何調整。因此，本集團將該等金額由「融資租賃承擔」重新分類至「租賃負債」，先前於物業、廠房及設備項下確認之相關租賃資產之經折舊賬面值則重新分類為使用權資產。其對期初權益結餘並無任何影響。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(ii) Lessee accounting and transitional impact (Continued)

The following table reconciles the operating lease commitments as disclosed in note 30 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

| | | Lease liabilities 租賃負債 HK\$'000 千港元 |
|--|--|--|
| Operating lease commitments at 31 December 2018 | 於二零一八年十二月三十一日的 經營租賃承擔 | 4,026 |
| Less: effect from short-term leases | 減：短期租賃之影響 | (67) |
| Less: total future interest expenses | 減：未來利息開支總額 | (124) |
| Lease liabilities relating to operating leases recognised upon application of HKFRS 16 | 於應用香港財務報告準則 第16號時確認與經營租賃 有關之租賃負債 | 3,835 |
| Add: finance lease liabilities recognised at 31 December 2018 | 加：於二零一八年十二月 三十一日確認之融資 租賃負債 | 3,188 |
| Lease liabilities at 1 January 2019 | 於二零一九年一月一日之 租賃負債 | 7,023 |
| Analysed as: | 分析為： | |
| – Current portion | – 即期部分 | 4,630 |
| – Non-current portion | – 非即期部分 | 2,393 |
| | | 7,023 |

2 主要會計政策(續)

(c) 更改會計政策(續)

(ii) 承租人會計處理方法及過 渡影響(續)

下表載列附註30所披露於二零一八年十二月三十一日的經營租賃承擔與於二零一九年一月一日已確認租賃負債的期初結餘的對賬：

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(ii) Lessee accounting and transitional impact (Continued)

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

| | | Right-of-use assets 使用權資產 HK\$'000 千港元 |
|---|--------------------------------------|--|
| Right-of-use assets relating to operating leases recognised upon application of HKFRS 16 | 應用香港財務報告準則第16號時確認與經營租賃有關之使用權資產 | 3,835 |
| Carrying amount included in property, plant and equipment previously classified as finance leases under HKAS 17 | 計入先前根據香港會計準則第17號分類為融資租賃之物業、廠房及設備之賬面值 | 3,394 |
| Right-of-use assets at 1 January 2019 | 於二零一九年一月一日之使用權資產 | 7,229 |
| By class: | 按類別劃分為： | |
| – Leased properties | – 租賃物業 | 3,835 |
| – Motor vehicles | – 汽車 | 3,394 |
| | | 7,229 |

2 主要會計政策(續)

(c) 更改會計政策(續)

(ii) 承租人會計處理方法及過渡影響(續)

使用權資產於二零一九年一月一日之賬面值包括以下各項：

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(ii) Lessee accounting and transitional impact (Continued)

The following table summarises the impact of the adoption of HKFRS 16 on the Group's consolidated statement of financial position analysed by line items. Line items that were not affected by the changes have not been included.

2 主要會計政策(續)

(c) 更改會計政策(續)

(ii) 承租人會計處理方法及過渡影響(續)

下表概列採納香港財務報告準則第16號對本集團綜合財務狀況表的影響並按細列項目進行分析。概不包括未受有關變動影響之細列項目。

| | | Carrying amount at 31 December 2018 於二零一八年 十二月 三十一日 之賬面值 HK\$'000 千港元 | Impact upon adoption of HKFRS 16 採納 香港財務 報告準則 第16號 之影響 HK\$'000 千港元 | Carrying amount at 1 January 2019 於二零一九年 一月一日 之賬面值 HK\$'000 千港元 |
|--|------------------|--|--|---|
| Property, plant and equipment | 物業、廠房及設備 | 47,734 | (3,394) | 44,340 |
| Right-of-use assets | 使用權資產 | – | 7,229 | 7,229 |
| Total non-current assets | 非流動資產總值 | 181,359 | 3,835 | 185,194 |
| Lease liabilities | 租賃負債 | – | 4,630 | 4,630 |
| Obligations under finance leases | 融資租賃承擔 | 1,030 | (1,030) | – |
| Total current liabilities | 流動負債總值 | 44,772 | 3,600 | 48,372 |
| Net current assets | 流動資產淨值 | 98,653 | (3,600) | 95,053 |
| Total assets less current liabilities | 資產總值減流動負債 | 280,012 | 235 | 280,247 |
| Lease liabilities | 租賃負債 | – | 2,393 | 2,393 |
| Obligations under finance leases | 融資租賃承擔 | 2,158 | (2,158) | – |
| Total non-current liabilities | 非流動負債總值 | 9,436 | 235 | 9,671 |
| NET ASSETS | 資產淨值 | 270,576 | – | 270,576 |

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Changes in accounting policies (Continued)

(iii) Impact on the financial performance and cash flows of the Group

After the initial recognition of right-of-use assets and lease liabilities as at 1 January 2019, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. This results in a positive impact on the reported loss from operations in the Group's consolidated statement of profit or loss, as compared to the results if HKAS 17 had been applied during the year.

In the consolidated statement of cash flows, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element. These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in change in presentation of cash flows within the consolidated statement of cash flows.

The adoption of HKFRS 16 does not have significant impact on certain line items on the consolidated statement of profit or loss and consolidated statement of cash flows if HKAS 17 had been applied during the year.

2 主要會計政策(續)

(c) 更改會計政策(續)

(iii) 對本集團財務表現及現金流之影響

於二零一九年一月一日初步確認使用權資產及租賃負債後，本集團(作為承租人)須確認租賃負債的未償還餘額中產生的應計利息開支以及使用權資產的折舊，而非過往以直線基準確認租期內經營租賃產生的租賃開支的政策。相較於本年度應用香港會計準則第17號之情況，此等對本集團綜合損益表呈報之經營虧損產生積極影響。

於綜合現金流量表內，本集團(作為承租人)須將資本化租賃所支付的租金分為本金部份及利息部份。該等部份分類為融資現金流出，類似於先前根據香港會計準則第17號分類為融資租賃之租賃之處理方法，而非根據香港會計準則第17號關於經營租賃之處理方法分類為經營現金流出。因此，儘管總現金流未受影響，採納香港財務報告準則第16號導致綜合現金流量表之現金流呈報出現變動。

相較於本年度應用香港會計準則第17號之情況，採納香港財務報告準則第16號對綜合損益表及綜合現金流量表之若干細列項目並無重大影響。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) *Subsidiaries and non-controlling interests*

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

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2 主要會計政策(續)

(d) *附屬公司及非控股權益*

附屬公司指本集團控制之實體。倘本集團因參與某實體之營運而獲得或有權享有其可變回報，並能夠運用其對實體之權力影響該等回報，則本集團控制該實體。在評估本集團是否擁有控制權時，僅考慮實質權利(由本集團及其他方持有)。

於附屬公司之投資自控制權開始日期直至控制權終止日期合併入綜合財務報表內。集團內公司間之結餘及交易與現金流量，以及集團內公司間交易所產生之任何未變現溢利，在編製綜合財務報表時均全數對銷。集團內公司間交易所產生之未變現虧損則僅在無出現減值證據之情況下，以與對銷未變現收益相同之方法對銷。

非控股權益指並非本公司直接或間接所佔附屬公司之權益，而本集團並無就此與該等權益持有人協定任何額外條款，而可能導致本集團整體須就符合金融負債定義之該等權益承擔訂約責任。就每項業務合併而言，本集團可選擇按附屬公司的可辨別資產淨值的公平值或非控股權益所佔附屬公司可辨別資產淨值的比例計量任何非控股權益。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) *Subsidiaries and non-controlling interests* (Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company.

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

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(m)(iii)).

(e) *Associates and joint venture*

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

2 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益呈列於綜合財務狀況表中之權益內，與本公司擁有人應佔權益分開呈列。本集團業績中之非控股權益乃呈列於綜合損益表以及綜合損益及其他全面收益表，作為年度溢利或虧損總額及全面收益總額在非控股權益及本公司擁有人之間之分配。

倘本集團於附屬公司之權益變動並無導致其喪失控制權，則會按股本交易入賬，並調整綜合權益項目內之控股及非控股權益金額，以反映相關權益之變動，但不會調整商譽，亦不會確認收益或虧損。

當本集團喪失對一間附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生之收益或虧損將於損益內確認。

於附屬公司之投資是按成本扣除減值虧損後，列入本公司之財務狀況表(見附註2(m)(iii))。

(e) 聯營公司及合營企業

聯營公司是指本集團可以對其發揮重大影響力，但不是控制或聯合控制其管理之實體；所謂發揮重大影響力包括參與其財務及經營決策。

合營企業為本集團及其他方按合約同意下分配控制權及並對資產淨值擁有權利之安排。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) *Associates and joint venture (Continued)*

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(g) and 2(m)(iii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture (after applying the expected credit losses model to such other long-term interests where applicable (see note 2(m)(i))).

2 主要會計政策(續)

(e) *聯營公司及合營企業(續)*

於聯營公司或合營企業之投資按權益法計入綜合財務報表。根據權益法，投資初始按成本入賬，並按本集團應佔投資對象於收購當日可識別資產淨值之公平值超逾投資成本之部分(如有)作出調整。投資成本包括購買價格、直接歸因於收購投資的其他成本，以及對構成本集團股本投資一部分的聯營公司或合營企業的任何直接投資。此後，該投資因應本集團於收購後應佔該投資對象資產淨值之變動及與投資有關之任何減值虧損(見附註2(g)及2(m)(iii))作出調整。收購當日超出成本之任何部分、本集團於年內應佔該投資對象收購後之稅後業績以及任何減值虧損於綜合損益表確認，而本集團應佔該投資對象其他全面收益之收購後除稅後項目乃於綜合損益及全面收益表內確認。

當本集團應佔聯營公司或合營企業虧損超逾其於該聯營公司或合營企業之權益，本集團之權益將削減至零，且不再確認其他虧損，惟倘本集團須承擔法定或推定責任，或代該投資對象付款則除外。就此而言，本集團之權益為按照權益法計算之投資賬面值，連同實質上構成本集團於該聯營公司或合營企業投資淨額一部分之本集團長期權益(於對該等其他長期權益應用預期信貸虧損模式後(見附註2(m)(i)))。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) *Associates and joint venture (Continued)*

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss.

(f) *Business combinations*

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income Taxes" and HKAS 19 "Employee Benefits" respectively;

2 主要會計政策(續)

(e) *聯營公司及合營企業(續)*

本集團與其聯營公司及合營企業進行交易所產生未變現溢利及虧損，均以本集團於投資對象之權益抵銷，惟可證實已轉讓資產減值之未變現虧損則不在此限，在此情況下，該未變現虧損即時於損益確認。

在所有其他情況下，倘本集團不再對聯營公司擁有重大影響力或於合營企業擁有共同控制權時，則將按出售該投資對象之全部權益入賬，所產生之收益或虧損在損益內確認。

(f) *業務合併*

收購業務採用收購法入賬。業務合併所轉撥之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團向被收購方原股東產生之負債及本集團於交換被收購方之控制權發行之股本權益於收購日之公平值總額。收購相關成本於產生時確認於損益中。

於收購日期，已收購之可識別資產及所承擔之負債按其公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Business combinations (Continued)

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based Payment” at the acquisition date;
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard; and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16) as if the acquired leases were new leases at the acquisition date, except for leases for which the lease term ends within 12 months of the acquisition date or the underlying asset is of low value. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

2 主要會計政策(續)

(f) 業務合併(續)

- 與被收購公司以股份為基礎之付款安排或以本集團訂立以股份為基礎之付款安排取代被收購公司以股份為基礎之付款安排相關之負債或股本工具乃於收購日期根據香港財務報告準則第2號「以股份為基礎之付款」計量；
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止業務」分類為持作出售之資產(或出售組別)根據該項準則計量；及
- 租賃負債按剩餘租賃付款(定義見香港財務報告準則第16號)的現值確認及計量，猶如收購的租賃於收購日為新租賃，惟租賃期限於收購日期12個月內結束；或相關資產為低價值的租賃除外。使用權資產按與相關租賃負債相同的金額確認及計量，並進行調整以反映與市場條件相比租賃的有利或不利條款。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) *Business combinations (Continued)*

Where the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent to the end of the reporting period, with the corresponding gain or loss being recognised in profit or loss.

2 主要會計政策(續)

(f) *業務合併(續)*

倘本集團於業務合併中轉移之代價包括或然代價安排，則或然代價按收購日期之公平值計量，並被視為一項業務合併轉移之部分代價。合資格作計量期間調整之或然代價之公平值變動追溯調整。計量期間調整為於計量期間因取得於收購日期已存在之事件及情況之額外資訊而作出之調整，有關計量期間自收購日期起計不得超過一年。

就不合資格作為計量期間調整之或然代價公平值變動之其後會計處理方法視乎該或然代價如何分類而定。分類為權益之或然代價不會於其後報告日期重新計量，而其後之結算則於權益內列賬。分類為資產或負債之或然代價於報告期末後按公平值重新計量，相應收益或虧損於損益內確認。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Goodwill

Goodwill represents the excess of:

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held interest in the acquire; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is carried at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(m)(iii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(h) Investments in equity securities

The Group's policies for investments in equity securities, other than investments in subsidiaries, associates and joint ventures, are set out below.

Investments in equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 29(f). These investments are subsequently accounted for as follows, depending on their classification.

2 主要會計政策(續)

(g) 商譽

商譽指以下兩者之差額：

- (i) 所轉讓代價之公平值於被收購方之任何非控股權益金額及本集團先前於被收購方所持權益之公平值總和；與
- (ii) 被收購方於收購日期計量之可識別資產及負債之公平淨值。

倘(ii)高於(i)，則差額即時於損益內確認為議價收購收益。

商譽按成本減累計減值虧損列值。業務合併產生之商譽分配至預期從合併之協同效益中得益之各現金產生單位或現金產生單位組別，並於每年進行減值測試(見附註2(m)(iii))。

於年內出售現金產生單位時，購置商譽之任何應佔金額會於出售時計入損益。

(h) 股本證券投資

除於附屬公司、聯營公司及合營企業之投資外，本集團有關股本證券投資之政策如下。

股本證券投資於本集團承諾購買／出售該投資當日確認／終止確認。該等投資初步按公平值加上直接應佔交易成本(惟按公平值計入損益("FVPL"))計量且交易成本直接於損益內確認之該等投資除外)列賬。有關本集團如何釐定金融工具之公平值之說明，見附註29(f)。該等投資其後視乎彼等之分類列賬如下。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) *Investments in equity securities (Continued)*

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an irrevocable election to designate the investment at fair value through other comprehensive income ("FVOCI") (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income.

(i) *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(j) *Property, plant and equipment*

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(m)(iii)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2 主要會計政策(續)

(h) *股本證券投資(續)*

於股本證券之投資分類為按FVPL，除非該股本投資並非持作買賣用途，且本集團於初次確認投資時不可撤銷地選擇指定投資為按公平值計入其他全面收益(「FVOCI」)(不可迴轉)，以致公平值之後續變動於其他全面收益內確認。有關選擇按個別工具作出，惟僅當發行人認為該投資符合權益定義時方可作出。於作出有關選擇後，於其他全面收益中累計之金額於公平值儲備(不可迴轉)保留，直至出售投資為止。出售時，於公平值儲備(不可迴轉)累計之金額轉撥至累計虧損，而非透過損益劃轉。投資股本證券的股息，無論是否分類為按FVPL或按FVOCI，均在損益內確認為其他收入。

(i) *衍生金融工具*

衍生金融工具按公平值確認。於各報告期末，公平值會重新計量。重新計量公平值之收益或虧損立即於損益中確認，惟合資格作現金流量對沖會計或對沖外國業務投資淨額之衍生工具除外，任何因此產生之收益或虧損之現金確認取決於獲對沖項目之性質。

(j) *物業、廠房及設備*

物業、廠房及設備之項目按成本減累計折舊及減值虧損列賬(見附註2(m)(iii))。

報廢或出售物業、廠房及設備項目所產生之收益或虧損為出售所得款項淨額與賬面值之差額，並於報廢或出售日期在損益內確認。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) *Property, plant and equipment (Continued)*

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

| | |
|-------------------------------|--------------|
| Land and buildings | 12 years |
| Leasehold improvements | 3 to 5 years |
| Furniture and fixtures | 4 to 5 years |
| Computers and other equipment | 3 to 4 years |
| Motor vehicles | 5 years |

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) *Intangible assets (other than goodwill)*

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable.

Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 2(m)(iii)). Other development expenditure is recognised as an expense in the period in which it is incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(m)(iii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

2 主要會計政策(續)

(j) *物業、廠房及設備(續)*

物業、廠房及設備項目之折舊按成本減預計殘值(如有)以直線法在其預計可用年期撇銷其成本如下:

| | |
|---------|------|
| 土地及樓宇 | 十二年 |
| 租賃物業裝修 | 三至五年 |
| 傢俬及裝置 | 四至五年 |
| 電腦及其他設備 | 三至四年 |
| 汽車 | 五年 |

倘物業、廠房及設備項目之各部分擁有不同可使用年期時,則該項目之成本將按合理基準在不同部分之間分配,且各部分將作單獨折舊。資產之可使用年期及其殘值(如有)均於每年進行檢討。

(k) *無形資產(商譽除外)*

研究活動支出於產生期間確認為開支。倘產品或過程於技術上及商業上可行,且本集團有足夠資源及意向完成開發工作,則開發活動之支出將予以資本化。資本化之支出包括原料成本、直接勞工成本及適當比例之經常費用及借貸成本(如適用)。

資本化發展成本按成本減累計攤銷及減值虧損列賬(見附註2(m)(iii))。其他發展支出於其產生期間確認為開支。

本集團購買之其他無形資產按成本減累計攤銷(預計有限可用年期)及減值虧損列賬(見附註2(m)(iii))。內部產生商譽及品牌支出於產生期間確認為開支。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Intangible assets (other than goodwill) (Continued)

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date when they are available for use and their estimated useful lives are as follows:

| | |
|--------------------|--------------|
| Development costs | 3 years |
| Technical know-how | 5 years |
| Programming codes | 5 years |
| Mobile games | 2 to 5 years |

Both the period and method of amortisation are reviewed annually.

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) Policy applicable from 1 January 2019

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

2 主要會計政策 (續)

(k) 無形資產(商譽除外)(續)

具有有限可用年期之無形資產攤銷以直線法在資產預計可用年期自損益中扣除。以下具有有限可用年期之無形資產自其可供使用當日起攤銷，其估計可用年期如下：

| | |
|------|------|
| 發展成本 | 三年 |
| 技術知識 | 五年 |
| 程式編碼 | 五年 |
| 手機遊戲 | 二至五年 |

每年均會檢討攤銷之期間及方法。

(l) 租賃資產

訂立合約時，本集團評估合約是否為租賃或包含租賃。如果合約轉達了一段時間以控制對已識別資產的使用的權利以換取對價，則合約為租賃或包含租賃。當客戶有權主導該項已識別資產的使用，且從使用中獲取幾乎所有的經濟利益時，控制權被轉移。

(i) 自二零一九年一月一日起適用之政策

倘合約包含租賃組成部分及非租賃組成部分，本集團已選擇不分拆非租賃組成部分，並對每個租賃組成部分和任何相關的非租賃組成部分作為一項單一的租賃進行會計處理。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Leased assets (Continued)

(i) Policy applicable from 1 January 2019 (Continued)

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 主要會計政策(續)

(I) 租賃資產(續)

(i) 自二零一九年一月一日起 適用之政策(續)

於租賃開始日，本集團確認使用權資產和租賃負債，但租賃期為12個月或以下的短期租賃和低價值資產的租賃除外。當本集團就一項低價值資產訂立租賃時，本集團決定是否以逐項租賃為基礎將租賃資本化。與未資本化的租賃相關的租賃付款在租賃期內有系統地確認為開支。

若租賃被資本化，則租賃負債以租賃期內應付租賃付款的現值進行初始確認，並使用該項租賃的內含利率折現；或如果內含利率無法輕易釐定，則使用相關的增量借款利率。初始確認後，租賃負債以攤銷成本計量，且利息開支則採用實際利率法計算。不取決於指數或利率的可變租賃付款並不包含於租賃負債的計量中，並因此於其產生的會計期間計入損益。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Leased assets (Continued)

(i) Policy applicable from 1 January 2019 (Continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see note 2(m)(iii)). Depreciation is calculated to write off the cost of right-of-use assets using the straight-line method over the lease term or where it was likely the Group would obtain ownership of the assets, the life of the assets, as set out in note 2(j).

The Group presents right-of-use assets and lease liabilities separately in the consolidated statement of financial position.

2 主要會計政策(續)

(I) 租賃資產(續)

(i) 自二零一九年一月一日起 適用之政策(續)

當指數或利率變動引起未來租賃付款發生變動；或本集團就餘值擔保下預計應付的金額發生變化；或由於重新評估本集團是否合理地行使購買、延期或終止選擇權而產生變化時，租賃負債重新進行計量。當租賃負債以此方式重新計量時，對使用權資產的賬面價值作出相應調整，或倘使用權資產的賬面價值減記至零，則計入損益。

租賃資本化時已確認的使用權資產按成本進行初始計量，其中包括租賃負債的初始金額加上任何於開始日或之前作出的租賃付款，以及產生的任何初始直接費用。在適用的情況下，使用權資產的成本亦包括將拆卸、搬移相關資產或復原相關資產或資產所在地點的費用估算折現至其現值，減去已收到的租賃優惠。使用權資產隨後按成本減去累計折舊和減值虧損列賬(見附註2(m)(iii))。如附註2(j)所載，折舊以使用直線法於租期或資產的可使用年期(如本集團將可能取得資產的所有權)內撇銷使用權資產之成本計算。

本集團於綜合財務狀況表中單獨列示使用權資產及租賃負債。

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(Expressed in Hong Kong dollars)
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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(I) Leased assets (Continued)

(ii) Policy applicable prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in note 2(j). Impairment losses were accounted for in accordance with the accounting policy as set out in note 2(m)(iii). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

2 主要會計政策(續)

(I) 租賃資產(續)

(ii) 於二零一九年一月一日前適用之政策

於比較期間，作為承租人，倘租賃將所有權之絕大部分風險及回報轉移至本集團，則本集團將租賃分類為融資租賃。所有權之絕大部分風險及回報並無轉移至本集團之租賃均分類為經營租賃。

倘本集團根據融資租賃使用資產，便會將相當於租賃資產公平值或(如為較低之數額)最低租賃付款額之現值確認為物業、廠房及設備，而相應負債(不計融資費用)則列為融資租賃承擔。折舊是在相關之租賃期或資產之可用年期(如本集團很可能取得資產之所有權)內按沖銷其成本的比率計提，有關詳情見附註2(j)。減值虧損按附註2(m)(iii)所述會計政策入賬。租賃付款內含融資費用會按租賃年期自租賃期內的損益中扣除，使每個會計期間之負債餘額之費用比率固定。或然租金會於發生之會計期間在損益中扣除。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Leased assets (Continued)

(ii) Policy applicable prior to 1 January 2019 (Continued)

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

(m) Credit losses and impairment of assets

(i) Credit losses from financial assets and contract assets

The Group recognises a loss allowance for expected credit losses (“ECLs”) on financial assets measured at amortised cost (including cash and cash equivalents, loans and interest receivables and trade and other receivables) and contract assets as defined in HKFRS 15 “Revenue from Contracts with Customers” (see note 2(o)).

Other financial assets measured at fair value, including equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

2 主要會計政策(續)

(l) 租賃資產(續)

(ii) 於二零一九年一月一日前 適用之政策(續)

當本集團使用根據經營租賃持有之資產時，根據租賃作出之付款會於租賃期涵蓋之會計期間分期自損益中扣除，除非出現其他更能反映租賃資產所產生之利益模式之基準，則作別論。收到之租賃優惠會作為總租賃款項淨額之組成部分在損益內確認。或然租金會於發生之會計期間在損益中扣除。

(m) 信貸虧損及資產減值

(i) 金融資產及合約資產之信貸虧損

本集團就按攤銷成本計量之金融資產(包括現金及現金等值物、應收貸款及利息以及應收賬款及其他應收款)及香港財務報告準則第15號「與客戶訂立合約之收入」所界定之合約資產(見附註2(o))之預期信貸虧損(「預期信貸虧損」)確認虧損撥備：

按公平值計量之其他金融資產(包括指定按FVOCI(不可迴轉)之股本證券及衍生金融資產)均毋須進行預期信貸虧損評估。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) *Credit losses from financial assets and contract assets (Continued)*

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at original effective interest rate, where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs which result from all possible default events over the expected lives of these financial assets. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the end of the reporting period.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(i) 金融資產及合約資產之信貸虧損(續)

預期信貸虧損之計量

預期信貸虧損為信貸虧損之概率加權估計。信貸虧損以所有預期現金差額之現值(即根據合約應付予本集團之現金流量與本集團預期收取之現金流量之間之差額)計量,倘貼現影響屬重大,則採用原實際利率貼現。

於估計預期信貸虧損時考慮之最長期間為本集團面臨信貸風險之最長合約期間。於計量預期信貸虧損時,本集團會考慮在毋須付出不必要之成本或努力即可獲得之合理可靠資料。此包括有關過往事件、當前狀況及未來經濟狀況預測之資料。

應收賬款及合約資產之虧損撥備一貫按相等於該等金融資產於預期年內之全部可能違約事件導致之全期預期信貸虧損之金額計量。該等金融資產之預期信貸虧損根據本集團過往信貸虧損經驗採用撥備矩陣進行估計,並根據債務人之特定因素以及就報告期末整體經濟狀況現況及預測之評估作出調整。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets and contract assets (Continued)

Measurement of ECLs (Continued)

For all other financial assets (including loans and interest receivables), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs. The 12-month ECLs are losses that are expected to result from possible default events within the 12 months after the end of the reporting period.

Significant increases in credit risk

In assessing whether the credit risk of a financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset assessed at the end of the reporting period with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(i) 金融資產及合約資產之信貸虧損(續)

預期信貸虧損之計量(續)

就所有其他金融工具(包括應收貸款及利息)而言,本集團確認相等於十二個月預期信貸虧損之虧損撥備,除非自初步確認以來金融工具之信貸風險顯著增加,於此情況下,虧損撥備按相等於全期預期信貸虧損之金額計量。十二個月預期信貸虧損為預期於報告期後十二個月內之可能違約事件導致之虧損。

信貸風險顯著增加

於評估金融資產之信貸風險是否自初步確認以來顯著增加時,本集團會比較於報告期末所評估之金融工具發生之違約風險與初始確認日期評估之有關風險。作出重新評估時,本集團認為倘借款人不大可能在本集團無追索權採取變現抵押(如持有)行動之情況下向本集團悉數支付其信貸承擔,則將發生違約事件。本集團會考慮合理可靠之定量及定性資料,包括過往經驗及毋須付出不必要之成本或努力即可獲得之前瞻性資料。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets and contract assets (Continued)

Significant increases in credit risk (Continued)

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 asset'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.

Depending on the nature of the financial assets, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial assets are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(i) 金融資產及合約資產之信貸虧損(續)

信貸風險顯著增加(續)

具體而言，於評估信貸風險是否自初始確認以來顯著增加時，已計及以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融資產外部或內部信貸評級(如適用)之實際或預期明顯惡化；
- 債務人經營業績之實際或預期明顯惡化；及
- 科技、市場、經濟或法律環境發生對債務人履行其對本集團責任之能力造成重大不利影響之現有或預測變動。

視乎金融資產的性質而定，信貸風險大幅上升的評估按個別基準或共同基準進行。倘評估為按共同基準進行，金融資產則按共同信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets and contract assets (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at the end of each reporting period to reflect changes in the financial asset's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(x)(ii) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(i) 金融資產及合約資產之信貸虧損(續)

信貸風險顯著增加(續)

預期信貸虧損於各報告期末進行重新計量以反映金融資產自初步確認以來之信貸風險變動。預期信貸虧損金額之任何變動均於損益確認為減值收益或虧損。本集團就所有金融資產確認減值收益或虧損，並通過虧損撥備賬對其賬面值作出相應調整。

利息收入之計算基準

根據附註2(x)(ii)確認之利息收入按金融資產之總賬面值計算，除非該金融資產出現信貸減值，在此情況下，利息收入按金融資產之攤銷成本(即總賬面值減虧損撥備)計算。

於各報告期末，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產預計未來現金流量有不利影響之事件時，金融資產出現信貸減值。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) Credit losses from financial assets and contract assets (Continued)

Basis of calculation of interest income (Continued)

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

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

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(i) 金融資產及合約資產之信貸虧損(續)

利息收入之計算基準(續)

金融資產信貸減值之證據包括以下可觀察事件：

- 債務人有嚴重財務困難；
- 違反合約，如違約或逾期事件；
- 借款人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現對債務人有不利影響的重大變動；或
- 由於發行人出現財務困難，證券活躍市場消失。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(i) *Credit losses from financial assets and contract assets (Continued)*

Write-off policy

The gross carrying amount of a financial asset or contract 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.

(ii) *Credit losses from financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(i) 金融資產及合約資產之信貸虧損(續)

撇銷政策

倘無實際收回可能性，本集團則會撇銷金融資產或合約資產的部分或全部總賬面值。該情況通常出現在本集團確定債務人並無資產或可產生足夠現金流量之收入來源以償還應撇銷之金額。隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

(ii) 已發出財務擔保之信貸虧損

財務擔保為要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債務工具之條款於到期時付款而蒙受之損失，而向持有人支付特定款項之合約。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

Financial guarantees issued are initially recognised within “trade and other payables” at fair value, which is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in “trade and other payables” in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(ii) 已發出財務擔保之信貸虧損(續)

已發出財務擔保初步按公平值於「應付賬款及其他應付款」確認，其公平值參照於類似服務之公平磋商交易所收取之費用(如可獲得有關資料)而確定，或參照息差確定，方法是以貸方在擔保作出之時實際收取之利率與未有擔保之情況下貸方將會收取之估計利率作比較(如有關資料能可靠地估計)。當就發出擔保已收或應收代價時，代價根據本集團適用於該資產類別之政策確認。倘並無有關代價屬已收或應收，則於損益確認即時開支。

初步確認後，初步確認為遞延收入之金額按擔保期限於損益內攤銷，作為已發出財務擔保之收入。

本集團監測特定債務人將違約之風險，並於確定財務擔保之預期信貸虧損高於有關擔保於「應付賬款及其他應付款」列賬之金額(即初步確認金額減累計攤銷)確認撥備。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(ii) Credit losses from financial guarantees issued (Continued)

To determine ECLs, the Group considers changes in the risk of default on the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 2(m)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(ii) 已發出財務擔保之信貸虧損(續)

為釐定預期信貸虧損，本集團考慮自擔保發出以來特定債務人之違約風險變動。本集團計量十二個月預期信貸虧損，除非特定債務人自擔保發出以來之違約風險顯著增加，在此情況下，則會計量全期預期信貸虧損。附註2(m)(i)所述之相同違約定義及相同信貸風險顯著增加評估皆適用。

由於根據已作擔保之工具之條款，本集團於特定債務人違約時才需要作出付款，故根據預期款項估計預期信貸虧損，以就持有人蒙受之信貸虧損減去本集團預期向擔保持有人、特定債務人或任何其他人士收取之款項而向持有人付款。有關款項其後以目前無風險利率進行貼現，並就現金流量特定風險作調整。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- right-of-use assets;
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值

於各報告期末審閱內部及外部資料來源，以識別是否有跡象顯示以下資產(商譽除外)可能出現減值，或之前確認之減值虧損不再存在或可能已減少：

- 物業、廠房及設備；
- 使用權資產；
- 無形資產；
- 商譽；及
- 本公司財務狀況表內之於附屬公司之投資。

倘有任何該等跡象存在，資產之可收回金額會被評估。此外，就商譽及尚未可供使用之無形資產而言，不論是否有任何減值跡象存在，亦於每年估計其可收回數額。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

- Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

- 計算可收回金額

資產可收回金額為公平價值減出售成本與使用價值兩者間之較高者。在評估使用價值時，按反映當時市場對貨幣時間價值及資產特定風險評估之稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生基本上獨立於其他資產之現金流入，則以能獨立產生現金流入之最小資產組別(即現金產生單位)釐定可收回金額。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Credit losses and impairment of assets (Continued)

(iii) Impairment of other non-current assets (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 主要會計政策(續)

(m) 信貸虧損及資產減值(續)

(iii) 其他非流動資產減值(續)

- 確認減值虧損

倘資產或其所屬現金產生單位之賬面值超過其可收回金額時，則於損益中確認減值虧損。就現金產生單位確認之減值虧損會予以分配，首先減少已分配至該現金產生單位(或單位組別)之任何商譽之賬面值，然後按比例減少該單位(或單位組別)內其他資產之賬面值，惟某資產之賬面值不會減至低於其個別公平值減去出售成本(如能計量)或使用價值(如能釐定)則除外。

- 減值虧損撥回

就除商譽以外之資產而言，倘用作釐定可收回金額之估算出現正面之變化，則會撥回減值虧損。商譽之減值虧損不會撥回。所撥回之減值虧損僅限於在過往年度並未確認減值虧損時原應釐定之資產賬面值。所撥回之減值虧損在確認撥回之年度計入損益。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Inventories

Inventories, which represent merchandises for resale, are carried at the lower of cost and net realisable value.

Cost is calculated using the first-in, first-out formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

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

(o) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(x)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 2(m)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(q)).

2 主要會計政策(續)

(n) 存貨

存貨指商品轉售，其按成本值與可變現淨值兩者中之較低者列賬。

成本以先進先出法計算，並包括所有採購成本、轉換成本及將存貨運至現址和變成現狀之其他成本。

可變現淨值是日常業務過程中之估計售價減去估計完成生產及銷售所需之成本。

出售存貨時，該等存貨之賬面值於確認有關收益之期間確認為開支。

存貨撇減至可變現淨值之減幅及所有存貨虧損一概在撇減或虧損產生期間確認為開支。任何存貨撇減撥回之金額，在作出撥回期間確認為已確認為開支的存貨金額的減項。

(o) 合約資產及合約負債

於本集團有無條件權利根據合約所載支付條款收取代價前，合約資產於確認收益時予以確認(見附註2(x))。合約資產根據附註2(m)(i)所載之政策就預期信貸虧損進行評估，並於收取代價的權利成為無條件時重新分類至應收款項(見附註2(q))。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) *Contract assets and contract liabilities (Continued)*

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 2(x)). A contract liability would also be recognised if the Group has unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(q)).

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

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(p) *Loans and interest receivables*

Loans receivable are loans granted to customers in the ordinary course of business. If collection of loans receivable is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Interest receivables are interests derived from loans granted to customers in the ordinary course of business.

Loans and interest receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for credit loss (see note 2(m)(i)).

2 主要會計政策(續)

(o) *合約資產及合約負債(續)*

於本集團確認相關收益前，合約負債於客戶支付不可退還代價時予以確認(見附註2(x))。倘本集團於確認相關收益時有無條件權利收取不可退還代價，則確認合約負債。在該等情況下，將會確認相應收款項(見附註2(q))。

就與客戶之單一合約而言，會呈列合約資產淨值或合約負債淨額。就多份合約而言，非相關合約之合約資產及合約負債不按淨額基準呈列。

倘合約包含重大融資部分，則合約結餘包括根據實際利率法應計之利息。

(p) *應收貸款及利息*

應收貸款為於日常業務過程中授予客戶之貸款。倘應收貸款預計於一年或以內收回，則分類為流動資產。反之則呈列為非流動資產。

應收利息為於日常業務過程中授予客戶之貸款之利息。

應收貸款及利息初步按公平值確認，隨後以實際利率法計算的攤銷成本扣除減值虧損撥備計量(見附註2(m)(i))。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (see note 2(o)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(m)(i)).

(r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

Cash and cash equivalents are assessed for ECL in accordance with the accounting policy set out in note 2(m)(i).

(s) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(m)(ii), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 主要會計政策(續)

(q) 應收賬款及其他應收款

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價之權利僅需經過一段時間方成為無條件。倘收益於本集團有無條件權利收取代價前確認，則該金額呈列為合約資產(見附註2(o))。

應收款項按使用實際利率法按攤銷成本減信貸虧損撥備列賬(見附註2(m)(i))。

(r) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金、於銀行及其他金融機構之活期存款，以及可隨時兌換為已知金額之現金及毋須承受重大價值變動風險且於購入後三個月內到期之短期高流動投資。

現金及現金等值物根據附註2(m)(i)所載之會計政策就預期信貸虧損進行評估。

(s) 應付賬款及其他應付款

應付賬款及其他應付款初步按公平值確認。除根據附註2(m)(ii)計量之財務擔保負債外，應付賬款及其他應付款其後按攤銷成本列賬，惟貼現影響輕微時則除外，於此情況下按成本列賬。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the accounting policy for borrowing costs (see note 2(z)).

(u) *Employee benefits*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(v) *Income tax*

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2 主要會計政策(續)

(t) *附息借款*

附息借款初步按公平值減交易成本確認。初步確認後，附息借款採用實際利率法以攤銷成本列賬。利息開支根據借款成本之會計政策確認(見附註2(z))。

(u) *僱員福利*

薪金、年終花紅、有薪年假、定額供款退休計劃之供款及非貨幣性福利之成本會在僱員提供相關服務之年度內計提。如延遲付款或清償會產生重大影響，有關數額則按現值列賬。

(v) *所得稅*

本年度所得稅包括即期所得稅和遞延所得稅資產與負債之變動。即期稅項及遞延稅項資產和負債的變動均在損益內確認，惟與於其他全面收益或直接於權益內確認的項目有關者除外，在此情況下，相關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項根據年內應課稅收入採用於報告期末已頒佈或實質頒佈之稅率計算，並就過往年度應付的稅項作出調整。

遞延稅項資產和負債分別由可扣稅和應課稅暫時差異產生，暫時差異是指資產和負債在財務報告上的賬面值與這些資產和負債之稅基之差異。遞延稅項資產亦可以由未使用的稅損及未動用稅項抵免產生。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) *Income tax (Continued)*

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 主要會計政策(續)

(v) *所得稅(續)*

除若干例外情況外，所有遞延稅項負債及所有遞延稅項資產均於日後產生應課稅溢利並將可動用資產予以抵銷時確認。可引證確認源自可扣稅暫時差額之遞延稅項資產之日後應課稅溢利，包括該等源自撥回現有應課稅暫時差額，惟差額與同一稅務機關及同一應課稅實體有關，並預期於撥回可扣稅暫時差額之同一期間或源自遞延稅項資產的稅項虧損可撥回或結轉的期間撥回。在決定現有之應課稅暫時差異是否足以支持確認由未使用稅項虧損及稅項抵免所產生之遞延稅項資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能夠使用稅損或稅項抵免之一段或多段期間內轉回。

不確認為遞延稅項資產和負債之暫時差額產生自以下有限之例外情況：不可扣稅的商譽，不影響會計或應課稅溢利之資產或負債之初次確認（如屬業務合併的一部分則除外），以及於附屬公司投資之相關暫時差額（如屬應課稅差額，限於本集團可控制撥回時間且於可預見將來不大可能獲撥回之暫時差額；或如屬可扣減差額，則限於可能於未來撥回之差額）。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) *Income tax (Continued)*

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

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

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2 主要會計政策(續)

(v) *所得稅(續)*

已確認遞延稅項之金額按照資產及負債賬面值之預期變現或償還方式，使用於報告期末已生效或實質上已生效之稅率計算。遞延稅項資產及負債均不予貼現。

遞延稅項資產之賬面值會在各報告期末予以審閱，若日後不再可能有足夠應課稅溢利用以抵扣相關稅項溢利，則扣減遞延稅項資產之賬面值。若日後可能有足夠應課稅溢利用以抵扣，則撥回所扣減之數額。

股息分派產生之額外所得稅於支付相關股息之負債獲確認時予以確認。

即期稅項結餘及遞延稅項結餘以及相關變動分別呈列且不會互相抵銷。僅於本公司或本集團有可合法強制執行之權利以將即期稅項資產抵銷即期稅項負債，而且符合以下額外條件時，即期及遞延稅項資產和負債才可予對銷：

- 就即期稅項資產及負債而言，本公司或本集團擬按照淨額基準結算，或同時變現資產及清償負債；或

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) *Income tax (Continued)*

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(w) *Provisions and contingent liabilities*

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

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

2 主要會計政策(續)

(v) *所得稅(續)*

- 就遞延稅項資產及負債而言，該等遞延稅項資產及負債與同一稅務當局所徵收的所得稅有關，且有關所得稅是向：
 - 同一應課稅實體徵收；或
 - 不同應課稅實體徵收，而該等實體計劃在未來各個預期有大額遞延稅項負債需要結算或大額遞延稅項資產可以收回之期間內，按照淨額基準變現即期稅項資產及結算即期稅項負債，或同時變現該資產及結算該負債。

(w) *撥備及或然負債*

因過去某一事件以致本公司或本集團出現法律或推定責任，而清償該等責任可能導致經濟利益流出且能作出可靠估計，即計提撥備。倘貨幣時間價值為重大，則按預期清償責任開支現值計提撥備。

倘不大可能需要流出經濟利益，或倘有關金額不能可靠估計時，則有關責任將披露為或然負債，除非經濟利益流出之可能性極微。有可能之責任（其存在僅可由一項或多項未來事件出現與否確定）亦披露為或然負債，除非經濟利益流出之可能性極微。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services and licensing of its own intellectual properties in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

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

(i) Provision of software platform includes:

- Sales of licensed software, which are recognised when the goods are delivered to customers and titles has been passed which is taken to be the point in time when the customer has accepted the goods;
- Software maintenance service income received or receivable from customers when the maintenance service contracts are entered into, which is recognised on a straight-line basis over the term of the maintenance service contract;
- Software rental and subscription income from software application and website development, which are recognised at point in time when the relevant services are rendered; and

2 主要會計政策(續)

(x) 收益及其他收入

倘收入於本集團日常業務過程中自銷售貨物、提供服務及授出知識產權產生，本集團則將收入分類為收益。

倘本集團按預計有權收取之已承諾代價之金額將商品或服務控制權轉讓予客戶(惟不包括代表第三方所收取之該等金額)，則確認收益。收益不包括增值稅或其他銷售稅，並扣減任何貿易折讓。

有關本集團收益及其他收入確認政策之進一步詳情如下：

(i) 提供軟件平台包括：

- 銷售註冊軟件，於貨品付運予客戶及交付擁有權時確認，視為客戶已接納貨品之時間點；
- 於訂立維護服務合約時已收或應收客戶之軟件維護服務收入，按維護服務合約期限以直線基準確認；
- 軟件應用及網站開發之軟件租賃及訂購收入於提供相關服務之時間點確認；及

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Revenue and other income (Continued)

(i) Provision of software platform includes: (Continued)

- Income from mobile application development, website conversion, website development deriving from providing software application and electronic learning platform to customers, which is recognised over time when services are rendered. Revenue is also recognised in profit or loss in respect of the contract liabilities over the term of the service contract.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(m)(i)).

2 主要會計政策(續)

(x) 收益及其他收入(續)

(i) 提供軟件平台包括:(續)

- 手機應用開發、網站轉換及網站開發之收入來自向客戶提供軟件應用及電子學習平台，於提供服務時隨著時間確認。收益亦在服務合約期限就合約負債於損益內確認。

(ii) 利息收入

利息收入於其應計時按實際利率法確認。就並無出現信貸減值之按攤銷成本計量之金融資產而言，實際利率適用於資產之總賬面值。就出現信貸減值之金融資產而言，實際利率適用於資產之攤銷成本(即總賬面值減虧損撥備)(見附註2(m)(i))。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) Revenue and other income (Continued)

(iii) Revenue from mobile games and applications includes:

- Publishing income from online game platform owners, which is recognised at point in time on net basis from platform owners when the paying players purchase the game credits for the mobile games after deducting pre-determined commissions;
- Service income from the provision of mobile games and applications development and related services, which are recognised over time when the services are rendered in accordance with the contracts; and
- Licensing income, which is recognised when the performance obligations under the relevant agreements has been accomplished.

(y) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets and liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2 主要會計政策(續)

(x) 收益及其他收入(續)

(iii) 手機遊戲及應用收入包括：

- 來自網上遊戲平台擁有人之發行收入，由平台擁有人於遊戲付費玩家購買手機遊戲之遊戲點數時扣除預定佣金而按淨額確認；
- 來自提供手機遊戲及應用開發及相關服務之服務收入於按此提供服務後隨著時間確認；及
- 授權收入於相關協議項下履約責任達成時確認。

(y) 外幣換算

年內的外幣交易均按交易日期之匯率換算，以外幣結算之貨幣資產與負債均按報告期末之匯率換算，而兌換盈虧於損益確認。

以外幣按歷史成本計量之非貨幣資產及負債按交易日期適用之外匯匯率換算。交易日期為本公司最初確認該等非貨幣資產及負債之日期。以公平值呈列及外幣以計值之非貨幣資產及負債按照以公平值計量當日之外幣匯率進行換算。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(y) Translation of foreign currencies (Continued)

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(z) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantive period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

(aa) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
- (1) has control or joint control of the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.

2 主要會計政策(續)

(y) 外幣換算(續)

外國業務之業績按與交易日期之適用外匯匯率相若之匯率換算為港元。財務狀況表項目(包括收購日期為二零零五年一月一日之後收購外國業務所產生之商譽以及就資產及負債賬面值作出任何之公平值調整)按報告期末適用之收市外匯匯率換算為港元。因而所得之兌換差額於其他全面收益確認及獨立於兌換儲備之權益累算。

出售外國業務後，有關外國業務之累計兌換差額將於出售損益獲確認時從權益重新分類至損益。

(z) 借貸成本

因收購、建造或生產資產(需於一段長時間方能達到其原定之用途或作出售用途的資產)而產生之借貸成本，資本化為該資產成本之一部分。所有其他借貸成本於發生期間列賬。

(aa) 關聯方

- (i) 倘屬以下人士，即該人士或該人士之近親與本集團有關聯：
- (1) 能夠控制或共同控制本集團；
 - (2) 能夠對本集團施加重大影響；或
 - (3) 為本集團或本集團母公司之主要管理層成員。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Related parties (Continued)

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

- (1) 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).
- (2) 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).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) The entity is controlled or jointly controlled by a person identified in (i).
- (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2 主要會計政策(續)

(aa) 關聯方(續)

(ii) 倘符合下列任何條件，即實體與本集團有關聯：

- (1) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
- (2) 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (3) 兩間實體均為同一第三方之合營企業。
- (4) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
- (5) 實體為本集團或與本集團有關聯之實體就僱員利益設立之離職福利計劃。
- (6) 實體受(i)所識別人士控制或受共同控制。
- (7) 於(i)(1)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。

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2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(aa) Related parties (Continued)

- (ii) An entity is related to the Group if any of the following conditions applies: (Continued)
- (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(ab) Segment reporting

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

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

2 主要會計政策 (續)

(aa) 關聯方 (續)

- (ii) 倘符合下列任何條件，即實體與本集團有關聯：(續)
- (8) 實體或其為成員公司之集團之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。

任何人士的近親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之家庭成員。

(ab) 分部報告

經營分部及綜合財務報表內報告各分部項目之金額，乃取自向本集團主要高級行政管理層定期提供用作向本集團各項業務及地點分配資源，並評估其表現之財務資料。

個別重大之經營分部不會為財務報告目的而合計，除非有關分部具有類似經濟特性，並且具有類似的產品及服務性質、客戶類型或類別、分銷產品或提供服務方法，以及監管環境性質。個別非重大的經營分部倘符合上述大多數準則可予合計。

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3 REVENUE AND SEGMENT REPORTING

(a) Revenue

Revenue represents the sales value of goods and services supplied to customers from the provision of software platform services, interest income from the money lending business and revenue generated from mobile games and applications development, as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------|----------------------------------|----------------------------------|
| Provision of software platform services | 提供軟件平台服務 | 20,107 | 18,603 |
| Interest income from money lending | 放債所得利息收入 | 17,040 | 13,473 |
| Mobile games and applications | 手機遊戲及應用 | 2,926 | 21,892 |
| | | 40,073 | 53,968 |

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographic markets is disclosed in notes 3(b)(i) and 3(b)(iii) respectively.

3 收益及分部報告

(a) 收益

收益指透過提供軟件平台而供應予客戶之貨品及服務之銷售價值、放債業務所賺取之利息收入以及開發手機遊戲及應用所產生之收益如下：

按收益確認時間及地區市場劃分之客戶合約收益分別披露於附註3(b)(i)及3(b)(iii)。

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3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker, which are used to make strategic decisions.

The Group has three reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. No operating segments identified by the chief operating decision-maker have been aggregated in arriving at the reportable segments of the Group. The following summary describes the operations in each of the Group's reportable segments:

- Software platform : Developing and marketing of patented server based technology and the provision of communications software platform and software related services.
- Money lending : Provision of money lending business through a wholly-owned subsidiary of the Company which is a money lender licensed in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).
- Mobile games and applications : Game publishing, development of mobile games and related intellectual property and platform, mobile applications and data solutions and provision of IT related solutions.

3 收益及分部報告(續)

(b) 分部報告

本集團根據主要營運決策者用作制定決策之審閱報告釐定其營運分部。

本集團有三個可報告分部。由於各業務提供不同產品及服務，所需業務策略有所不同，故分部作個別管理。在設定本集團之可報告分部時，主要營運決策者並無將所識別之營運分部彙合。本集團各可報告分部之業務概述如下：

- 軟件平台 : 開發及營銷專利伺服器為基礎之技術及提供通訊軟件平台及軟件相關服務。
- 放債 : 透過本公司為放債人條例(香港法例第163章)項下之香港持牌放債人之全資附屬公司提供放債服務。
- 手機遊戲及應用 : 發行遊戲、開發手機遊戲和相關知識產權及平台、手機應用及數據解決方案，並提供相關資訊科技解決方案。

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3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(i) Business segment

3 收益及分部報告(續)

(b) 分部報告(續)

(i) 業務分部

| | | 2019 二零一九年 | | | |
|---|--------------------------|-------------------------|-----------------------|--|-----------------------|
| | | Software platform | Money lending | Mobile games and applications 手機遊戲 及應用 | Total |
| | | 軟件平台 HK\$'000 千港元 | 放債 HK\$'000 千港元 | HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Disaggregated by timing of revenue recognition | 按收益確認時間劃分 | | | | |
| Point in time | 於某一時間點 | 13,118 | – | 710 | 13,828 |
| Over time | 隨著時間 | 6,989 | 17,040 | 2,216 | 26,245 |
| Revenue from external customers | 來自外界客戶之收益 | 20,107 | 17,040 | 2,926 | 40,073 |
| Reportable segment profit ("adjusted EBITDA") | 可報告分部溢利 (「經調整EBITDA」) | 4,152 | 8,692 | 20 | 12,864 |
| Depreciation and amortisation | 折舊及攤銷 | 858 | 1,565 | 12,870 | 15,293 |
| Write-off of loans and interest receivables | 撇銷應收貸款及利息 | – | 27 | – | 27 |
| Impairment losses on: | 下列項目之減值虧損： | | | | |
| – contract assets | – 合約資產 | – | – | 7 | 7 |
| – trade receivables | – 應收賬款 | 18 | – | 95 | 113 |
| – loans and interest receivables | – 應收貸款及利息 | – | 4,850 | – | 4,850 |
| – goodwill | – 商譽 | – | – | 44,975 | 44,975 |
| Income tax credit | 所得稅抵免 | – | – | (2,118) | (2,118) |
| Reportable segment assets | 可報告分部資產 | 7,865 | 116,854 | 47,446 | 172,165 |
| Additions to non-current assets | 非流動資產增加 | 2,214 | 1,461 | 3,110 | 6,785 |
| Reportable segment liabilities | 可報告分部負債 | (6,653) | (50) | (25,770) | (32,473) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued) (i) Business segment (Continued)

3 收益及分部報告(續)

(b) 分部報告(續) (i) 業務分部(續)

| | | 2018 (Note) 二零一八年(附註) | | | |
|---|--------------------------|--------------------------|---------------|-------------------------------|----------|
| | | Software platform | Money lending | Mobile games and applications | Total |
| | | 軟件平台 | 放債 | 手機遊戲及應用 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Disaggregated by timing of revenue recognition | 按收益確認時間劃分 | | | | |
| Point in time | 於某一時間點 | 8,050 | – | 19,340 | 27,390 |
| Over time | 隨著時間 | 10,553 | 13,473 | 2,552 | 26,578 |
| Revenue from external customers | 來自外界客戶之收益 | 18,603 | 13,473 | 21,892 | 53,968 |
| Reportable segment profit (“adjusted EBITDA”) | 可報告分部溢利 (「經調整EBITDA」) | 1,265 | 11,697 | 14,316 | 27,278 |
| Depreciation and amortisation | 折舊及攤銷 | 111 | 714 | 12,850 | 13,675 |
| Write-off of loans and interest receivables | 撇銷應收貸款及利息 | – | 31 | – | 31 |
| Impairment losses/(reversal of impairment losses) on: | 下列項目之減值虧損/(減值虧損撥回): | | | | |
| – contract assets | – 合約資產 | – | – | 3 | 3 |
| – trade receivables | – 應收賬款 | 9 | – | – | 9 |
| – loans and interest receivables | – 應收貸款及利息 | – | (371) | – | (371) |
| – goodwill | – 商譽 | – | – | 24,903 | 24,903 |
| Income tax expense/(credit) | 所得稅開支/(抵免) | – | 4 | (1,466) | (1,462) |
| Reportable segment assets | 可報告分部資產 | 4,608 | 117,438 | 60,274 | 182,320 |
| Additions to non-current assets | 非流動資產增加 | 7 | 1,713 | 16 | 1,736 |
| Reportable segment liabilities | 可報告分部負債 | (6,641) | (73) | (11,104) | (17,818) |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated (see note 2(c)).

The measure used for reporting segment profit is “adjusted EBITDA”, i.e., “adjusted earnings before interest, taxes, depreciation and amortisation and impairment losses on non-current assets”.

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料(見附註2(c))。

匯報分部溢利而採用之計量為「經調整EBITDA」，即「經調整除利息、稅項、折舊及攤銷及非流動資產之減值虧損前溢利」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities

3 收益及分部報告(續)

(b) 分部報告(續)

(ii) 可報告分部收益、損益、資產及負債之對賬

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 (Note) (附註) |
|---|-------------|----------------------------------|--|
| Revenue | 收益 | | |
| Reportable segment revenue | 可報告分部收益 | 40,073 | 53,968 |
| Loss for the year | 年度虧損 | | |
| Reportable segment profit | 可報告分部溢利 | 12,864 | 27,278 |
| Loss on disposal of associates | 出售聯營公司虧損 | – | (3,339) |
| Share of profits of associates | 應佔聯營公司溢利 | – | 1,376 |
| Unallocated corporate income and expenses | 未分配企業收入及開支 | (80,347) | (67,387) |
| | | (67,483) | (42,072) |
| Total assets | 資產總值 | | |
| Reportable segment assets | 可報告分部資產 | 172,165 | 182,320 |
| Unallocated corporate assets | 未分配企業資產 | 88,533 | 142,464 |
| | | 260,698 | 324,784 |
| Total liabilities | 負債總額 | | |
| Reportable segment liabilities | 可報告分部負債 | 32,473 | 17,818 |
| Unallocated corporate liabilities | 未分配企業負債 | 25,506 | 36,390 |
| | | 57,979 | 54,208 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated (see note 2(c)).

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，並未重列比較資料(見附註2(c))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(ii) Reconciliation of reportable segment revenue, profit or loss, assets and liabilities (Continued)

The unallocated corporate income and expenses mainly include depreciation and amortisation, finance costs, impairment loss on goodwill, staff costs and legal and professional fees of head office. The unallocated corporate assets and liabilities mainly include goodwill, property, plant and equipment, right-of-use assets, deposits and prepayments, lease liabilities and interest-bearing borrowings. This is the measure reported to the chief operating decision-maker for the purposes of performance assessment and resource allocation.

(iii) Geographical information and major customers

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, right-of-use assets, intangible assets and goodwill ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the assets, in case of property, plant and equipment and right-of-use assets, the location of the operation to which they are allocated, in case of intangible assets and goodwill.

3 收益及分部報告(續)

(b) 分部報告(續)

(ii) 可報告分部收益、損益、資產及負債之對賬(續)

未分配企業收入及開支主要包括折舊及攤銷、融資成本、商譽減值虧損、總辦事處員工成本以及法律及專業費用。未分配企業資產及負債則主要包括商譽、物業、廠房及設備、使用權資產、存款及預付款項、租賃負債及付息借款。此乃就表現評估及資源分配向主要營運決策者之匯報方式。

(iii) 地區資料及主要客戶

下表載列有關(i)本集團來自外界客戶之收益及(ii)本集團之物業、廠房及設備、使用權資產、無形資產以及商譽(「指定非流動資產」)所在地區之資料。指定非流動資產所在地區按資產實際所在地點(以物業、廠房及設備以及使用權資產而言)及營運所在地點(以無形資產及商譽而言)劃分。

| | | Revenue from external customers 來自外界客戶之收益 | | Specified non-current assets 指定非流動資產 | |
|----------------|------|--|----------------------------------|---|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Hong Kong | 香港 | 38,695 | 33,883 | 119,435 | 176,597 |
| Mainland China | 中國內地 | 827 | 19,678 | 97 | 14 |
| Others | 其他 | 551 | 407 | - | - |
| | | 40,073 | 53,968 | 119,532 | 176,611 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

3 REVENUE AND SEGMENT REPORTING (CONTINUED)

(b) Segment reporting (Continued)

(iii) Geographical information and major customers (Continued)

Others mainly cover Australia, Taiwan and Europe.

During the year ended 31 December 2019, no (2018: one) customer with whom transactions exceeded 10% of the Group's revenue.

3 收益及分部報告(續)

(b) 分部報告(續)

(iii) 地區資料及主要客戶(續)

其他主要涵蓋澳洲、台灣及歐洲。

於截至二零一九年十二月三十一日止年度，並無(二零一八年：一名)來自任何客戶之交易收益超過本集團收益之10%。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Customer A from mobile games and applications | 手機遊戲及應用之客戶A | N/A不適用# | 19,566 |

The corresponding revenue did not contribute 10% or more of the total revenue.

相關收益均不佔總收益10%或以上。

4 OTHER INCOME, NET

4 其他收入(淨額)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Bank interest income | 銀行利息收入 | 3 | 3 |
| Gain on disposal of a joint venture | 出售一間合營企業之收益 | - | 12 |
| Gain on early termination of leases | 提前終止租賃之收益 | 20 | - |
| Reversal of impairment loss on loans and interest receivables | 應收貸款及利息之減值虧損撥回 | - | 371 |
| Sundry income | 雜項收入 | 478 | 703 |
| Waiver of amount due to a joint venture | 應付一間合營企業款項之豁免 | - | 14 |
| | | 501 | 1,103 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

5 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

5 除稅前虧損

除稅前虧損已扣除／(計入)下列各項：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| (a) Finance costs: | (a) 融資成本： | | |
| Finance charges on obligations under finance leases | 融資租賃承擔的財務費用 | - | 166 |
| Interest in lease liabilities (Note) | 租賃負債利息 (附註) | 299 | - |
| Interest on other borrowings | 其他貸款利息 | 2,028 | 2,347 |
| | | 2,327 | 2,513 |
| (b) Staff costs (including directors' remuneration (note 7)): | (b) 員工成本 (包括董事酬金 (附註7))： | | |
| Salaries, wages and other benefits | 薪金、工資及其他福利 | 17,842 | 20,347 |
| Contributions to defined contribution retirement plan | 固定供款退休計劃供款 | 728 | 891 |
| | | 18,570 | 21,238 |
| (c) Other items: | (c) 其他項目： | | |
| Auditor's remuneration | 核數師酬金 | 868 | 850 |
| Amortisation of intangible assets | 無形資產攤銷 | 12,836 | 12,836 |
| Depreciation of property, plant and equipment (Note) | 物業、廠房及設備折舊 (附註) | 6,476 | 7,536 |
| Depreciation of right-of-use assets (Note) | 使用權資產折舊 (附註) | 4,145 | - |
| Expense relating to short-term leases and other leases with remaining lease term ending on or before 31 December 2019 (Note) | 剩餘租期於二零一九年十二月三十一日或之前結束之短期租賃及其他租賃之相關開支 (附註) | 752 | - |
| Impairment losses on: | 下列項目之減值虧損： | | |
| - contract assets | - 合約資產 | 7 | 3 |
| - trade receivables | - 應收賬款 | 113 | 9 |
| - loans and interest receivables | - 應收貸款及利息 | 4,850 | - |
| Loss of disposal of property, plant and equipment | 出售物業、廠房及設備之虧損 | 34 | 119 |
| Write-down of inventories | 撇減存貨 | 44 | - |
| Write-off of loans and interest receivables | 撇銷應收貸款及利息 | 27 | 31 |
| Total minimum lease payments for leases previously classified as operating leases under HKAS 17 (Note) | 先前根據香港會計準則第17號分類為經營租賃之租賃之最低租賃付款總額 (附註) | - | 5,098 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

5 LOSS BEFORE TAXATION (CONTINUED)

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. The depreciated carrying amount of the finance lease assets which were previously included in property, plant and equipment is also identified as a right-of-use asset. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated (see note 2(c)).

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) *Taxation in the consolidated statement of profit or loss represents:*

5 除稅前虧損(續)

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號並調整於二零一九年一月一日之期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃之相關使用權資產。先前列入物業、廠房及設備之融資租賃資產之經折舊賬面值亦識別為使用權資產。於二零一九年一月一日初步確認使用權資產後，作為承租人，本集團須確認使用權資產之折舊，而非過往以直線基準確認租期內經營租賃產生的租賃開支的政策。根據此方法，並未重列比較資料(見附註2(c))。

6 綜合損益表之所得稅

(a) *綜合損益表之稅項指：*

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| Current tax – Hong Kong Profits Tax | 即期稅項 – 香港利得稅 | | |
| Provision for the year | 本年度撥備 | – | 715 |
| Under-provision in respect of prior years | 以往年度撥備不足 | – | 4 |
| | | – | 719 |
| Deferred tax credit (note 25(b)) | 遞延稅項抵免 (附註25(b)) | | |
| Origination and reversal of temporary differences | 產生及撥回暫時性差額 | (2,118) | (2,181) |
| Actual tax credit | 實際稅項抵免 | (2,118) | (1,462) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

(i) Hong Kong Profits Tax

No provision for Hong Kong Profits Tax has been made for 2019 as the subsidiaries incorporated in Hong Kong have no assessable profits for the year.

The provision for Hong Kong Profits Tax for 2018 was calculated at 16.5% of the estimated assessable profits for the year, except for one subsidiary of the Group which was a qualifying corporation under the two-tiered Profits Tax rate regime. For this subsidiary, the first HK\$2,000,000 of assessable profit was taxed at 8.25% and the remaining assessable profit was taxed at 16.5%.

(ii) PRC Enterprise Income Tax

The subsidiaries incorporated in the People's Republic of China ("PRC") are subject to the PRC Enterprise Income Tax rate of 25% (2018: 25%) for the year.

No provision for the PRC Enterprise Income Tax has been made for 2019 as the subsidiaries incorporated in the PRC have estimated tax losses for the year (2018: HK\$Nil).

(iii) Income tax from other tax jurisdictions

Pursuant to the income tax rules and regulations, the Group is not subject to income tax in Cayman Islands and the British Virgin Islands (the "BVI").

6 綜合損益表之所得稅(續)

(a) 綜合損益表之稅項指：(續)

(i) 香港利得稅

由於在香港註冊成立之附屬公司於二零一九年並無任何應課稅溢利，故本年度並無作出香港利得稅撥備。

二零一八年之香港利得稅撥備乃按估計應課稅溢利之16.5%計算，惟本集團根據利得稅兩級制為合資格企業之一家附屬公司除外。該附屬公司之首2,000,000港元應課稅溢利之稅率為8.25%，而餘下應課稅溢利之稅率為16.5%。

(ii) 中國企業所得稅

於年內，於中華人民共和國（「中國」）註冊成立之附屬公司須按稅率25%繳納中國企業所得稅（二零一八年：25%）。

由於在中國註冊成立之附屬公司於本年度估計將錄得稅項虧損，故並無於二零一九年就中國企業所得稅作出撥備（二零一八年：零港元）。

(iii) 其他稅務司法權區之所得稅

根據所得稅規則及規例，本集團毋須繳納開曼群島及英屬處女群島（「英屬處女群島」）所得稅。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) Reconciliation between tax credit and accounting loss at applicable tax rates:

6 綜合損益表之所得稅(續)

(b) 按適用稅率計算之稅務抵免與會計虧損之對賬：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Loss before taxation | 除稅前虧損 | (69,601) | (43,534) |
| Notional tax credit on loss before taxation at Hong Kong statutory tax rate | 按香港法定稅率計算之除稅前虧損之名義稅項抵免 | (11,484) | (7,348) |
| Tax effect of non-deductible expenses | 不可扣稅開支之稅務影響 | 14,580 | 5,433 |
| Tax effect of non-taxable income | 毋須課稅收入之稅務影響 | (6,051) | (232) |
| Tax effect of unused tax losses not recognised | 尚未確認未動用稅務虧損之稅務影響 | 964 | 657 |
| Tax effect of utilisation of tax losses not recognised previously | 運用過往未確認稅項虧損之稅務影響 | (1,611) | (851) |
| Tax effect of temporary differences not recognised | 尚未確認臨時差額之稅務影響 | 1,396 | 647 |
| Effect of difference tax rates of subsidiaries | 附屬公司不同稅率之影響 | 88 | 228 |
| Under-provision in respect of prior years | 以往年度撥備不足 | - | 4 |
| Actual tax credit | 實際稅項抵免 | (2,118) | (1,462) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars)
(以港元列示)

7 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance, Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation and the GEM Listing Rules are as follows:

7 董事酬金

根據香港公司條例第383(1)條、公司(披露董事利益資料)規例第2部及GEM上市規則所披露之董事酬金如下：

| | | Directors' fees | | | | Salaries, allowance and benefits in kind | | Retirement scheme contributions | | Total | |
|--|----------------|-----------------|------------|--------------|--------------|--|-----------|---------------------------------|--------------|----------|----------|
| | | 董事袍金 | | 薪金、津貼及實物利益 | | 退休計劃供款 | | 總計 | | | |
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Present directors | 現任董事 | | | | | | | | | | |
| Executive directors | 執行董事 | | | | | | | | | | |
| Chan Kwun Chung (note 1) | 陳冠忠(附註1) | - | - | 1,170 | 807 | 18 | 18 | 1,188 | 825 | | |
| Ng Kin Man (note 2) | 伍健文(附註2) | - | - | 935 | - | 15 | - | 950 | - | | |
| Sin Pui Ying (note 3) | 洗佩瑩(附註3) | - | - | 26 | - | - | - | 26 | - | | |
| Non-executive director | 非執行董事 | | | | | | | | | | |
| Zheng Yongqiang (note 4) | 鄭永強(附註4) | - | - | 295 | 60 | - | - | 295 | 60 | | |
| Independent non-executive directors | 獨立非執行董事 | | | | | | | | | | |
| Fok Kin Fung Eric | 霍健鋒 | 120 | 120 | - | - | - | - | 120 | 120 | | |
| Lee G. Lam (note 5) | 林家禮(附註5) | 120 | - | - | - | - | - | 120 | - | | |
| Leung Man Chun | 梁文俊 | 120 | 120 | - | - | - | - | 120 | 120 | | |
| Former directors | 前任董事 | | | | | | | | | | |
| Executive directors | 執行董事 | | | | | | | | | | |
| Chan Wai Kit (note 6) | 陳偉傑(附註6) | - | - | - | 547 | - | 15 | - | 562 | | |
| Lee Cheung Yuet Horace (note 7) | 李暢悅(附註7) | - | - | 188 | 651 | 5 | 17 | 193 | 668 | | |
| Independent non-executive directors | 獨立非執行董事 | | | | | | | | | | |
| Lee Nim Wai (note 8) | 李念緯(附註8) | - | 5 | - | - | - | - | - | 5 | | |
| Pang Siu Yin (note 9) | 彭兆賢(附註9) | 66 | 115 | - | - | - | - | 66 | 115 | | |
| | | 426 | 360 | 2,614 | 2,065 | 38 | 50 | 3,078 | 2,475 | | |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars)
(以港元列示)

7 DIRECTORS' EMOLUMENTS (CONTINUED)

Notes:

1. Appointed as chief executive officer on 1 October 2018.
2. Appointed on 1 March 2019.
3. Appointed on 22 November 2019.
4. Appointed on 1 October 2018.
5. Appointed on 1 January 2019.
6. Resigned on 1 November 2018.
7. Appointed on 5 February 2018 and resigned on 1 April 2019.
8. Resigned on 15 January 2018.
9. Appointed on 15 January 2018 and resigned on 17 July 2019.

No directors waived any emoluments during the year (2018: HK\$Nil).

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2018: two) are directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other three (2018: three) individuals are as follows:

7 董事酬金(續)

附註：

1. 於二零一八年十月一日獲委任為行政總裁。
2. 於二零一九年三月一日獲委任。
3. 於二零一九年十一月二十二日獲委任。
4. 於二零一八年十月一日獲委任。
5. 於二零一九年一月一日獲委任。
6. 於二零一八年十一月一日辭任。
7. 於二零一八年二月五日獲委任，並於二零一九年四月一日辭任。
8. 於二零一八年一月十五日辭任。
9. 於二零一八年一月十五日獲委任，並於二零一九年七月十七日辭任。

概無董事於年內放棄任何酬金安排(二零一八年：零港元)。

8 最高薪酬人士

於五名最高薪酬人士當中，兩名(二零一八年：兩名)董事之酬金詳情於附註7披露。其他三名(二零一八年：三名)個別人士之酬金總額如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------|---------|----------------------------------|----------------------------------|
| Salaries and other emoluments | 薪金及其他酬金 | 2,168 | 1,727 |
| Retirement scheme contributions | 退休計劃供款 | 54 | 54 |
| | | 2,222 | 1,781 |

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(Expressed in Hong Kong dollars)
(以港元列示)

8 INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the other three (2018: three) individuals with the highest emoluments are within the following band:

| | 2019 二零一九年 Number of employees 僱員人數 | 2018 二零一八年 Number of employees 僱員人數 |
|-------------------------|---|---|
| HK\$Nil – HK\$1,000,000 | 3 | 3 |
| 零港元至1,000,000港元 | | |

9 LOSS PER SHARE

(a) Basic loss per share

The calculation is based on the loss for the year attributable to owners of the Company of HK\$61,470,000 (2018: HK\$38,967,000) and the weighted average number of ordinary shares of approximately 1,272,640,000 (2018: 1,215,172,000) in issue during the year.

(b) Diluted loss per share

The diluted loss per share for the years ended 31 December 2019 and 2018 is the same as the basic loss per share as there were no potential dilutive ordinary shares in issue.

8 最高薪酬人士(續)

其他三名(二零一八年:三名)最高薪酬之個別人士之酬金介乎以下範圍:

| | 2019 二零一九年 Number of employees 僱員人數 | 2018 二零一八年 Number of employees 僱員人數 |
|-------------------------|---|---|
| HK\$Nil – HK\$1,000,000 | 3 | 3 |
| 零港元至1,000,000港元 | | |

9 每股虧損

(a) 每股基本虧損

每股基本虧損乃按本公司擁有人應佔年度虧損61,470,000港元(二零一八年:38,967,000港元)及年內已發行普通股之加權平均數約1,272,640,000股(二零一八年:1,215,172,000股)計算。

(b) 每股攤薄虧損

由於概無任何潛在攤薄已發行普通股,截至二零一九年及二零一八年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同。

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(Expressed in Hong Kong dollars)
(以港元列示)

10 PROPERTY, PLANT AND EQUIPMENT

10 物業、廠房及設備

| | | Land and buildings | Leasehold improvements | Furniture and fixtures | Computers and other equipment | Motor vehicles | Total |
|--|-------------------------|-----------------------|---------------------------|---------------------------|-------------------------------------|-------------------|----------|
| | | 土地及樓宇 | 租賃物業裝修 | 傢具及裝置 | 電腦及 其他設備 | 汽車 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Cost | 成本 | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 49,484 | 3,537 | 3,088 | 1,588 | 6,483 | 64,180 |
| Additions | 添置 | - | - | 504 | 59 | 1,672 | 2,235 |
| Disposals | 出售 | - | (42) | (144) | (165) | - | (351) |
| Exchange adjustments | 外匯調整 | - | - | - | (6) | - | (6) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 49,484 | 3,495 | 3,448 | 1,476 | 8,155 | 66,058 |
| Impact on initial application of HKFRS 16 (Note) | 首次應用香港財務報告準則第16號之影響(附註) | - | - | - | - | (5,478) | (5,478) |
| At 1 January 2019 | 於二零一九年一月一日 | 49,484 | 3,495 | 3,448 | 1,476 | 2,677 | 60,580 |
| Additions | 添置 | - | 58 | 21 | 104 | 3,350 | 3,533 |
| Disposals | 出售 | - | (211) | - | - | (140) | (351) |
| Exchange adjustments | 外匯調整 | - | - | - | (2) | - | (2) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 49,484 | 3,342 | 3,469 | 1,578 | 5,887 | 63,760 |
| Accumulated depreciation | 累計折舊 | | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 6,529 | 1,170 | 551 | 1,214 | 1,482 | 10,946 |
| Charge for the year | 本年度扣除 | 4,124 | 1,086 | 669 | 166 | 1,491 | 7,536 |
| Eliminated on disposals | 於出售時對銷 | - | (17) | (42) | (93) | - | (152) |
| Exchange adjustments | 外匯調整 | - | - | - | (6) | - | (6) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 10,653 | 2,239 | 1,178 | 1,281 | 2,973 | 18,324 |
| Impact on initial application of HKFRS 16 (Note) | 首次應用香港財務報告準則第16號之影響(附註) | - | - | - | - | (2,084) | (2,084) |
| At 1 January 2019 | 於二零一九年一月一日 | 10,653 | 2,239 | 1,178 | 1,281 | 889 | 16,240 |
| Charge for the year | 本年度扣除 | 4,124 | 971 | 686 | 126 | 569 | 6,476 |
| Eliminated on disposals | 於出售時對銷 | - | (177) | - | - | (140) | (317) |
| Exchange adjustments | 外匯調整 | - | - | - | (2) | - | (2) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 14,777 | 3,033 | 1,864 | 1,405 | 1,318 | 22,397 |
| Carrying amount | 賬面值 | | | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 34,707 | 309 | 1,605 | 173 | 4,569 | 41,363 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 38,831 | 1,256 | 2,270 | 195 | 5,182 | 47,734 |

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(Expressed in Hong Kong dollars)
(以港元列示)

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recategorise the depreciated carrying amount of finance lease assets of HK\$3,394,000, which were previously included in property, plant and equipment, to right-of-use assets (see note 2(c)).

As at 31 December 2019, land and buildings of the Group, which are all situated in Hong Kong under medium-term leases, with carrying amount of HK\$34,707,000 (2018: HK\$38,831,000) have been pledged to secure interest-bearing borrowings granted to the Group (see note 22).

10 物業、廠房及設備(續)

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號並調整於二零一九年一月一日之期初結餘，以重新分類先前列入物業、廠房及設備之融資租賃資產之經折舊賬面值3,394,000港元至使用權資產(見附註2(c))。

於二零一九年十二月三十一日，本集團土地及樓宇之賬面值34,707,000港元(二零一八年：38,831,000港元)已抵押以作擔保本集團獲發放之付息借款(見附註22)，該等土地及樓宇均位於香港，以中期批租持有。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

11 INTANGIBLE ASSETS

11 無形資產

| | | Development costs | Technical know-how | Programming codes | Mobile games | Total |
|--|-----------------------------|-------------------|--------------------|-------------------|--------------|----------|
| | | 發展成本 | 技術知識 | 程式編碼 | 手機遊戲 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Cost | 成本 | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 2,178 | 1,023 | 1,988 | 69,783 | 74,972 |
| Write-off (Note (c)) | 撇銷(附註(c)) | (2,178) | (1,023) | (1,988) | - | (5,189) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | - | - | - | 69,783 | 69,783 |
| Additions | 添置 | 3,000 | - | - | - | 3,000 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 3,000 | - | - | 69,783 | 72,783 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 2,178 | 1,023 | 1,988 | 12,836 | 18,025 |
| Charge for the year | 本年度扣除 | - | - | - | 12,836 | 12,836 |
| Write-off (Note (c)) | 撇銷(附註(c)) | (2,178) | (1,023) | (1,988) | - | (5,189) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及 二零一九年一月一日 | - | - | - | 25,672 | 25,672 |
| Charge for the year | 本年度扣除 | - | - | - | 12,836 | 12,836 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | - | - | - | 38,508 | 38,508 |
| Carrying amount | 賬面值 | | | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 3,000 | - | - | 31,275 | 34,275 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - | - | - | 44,111 | 44,111 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

11 INTANGIBLE ASSETS (CONTINUED)

(a) *Development costs*

Development costs represent expenditure incurred for developing electronic software products and mobile applications that has been recognised in accordance with the accounting policy set out in note 2(k) and are internally generated.

(b) *Amortisation*

The amortisation charges of mobile games for the year are included in "Administrative expenses" in the consolidated statement of profit or loss.

No amortisation charge of development costs was recognised during 2019 as the intangible assets were not yet available for use up to 31 December 2019.

(c) *Write-off*

On 31 December 2018, the management realised that certain electronic software previously developed could not fit to the requirements of the customers and could not generate as much revenue as previously expected. As a result, all the development costs, technical know-how and programming codes with nil carrying amount were written off.

11 無形資產(續)

(a) *發展成本*

發展成本指開發電子軟件產品及手機應用程式所產生之開支，有關開支已根據會計政策(載於附註2(k))確認及於內部產生。

(b) *攤銷*

本年度手機遊戲攤銷開支已計入綜合損益表內之「行政開支」。

二零一九年內並無確認發展成本攤銷開支，原因是截至二零一九年十二月三十一日該等無形資產尚未可供使用。

(c) *撇銷*

於二零一八年十二月三十一日，管理層認為過往開發之若干電子軟件並不符合客戶要求且未能產生如先前所預期之收益。因此，已撇銷所有並無賬面值之發展成本、技術知識及程式編碼之成本。

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(Expressed in Hong Kong dollars)
(以港元列示)

12 GOODWILL

12 商譽

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------|---------------|----------------------------------|----------------------------------|
| Cost | 成本 | | |
| At 1 January and 31 December | 於一月一日及十二月三十一日 | 109,669 | 109,669 |
| Accumulated impairment | 累計減值 | | |
| At 1 January | 於一月一日 | 24,903 | – |
| Impairment loss | 減值虧損 | 44,975 | 24,903 |
| At 31 December | 於十二月三十一日 | 69,878 | 24,903 |
| Carrying amount | 賬面值 | | |
| At 31 December | 於十二月三十一日 | 39,791 | 84,766 |

Impairment test for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to country of operation and operating segment as follows:

載有商譽之現金產生單位之減值測試

商譽分配至本集團根據經營所在國家及經營分部識別之現金產生單位(「現金產生單位」)，詳情如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|----------------------------------|
| Software platform – Hong Kong ("Unit A") | 軟件平台—香港(「單位A」) | 20,236 | 20,236 |
| Mobile games and applications – Hong Kong ("Unit B") | 手機遊戲及應用 – 香港(「單位B」) | 19,555 | 64,530 |
| | | 39,791 | 84,766 |

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(以港元列示)

12 GOODWILL (CONTINUED)

Impairment test for cash-generating units containing goodwill (Continued)

The directors have reviewed the carrying amount of goodwill in accordance with HKAS 36 "Impairment of Assets" as follows:

Unit A

The recoverable amount of the CGU is determined based on the value-in-use calculation under the income approach, which includes the discounted cash flows sourced from the financial budgets approved by the management covering a five-year period, and the pre-tax discount rate of approximately 17.0% (2018: 17.0%) that reflects current market assessment of the time value of money and the risks specific to the CGU.

Cash flow projections during the budget period are based on the expected revenue from existing and potential customers throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 3.0% (2018: 3.0%) per annum growth rate. The growth rate does not exceed the long-term average growth rate for the market.

The key assumptions used in the value-in-use calculations for the CGU are as follows:

| | |
|-----------------------|--|
| Budgeted market share | The values assigned to the assumption reflect past experience, except for the growth factor, which is consistent with the directors' estimation of the revenue from existing and potential customers. The directors believe that planned revenue growth per year for the next five years is reasonably achievable. |
|-----------------------|--|

| | |
|-----------------------------|--|
| Number of service contracts | In order to maintain successive business operations of the CGU, the directors believe that there is no particular difficulty in renewal of the service contracts of the existing customers in the CGU. |
|-----------------------------|--|

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the carrying amount of the CGU to exceed its recoverable amount.

12 商譽(續)

載有商譽之現金產生單位之減值測試(續)

董事已根據香港會計準則第36號「資產減值」審閱商譽之賬面值，如下所示：

單位A

現金產生單位之可收回金額根據收入法按使用價值之計算釐定，包括來自管理層所批准涵蓋五年期間之財政預算之已貼現現金流量，以及反映現時市場對貨幣時間價值之評估及現金產生單位特有風險之稅前貼現率約17.0% (二零一八年：17.0%)。

於預算期間之現金流量預測基於整個預算期間來自現有及潛在客戶之預期收益作出。超過五年期之現金流量已採用穩定年增長率3.0% (二零一八年：3.0%) 推算。該增長率不超過市場之長期平均增長率。

現金產生單位之使用價值計算所用之主要假設如下：

| | |
|--------|--|
| 預算市場份額 | 假設所指定之價值反映過往經驗(增長因素除外)，與董事對來自現有及潛在客戶之收益所作估計一致。董事相信，未來五年之每年計劃收益增長可合理實現。 |
|--------|--|

| | |
|--------|--|
| 服務合約數目 | 為維持現金產生單位持續經營業務，董事相信，重續現金產生單位中現有客戶之服務合約並無特別困難。 |
|--------|--|

董事認為，可收回金額依據之主要假設如有任何合理可能變動，不會造成現金產生單位之賬面值超過其可收回金額。

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(以港元列示)

12 GOODWILL (CONTINUED)

Impairment test for cash-generating units containing goodwill (Continued)

Unit B

The recoverable amount of the CGU is determined based on the value-in-use calculation under the income approach, which includes the discounted cash flows sourced from the financial budgets approved by the management covering a five-year period, and the pre-tax discount rate of approximately 25.6% (2018: 26.1%) that reflects current market assessment of the time value of money and the risks specific to the CGU.

Cash flow projections during the budget period are based on the expected revenue from existing and potential customers throughout the budget period. The cash flows beyond that five-year period have been extrapolated using a steady 3.0% (2018: 3.0%) per annum growth rate. The growth rate does not exceed the long-term average growth rate for the market.

The recoverable amounts of the CGU for the years ended 31 December 2019 and 2018 have been referenced to the valuation report prepared by Avista Valuation Advisory Limited, an independent professional valuer.

12 商譽(續)

載有商譽之現金產生單位之減值測試(續)

單位B

現金產生單位之可收回金額根據收入法按使用價值之計算釐定，包括來自管理層所批准涵蓋五年期間之財政預算之已貼現現金流量，以及反映現時市場對貨幣時間價值之評估及現金產生單位特有風險之稅前貼現率約25.6%（二零一八年：26.1%）。

於預算期間之現金流量預測基於整個預算期間來自現有及潛在客戶之預期收益作出。超過五年期之現金流量已採用穩定年增長率3.0%（二零一八年：3.0%）推算。該增長率不超過市場之長期平均增長率。

截至二零一九年及二零一八年十二月三十一日止年度之現金產生單位可收回金額已參考獨立專業估值師艾華迪評估諮詢有限公司編製之估值報告。

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12 GOODWILL (CONTINUED)

Impairment test for cash-generating units containing goodwill (Continued)

Unit B (Continued)

The key assumptions used in the value-in-use calculations for the CGU are as follows:

Budgeted market share The values assigned to the assumption reflect past experience, except for the growth factor, which is consistent with the directors' estimation of the revenue from existing and potential customers. The directors believe that planned revenue growth per year for the next five years is reasonably achievable.

Budgeted income It includes estimated income from existing mobiles games and applications and these products in the pipeline, taking into account games and applications popularity and its income patterns, industry growth and the Group's strategy in operation. The directors believe this budgeted income is justified given the strong game development capability and experience of games, the cooperation with major third-party distribution platforms and the historical record of developing its games.

As at 31 December 2019, the recoverable amount of Unit B calculated based on value-in-use was approximately HK\$19,555,000 (2018: HK\$64,530,000) which has been below the carrying amount of HK\$64,530,000 (2018: HK\$89,433,000) by approximately HK\$44,975,000 (2018: HK\$24,903,000). As a result, the management realised that the performance of mobile games and applications business under Unit B was worse than expected due to current economic environment in Hong Kong. After the assessment on the respective date, the management determined to recognise an impairment of Unit B in respect of the decline of operating performance. As a result, an impairment loss of HK\$44,975,000 (2018: HK\$24,903,000) was recognised in the consolidated statement of profit or loss.

12 商譽(續)

載有商譽之現金產生單位之減值測試(續)

單位B(續)

現金產生單位之使用價值計算所用之主要假設如下：

預算市場份額 假設所指定之價值反映過往經驗(增長因素除外)，與董事對來自現有及潛在客戶之收益所作估計一致。董事相信，未來五年之每年計劃收益增長可合理實現。

預算收入 包括來自現有手機遊戲及應用以及籌備中手機遊戲及應用之估計收入，當中考慮到遊戲及應用受歡迎程度及其收入模式、行業增長及本集團之營運策略。董事相信，鑒於超卓遊戲開發能力及遊戲體驗、與主要第三方分銷平台合作以及開發遊戲之歷史記錄，故這項預算收入屬合理。

於二零一九年十二月三十一日，根據使用價值計算之單位B可收回金額約為19,555,000港元(二零一八年：64,530,000港元)，較賬面值64,530,000港元(二零一八年：89,433,000港元)低約44,975,000港元(二零一八年：24,903,000港元)。因此，管理層意識到，由於香港現時的經濟環境，單位B之手機遊戲及應用業務表現遜於預期。在有關日期經過評估後，管理層決定就營運表現下降而確認單位B之減值。因此，已於綜合損益表確認減值虧損44,975,000港元(二零一八年：24,903,000港元)。

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13 INTERESTS IN ASSOCIATES

13 於聯營公司之權益

| | | HK\$'000 千港元 |
|--------------------------------|---------------|-----------------|
| At 1 January 2018 | 於二零一八年一月一日 | 34,901 |
| Share of profits of associates | 應佔聯營公司溢利 | 715 |
| Disposals | 出售 | (35,616) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | - |

On 21 September 2018, the Group disposed of the equity interests in the following two associates, with all the obligations, liabilities and debts owing or incurred by those associates to the Company, to an independent third party for a cash consideration of EUR3,433,000 (equivalent to HK\$31,540,000).

於二零一八年九月二十一日，本集團向一名第三方出售下列兩家聯營公司之股權，連同該等聯營公司欠付本公司或產生之所有承擔、負債及債務，現金代價為3,433,000歐元（相等於31,540,000港元）。

| Name of associates 聯營公司名稱 | Place of incorporation and business 註冊成立及營業地點 | Particulars of issued and paid-up capital 已發行繳足股本詳情 | Principal activity 主要經營活動 |
|------------------------------|---|--|---|
| Fore Freedom B.V. ("FF") | The Netherlands | 18,000 shares of EUR1 each | Construction and management of fibre optic internet networks |
| Fore Freedom B.V. (「FF」) | 荷蘭 | 18,000股股份 每股1歐元 | 建設及管理光纖互聯網網絡 |
| XXLnet B.V. ("XXLnet") | The Netherlands | 80,000 shares of EUR1 each | Provision of internet, telephone and other ancillary services |
| XXLnet B.V. (「XXLnet」) | 荷蘭 | 80,000股股份 每股1歐元 | 提供互聯網、電話及 其他配套服務 |

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13 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarised the financial information of the former associates of the Group which represented amounts shown in the former associates' financial statements for the period from 1 January 2018 to 21 September 2018 (date of disposal) prepared in accordance with HKFRSs.

13 於聯營公司之權益(續)

本集團前聯營公司之財務資料摘要於下表載列，為前聯營公司根據香港財務報告準則編製，於二零一八年一月一日至二零一八年九月二十一日(出售日期)期間之財務報表所示金額。

| | | FF FF HK\$'000 千港元 | XXLnet XXLnet HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|-----------------------------|--------|-----------------------------|-------------------------------------|--------------------------------|
| Revenue | 收益 | 8,634 | 6,302 | 14,936 |
| Profit for the period | 期間溢利 | 1,497 | 1,311 | 2,808 |
| Other comprehensive expense | 其他全面開支 | (1,157) | (193) | (1,350) |
| Total comprehensive income | 全面收入總額 | 340 | 1,118 | 1,458 |

Loss on disposal of associates for the year ended 31 December 2018 was summarised below:

截至二零一八年十二月三十一日止年度出售聯營公司虧損之概述如下：

| | | HK\$'000 千港元 |
|---|---------------------------|-----------------|
| Consideration received | 已收代價 | 31,540 |
| Carrying amount of associates | 聯營公司之賬面值 | (13,644) |
| Goodwill | 商譽 | (21,972) |
| Cumulative exchange gain reclassified to profit or loss upon disposal of associates | 出售聯營公司後重新分類至損益之 累計匯兌收益 | 737 |
| Loss on disposal | 出售虧損 | (3,339) |

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14 INTEREST IN A JOINT VENTURE

On 28 February 2018, the Group disposed of its equity interest in Grand Surplus HK Limited (“Grand Surplus”), incorporated in Hong Kong and was principally engaged in website development and related services, to Kwong Wing Heen, Gabriel, for a cash consideration of HK\$15,000. This resulted in a gain on disposal of HK\$12,000.

Kwong Wing Heen, Gabriel was one of the key personnel as defined by the Group. Therefore, Kwong Wing Heen, Gabriel was considered as a related party to the Group and disposal of Grand Surplus to him constituted a related party transaction.

Gain on disposal of Grand Surplus for the year ended 31 December 2018 was summarised below:

| | | HK\$'000 千港元 |
|--|--------------|-----------------|
| Consideration received | 已收代價 | 15 |
| Carrying amount of interest in a joint venture | 一間合營企業權益之賬面值 | (3) |
| Gain on disposal of a joint venture | 出售一間合營企業之收益 | 12 |

15 INVESTMENT IN EQUITY SECURITIES

The unlisted equity securities are shares in Metro Rainbow Limited, a company incorporated in the BVI with its wholly-owned subsidiary, Online Troop Company Limited, (together “Metro Group”) with 5% equity interest. Metro Group is engaged in online shopping business. The Group designated its investment in Metro Group at FVOCI (non-recycling), as the investment is held for strategic purposes. No dividends were received on this investment during the year (2018: Nil).

14 於一間合營企業之權益

於二零一八年二月二十八日，本集團出售其於Grand Surplus HK Limited（「Grand Surplus」，於香港註冊成立，主要從事網頁開發及有關服務）之股權予鄭穎軒，現金代價為15,000港元。此產生出售收益12,000港元。

鄭穎軒為本集團所認定關鍵人員之一。因此，鄭穎軒被視為本集團之關聯人士，而向彼出售Grand Surplus構成關聯人士交易。

截至二零一八年十二月三十一日止年度出售Grand Surplus之收益概述如下：

15 股本證券之投資

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------------------|----------------------------------|----------------------------------|
| Unlisted equity securities | 非上市股本證券 152 | 500 |

該非上市股本證券為於Metro Rainbow Limited（一間於英屬處女群島註冊成立之公司）及其全資附屬公司Online Troop Company Limited（統稱「Metro Group」）之5%股本權益之股份。Metro Group從事網上購物業務。由於有關投資乃持作策略用途，本集團指定其於Metro Group之投資透過FVOCI（不可迴轉）計量。年內並無就此項投資收取任何股息（二零一八年：無）。

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16 RIGHT-OF-USE ASSETS

16 使用權資產

| | | Leased | Motor | Total |
|---|-------------------------|------------|----------|----------|
| | | properties | vehicles | |
| | | 租賃物業 | 汽車 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Cost | 成本 | | | |
| At 31 December 2018 | 於二零一八年十二月三十一日 | – | – | – |
| Impact on initial application of HKFRS 16 (Note) | 首次應用香港財務報告準則第16號之影響(附註) | 3,835 | 3,394 | 7,229 |
| At 1 January 2019 | 於二零一九年一月一日 | 3,835 | 3,394 | 7,229 |
| Additions | 添置 | 2,149 | – | 2,149 |
| Adjustment as a result of early termination of leases | 因提前終止租賃而調整 | (3,357) | – | (3,357) |
| Exchange adjustments | 外匯調整 | (2) | – | (2) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 2,625 | 3,394 | 6,019 |
| Accumulated depreciation | 累計折舊 | | | |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | – | – | – |
| Charge for the year | 本年度扣除 | 3,049 | 1,096 | 4,145 |
| Adjustment as a result of early termination of leases | 因提前終止租賃而調整 | (2,228) | – | (2,228) |
| Exchange adjustments | 外匯調整 | (1) | – | (1) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 820 | 1,096 | 1,916 |
| Carrying amount | 賬面值 | | | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,805 | 2,298 | 4,103 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17 and recategorise the depreciated carrying amount of finance lease assets of HK\$3,394,000, which were previously included in property, plant and equipment, to right-of-use assets (see note 2(c)).

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號並調整於二零一九年一月一日之期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃之相關使用權資產，以及重新分類先前列入物業、廠房及設備之融資租賃資產之經折舊賬面值3,394,000港元至使用權資產(見附註2(c))。

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16 RIGHT-OF-USE ASSETS (CONTINUED)

The Group has obtained the right to use of certain properties as its office premises through tenancy agreements. The leases typically run for an initial period of 2 to 3 years. None of the leases includes variable lease payments.

Details of the maturity analysis of lease liabilities are set out in note 23.

17 CONTRACT ASSETS AND LIABILITIES

(a) Contract assets

| | |
|--|------------|
| Arising from performance under licensing arrangement | 履行許可權安排所產生 |
|--|------------|

The Group recognises revenue from licensing arrangements at a point in time upon the licensees have the rights to use the Group's intellectual property and the Group has conditionally entitled to the consideration under the payment terms set out in the licensing agreements.

16 使用權資產(續)

本集團已透過租賃協議獲得若干物業之使用權作為其辦公室物業。該等租賃通常初步為期二至三年。該等租賃均不包含可變租賃付款。

租賃負債之期限分析詳情載於附註 23。

17 合約資產及負債

(a) 合約資產

| 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
| 3,865 | 3,872 |

本集團於持牌人有權使用本集團之知識產權且本集團具有條件權利按許可權協議所載付款條款收取代價之時間點，確認來自許可權安排之收益。

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17 CONTRACT ASSETS AND LIABILITIES (CONTINUED)

(b) Contract liabilities

These represent billings in advance of performance under IT service contracts with customers.

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 project exceeds the amount of the deposits. The Group typically receives a certain deposit, which is negotiated on case by case basis with customers, on acceptance of IT service contracts.

17 合約資產及負債(續)

(b) 合約負債

該等金額為與客戶訂立之IT服務合約項下履約預收款項。

倘本集團於服務開始前收取按金時，有關按金會於合約開始時產生合約負債，直至有關項目確認收益超過按金金額為止。本集團一般會收取若干按金，有關按金在接納IT服務合約時會根據個別情況與客戶協商。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------------------|----------------------------------|----------------------------------|
| At 1 January | 於一月一日 | 6,735 | 7,174 |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the year | 由於在年內確認之收益計入於年初之合約負債導致合約負債減少 | (6,634) | (3,448) |
| Increase in contract liabilities as a result of billing in advance of performance under IT service contracts | 由於IT服務合約項下履約預收款項導致合約負債增加 | 18,568 | 18,164 |
| Decrease in contract liabilities as a result of recognising revenue in respect of the new contract liabilities entitled during the year | 由於在年內確認新合約負債相關收益導致合約負債減少 | (13,473) | (15,155) |
| At 31 December | 於十二月三十一日 | 5,196 | 6,735 |

The amount of billings in advance of performance expected to be recognised as revenue after more than one year is HK\$179,000 (2018: HK\$310,000).

預期將於逾一年後確認為收益之履約預收款項金額為179,000港元(二零一八年：310,000港元)。

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18 TRADE AND OTHER RECEIVABLES

18 應收賬款及其他應收款

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------|----------------------------------|----------------------------------|
| Gross amount of trade receivables | 應收賬款總額 | 6,053 | 4,200 |
| Less: loss allowance | 減：虧損撥備 | (118) | (23) |
| | | 5,935 | 4,177 |
| Deposits and other receivables | 按金及其他應收款 | 5,877 | 8,347 |
| Prepayments | 預付款 | 2,376 | 1,315 |
| Amount due from a key management personnel | 應收關鍵管理人員之款項 | - | 6 |
| | | 14,188 | 13,845 |

All of the Group's trade and other receivables, apart from certain deposits of HK\$245,000 (2018: HK\$144,000), expected to be recovered or recognised as expenses within one year.

除金額為245,000港元(二零一八年：144,000港元)之若干按金外，本集團所有應收賬款及其他應收款，預期可於一年內收回或確認為開支。

The amount due from a key management personnel was the balance due from Kwong Wing Heen, Gabriel, was unsecured, interest-free and repayable on demand.

應收關鍵管理人員之款項為應收鄺穎軒之結餘，該款項無抵押、不計息且按要求償還。

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18 TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing analysis

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------------|--------------|----------------------------------|----------------------------------|
| Within 1 month | 少於一個月 | 1,673 | 2,847 |
| More than 1 but less than 3 months | 超過一個月但少於三個月 | 505 | 804 |
| More than 3 but less than 6 months | 超過三個月但少於六個月 | 2,053 | 460 |
| More than 6 but less than 12 months | 超過六個月但少於十二個月 | 1,704 | 66 |
| | | 5,935 | 4,177 |

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 29(a).

18 應收賬款及其他應收款(續)

賬齡分析

於報告期末，應收賬款根據發票日期及扣除信貸虧損之虧損撥備之賬齡分析如下：

本集團信貸政策以及應收賬款產生之信貸風險之更多詳情載於附註29(a)。

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19 LOANS AND INTEREST RECEIVABLES

The Group's loans and interest receivables arise from the money lending business of providing loans in Hong Kong by a wholly-owned subsidiary of the Company. The Group seeks to maintain strict control over its outstanding loans and interest receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

19 應收貸款及利息

本集團之應收貸款及利息由本公司全資附屬公司於香港提供貸款之放債業務所產生。本集團力求對其未償還應收貸款及利息維持嚴格控制，以盡量減少信貸風險。逾期餘額由管理層定期審查。

| | | 2019 二零一九年 | | | 2018 二零一八年 | | |
|-----------------------|-----------------|-----------------|---------------------|----------|-----------------|---------------------|----------|
| | | Loan portion | Interest portion | Total | Loan portion | Interest portion | Total |
| | | 貸款部分 | 利息部分 | 總計 | 貸款部分 | 利息部分 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Secured loans by: | 以下列各項作為抵押之抵押貸款： | | | | | | |
| - mortgage | - 按揭 | 12,000 | 697 | 12,697 | - | - | - |
| - personal guarantees | - 個人擔保 | 55,300 | 3,125 | 58,425 | 56,004 | 991 | 56,995 |
| Unsecured loans | 無抵押貸款 | 43,265 | 2,648 | 45,913 | 52,595 | 1,208 | 53,803 |
| | | 110,565 | 6,470 | 117,035 | 108,599 | 2,199 | 110,798 |
| Less: loss allowance | 減：虧損撥備 | (4,520) | (412) | (4,932) | (80) | (2) | (82) |
| | | 106,045 | 6,058 | 112,103 | 108,519 | 2,197 | 110,716 |

Loans receivable are interest-bearing at rates ranging from 10.0% to 58.9% (2018: 10.0% to 58.9%) per annum and repayable on maturity date under the terms in contractual agreements or on demand in writing by the Group.

應收貸款按年利率介乎10.0%至58.9%（二零一八年：10.0%至58.9%）計息，並由本集團於到期日根據合同協議條款或按書面要求償還。

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(以港元列示)

19 LOANS AND INTEREST RECEIVABLES (CONTINUED)

Ageing analysis is prepared based on contractual due date:

| | | 2019 二零一九年 | | | 2018 二零一八年 | | |
|-----------------------------|---------|-----------------|---------------------|----------------|-----------------|---------------------|----------|
| | | Loan portion | Interest portion | Total | Loan portion | Interest portion | Total |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Current (not past due) | 流動(未逾期) | 81,625 | 4,756 | 86,381 | 108,519 | 2,197 | 110,716 |
| Less than 3 months past due | 逾期少於三個月 | 24,420 | 1,302 | 25,722 | - | - | - |
| | | 106,045 | 6,058 | 112,103 | 108,519 | 2,197 | 110,716 |

The credit quality of loans and interest receivables that are neither past due nor impaired has been assessed by reference to historical information about counterparty default rates. The existing counterparties do not have defaults in the past.

Further details on the Group's credit policy are set out in note 29(a).

19 應收貸款及利息(續)

賬齡分析根據合同到期日編製：

無逾期或減值之應收貸款及利息之信貸質素參考有關交易方違約比例之過往資料作評估。現有交易方過往並無欠款。

有關本集團信貸政策的更多詳情載於附註29(a)。

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20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) *Cash and cash equivalents comprise cash at bank and on hand*

As at 31 December 2019, the cash and cash equivalents of the Group denominated in Renminbi (“RMB”) amounted to HK\$2,716,000 (2018: HK\$818,000). 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.

20 現金及現金等值物及其他現金流量資料

(a) *組成銀行及手頭現金之現金及現金等值物*

於二零一九年十二月三十一日，本集團以人民幣（「人民幣」）計值之現金及現金等值物為2,716,000港元（二零一八年：818,000港元）。人民幣不能自由兌換至其他貨幣，然而，根據中國內地之外匯管理條例以及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

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20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

20 現金及現金等值物及其他現金流量資料(續)

(b) 自融資活動產生之負債對賬

下表載列本集團來自融資活動之負債變動(包括現金及非現金變動)詳情。自融資活動產生之負債為其現金流量或未來現金流量將在本集團綜合現金流量表中分類為融資活動所得之現金流量之負債。

| | | Interest-bearing borrowings | Lease liabilities | Finance leases | Total |
|--|-------------------------|-----------------------------|-------------------|----------------|----------|
| | | 附息借款 | 租賃負債 | 融資租賃 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| | | (note 22) | (note 23) | (note 24) | |
| | | (附註22) | (附註23) | (附註24) | |
| At 1 January 2018 | 於二零一八年一月一日 | 28,000 | - | 4,170 | 32,170 |
| Changes from financing cash flows: | 融資活動現金流量變動： | | | | |
| Capital element of finance lease rentals paid | 已付融資租賃租金之本金部分 | - | - | (982) | (982) |
| Interest element of finance lease rentals paid | 已付融資租賃租金之利息部分 | - | - | (166) | (166) |
| Interest paid | 已付利息 | (2,347) | - | - | (2,347) |
| New loan from a third party | 來自一名第三方之新貸款 | 33,000 | - | - | 33,000 |
| Repayment of loan to a third party | 償還予一名第三方之貸款 | (28,000) | - | - | (28,000) |
| | | 2,653 | - | (1,148) | 1,505 |
| Other changes: | 其他變動： | | | | |
| Interest expenses (note 5(a)) | 利息開支(附註5(a)) | 2,347 | - | 166 | 2,513 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 33,000 | - | 3,188 | 36,188 |
| Impact on initial application of HKFRS 16 (Note) | 首次應用香港財務報告準則第16號之影響(附註) | - | 7,023 | (3,188) | 3,835 |
| At 1 January 2019 | 於二零一九年一月一日 | 33,000 | 7,023 | - | 40,023 |

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(以港元列示)

20 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (CONTINUED)

(b) Reconciliation of liabilities arising from financing activities (Continued)

20 現金及現金等值物及其他現金流量資料(續)

(b) 自融資活動產生之負債對賬(續)

| | Interest-bearing borrowings | Lease liabilities | Finance leases | Total | |
|---|-----------------------------|-------------------|----------------|----------|---------------|
| | 附息借款 | 租賃負債 | 融資租賃 | 總計 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | |
| | (note 22) | (note 23) | (note 24) | | |
| | (附註22) | (附註23) | (附註24) | | |
| Changes from financing cash flows: | 融資活動現金流量變動： | | | | |
| Capital element of lease rentals paid | – | (4,031) | – | (4,031) | |
| Interest element of lease rentals paid | – | (299) | – | (299) | |
| Interest paid | (2,028) | – | – | (2,028) | |
| Proceeds from new bank loans | 43,200 | – | – | 43,200 | |
| New loan from a third party | 10,000 | – | – | 10,000 | |
| Repayment of bank loans | (2,934) | – | – | (2,934) | |
| Loans repayment to third parties | (43,000) | – | – | (43,000) | |
| | 5,238 | (4,330) | – | 908 | |
| Other changes: | 其他變動： | | | | |
| Increase in lease liabilities from entering into new leases | – | 2,149 | – | 2,149 | |
| Adjustment as a result of early termination of leases | – | (1,149) | – | (1,149) | |
| Interest expenses (note 5(a)) | 2,028 | 299 | – | 2,327 | |
| Exchange adjustments | – | (1) | – | (1) | |
| | 2,028 | 1,298 | – | 3,326 | |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 40,266 | 3,991 | – | 44,257 |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17 (see note 2(c)).

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號並調整於二零一九年一月一日之期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃之相關租賃負債（見附註2(c)）。

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21 TRADE AND OTHER PAYABLES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------------|------------|----------------------------------|----------------------------------|
| Trade payables | 應付賬款 | 1,405 | 1,415 |
| Accrued charges and other payables | 應計費用及其他應付款 | 1,246 | 1,969 |
| | | 2,651 | 3,384 |

All trade and other payables are expected to be settled within one year or repayable on demand.

22 INTEREST-BEARING BORROWINGS

The interest-bearing borrowings are repayable within one year or on demand (including those with repayable on demand clause).

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------|------------|----------------------------------|----------------------------------|
| Bank loans | 銀行貸款 | 40,266 | – |
| Loan from a third party | 來自一名第三方之貸款 | – | 33,000 |
| | | 40,266 | 33,000 |

所有應付賬款及其他應付款預期將於一年內清償或確認為收入或按要求償還。

22 附息借款

附息借款須於一年內償還或按要求償還(包括設有按要求償還條款之借款)。

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22 INTEREST-BEARING BORROWINGS (CONTINUED)

The maturity of interest-bearing borrowings, based on the schedule payment dates set out in the loan agreements, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------------------------|---------|----------------------------------|----------------------------------|
| Within 1 year | 一年內 | 14,105 | 33,000 |
| After 1 year but within 2 years | 一年後至兩年內 | 4,314 | – |
| After 2 years but within 5 years | 兩年後至五年內 | 3,639 | – |
| More than 5 years | 五年以上 | 18,208 | – |
| | | 40,266 | 33,000 |

Details on the interest rate profile of the Group are set out in note 29(c).

The interest-bearing borrowings were secured by the Group's land and buildings with a carrying amount of HK\$34,707,000 (2018: HK\$38,831,000) and corporate guarantee from the Company and a subsidiary.

22 附息借款(續)

附息借款基於貸款協議所載預定還款日期之期限如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|----------------------------------|
| Within 1 year | 14,105 | 33,000 |
| After 1 year but within 2 years | 4,314 | – |
| After 2 years but within 5 years | 3,639 | – |
| More than 5 years | 18,208 | – |
| | 40,266 | 33,000 |

本集團之利率情況詳情載於附註29(c)。

附息借款由本集團賬面值為34,707,000港元(二零一八年：38,831,000港元)之土地及樓宇以及本公司及一間附屬公司之公司擔保抵押。

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23 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

23 租賃負債

下表顯示本集團租賃負債於當前及以往報告期間以及於香港財務報告準則第16號過渡當日時之剩餘合約期限：

| | | 31 December 2019 二零一九年十二月三十一日 | | 1 January 2019 (Note) 二零一九年一月一日(附註) | |
|--------------------------------------|------------|---|------------------------------------|---|------------------------------------|
| | | Present | | Present | |
| | | value of the minimum lease payments | Total minimum lease payments | value of the minimum lease payments | Total minimum lease payments |
| | | 最低租賃 付款現值 | 最低租賃 付款總額 | 最低租賃 付款現值 | 最低租賃 付款總額 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Within 1 year | 一年內 | 2,724 | 2,850 | 4,630 | 4,866 |
| After 1 year but within 5 years | 一年後至五年內 | 1,267 | 1,289 | 2,393 | 2,467 |
| | | <u>3,991</u> | <u>4,139</u> | <u>7,023</u> | <u>7,333</u> |
| Less: total future interest expenses | 減：未來利息開支總額 | | (148) | | (310) |
| Present value of lease liabilities | 租賃負債現值 | | <u>3,991</u> | | <u>7,023</u> |

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances of HK\$3,188,000 relating to leases previously classified as finance leases (see note 24). Further details on the impact of the transition to HKFRS 16 are set out in note 2(c).

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號並調整於二零一九年一月一日之期初結餘，以確認先前根據香港會計準則第17號分類為經營租賃之租賃之相關租賃負債。該等負債乃匯總至先前分類為融資租賃之租賃之相關結轉結餘3,188,000港元（見附註24）。有關過渡至香港財務報告準則第16號之影響之進一步詳情載於附註2(c)。

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24 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2018, the Group had obligations under finance leases payable as follows:

24 融資租賃承擔

於二零一八年十二月三十一日，本集團須繳付之融資租賃承擔如下：

| | | Present value of the minimum lease payments 最低租賃 付款現值 HK\$'000 千港元 | Total minimum lease payments 最低租賃 付款總額 HK\$'000 千港元 |
|--------------------------------------|------------|---|--|
| Within 1 year | 一年內 | 1,030 | 1,148 |
| After 1 year but within 2 years | 一年後至兩年內 | 1,506 | 1,564 |
| After 2 years but within 5 years | 兩年後至五年內 | 652 | 663 |
| | | 2,158 | 2,227 |
| | | 3,188 | 3,375 |
| Less: total future interest expenses | 減：未來利息開支總額 | | (187) |
| Present value of lease obligations | 租賃承擔現值 | | 3,188 |

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019. Upon the adoption of HKFRS 16 on 1 January 2019, the brought forward balances of HK\$3,188,000 under "Obligations under finance leases" were reclassified as "Lease liabilities" (see note 23). Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in note 2(c).

本集團使用經修訂追溯法首次應用香港財務報告準則第16號並調整於二零一九年一月一日之期初結餘。於二零一九年一月一日採納香港財務報告準則第16號後，「融資租賃承擔」項下之結轉結餘3,188,000港元重新分類為「租賃負債」(見附註23)。於二零一八年十二月三十一日之比較資料並未重列。有關過渡至香港財務報告準則第16號之影響之進一步詳情載於附註2(c)。

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25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) *Current tax payable in the consolidated statement of financial position represents:*

25 綜合財務狀況表之所得稅

(a) *綜合財務狀況表之應付即期稅項指：*

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Provision for Hong Kong Profits Tax for the year | 年內香港利得稅之撥備 | – | 715 |
| Provisional Profits Tax paid | 已付暫繳利得稅 | – | (92) |
| Balance of profits tax provision relating to prior year | 以往年度之利得稅撥備結餘 | 715 | – |
| | | 715 | 623 |

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25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(b) Deferred tax assets/liabilities recognised

The component of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

| Deferred tax assets/(liabilities) arising from: | Tax losses | Depreciation allowance | Tax allowance | Fair value adjustment on intangible assets | Total | |
|---|-------------------------|---------------------------------------|---------------------------------------|--|----------|---------|
| | | in excess of the related depreciation | in excess of the related amortisation | | | |
| 遞延稅項資產/(負債)產生自： | 稅項虧損 | 超過相關折舊之折舊撥備 | 超過相關攤銷之稅項撥備 | 無形資產之公平值調整 | 總計 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | |
| At 1 January 2018 | 於二零一八年一月一日 | 1,196 | (11) | (497) | (8,899) | (8,211) |
| Credited to profit or loss | 於損益計入 | 52 | 11 | - | 2,118 | 2,181 |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 1,248 | - | (497) | (6,781) | (6,030) |
| Credited to profit or loss | 於損益計入 | - | - | - | 2,118 | 2,118 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,248 | - | (497) | (4,663) | (3,912) |

25 綜合財務狀況表之所得稅 (續)

(b) 已確認之遞延稅項資產/負債

於綜合財務狀況表確認之遞延稅項資產/(負債)部分及年內變動呈列如下：

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25 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

(c) *Deferred tax assets/liabilities not recognised*

As at 31 December 2019, the Group has cumulative tax losses of approximately HK\$82,507,000 (2018: HK\$88,279,000). Of which, the Group has recognised deferred tax assets in respect of these tax losses to the extent of approximately HK\$7,565,000 (2018: HK\$7,565,000). The Group has not recognised deferred tax assets in respect of the remaining tax losses of approximately HK\$74,942,000 (2018: HK\$80,714,000) due to the unpredictability of future profit streams. Of the total unrecognised tax losses, HK\$5,096,000 (2018: HK\$4,865,000) will be expire within 5 years and the remaining tax losses of HK\$69,846,000 (2018: HK\$75,849,000) have no expiry date under the current tax legislation. Other temporary differences are not material.

26 DEFINED CONTRIBUTION RETIREMENT PLANS

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. Contributions to the scheme vest immediately.

25 綜合財務狀況表之所得稅(續)

(c) *尚未確認之遞延稅項資產／負債*

於二零一九年十二月三十一日，本集團累計稅項虧損約為82,507,000港元(二零一八年：88,279,000港元)。其中，本集團就該等稅項虧損確認遞延稅項資產約7,565,000港元(二零一八年：7,565,000港元)。由於未來溢利來源無法估計，本集團並無就約74,942,000港元(二零一八年：80,714,000港元)之餘下稅項虧損確認遞延稅項資產。未被確認之稅項虧損總額當中，5,096,000港元(二零一八年：4,865,000港元)將於五年內到期，而根據目前稅項法例，餘下之稅項虧損69,846,000港元(二零一八年：75,849,000港元)並無屆滿日期。其他暫時性差額並不重大。

26 定額供款退休計劃

本集團根據香港法例第485章強制性公積金計劃條例為受香港僱傭條例管轄之司法權區之受聘僱員設立一項強制性公積金計劃(「強積金計劃」)。強積金計劃為一項由獨立受託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入之5%向計劃供款，最高為每月相關收入之30,000港元。計劃供款即時歸屬。

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26 DEFINED CONTRIBUTION RETIREMENT PLANS (CONTINUED)

The employees of a subsidiary in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiary is required to contribute, based on a certain percentage of the basic salary of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement benefit scheme represents for the entire pension obligations payable to retired employees.

In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 31 December 2019 and 2018 in respect of the retirement of its employees.

27 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 8 May 2013, the Company passed an ordinary resolution at the annual general meeting regarding the termination of the old share option scheme which was adopted on 25 November 2003 (the “Old Share Option Scheme”) and adopted a new share option scheme (the “New Share Option Scheme”) whereby the board of directors of the Company may, at its discretion, grant share options to the eligible participants including any employees, directors, suppliers, consultants, agents and advisers or any person in the sole discretion of the board of directors for the primary purpose to recognise and motivate their contributions to the Group.

On 29 April 2016, the Company passed an ordinary resolution at the extraordinary general meeting to amend the definition of “Eligible Participant” of the New Share Option Scheme and the definition of “Invested Entity” be added to the New Share Option Scheme (“Amendments to the New Share Option Scheme”).

26 定額供款退休計劃(續)

一間中國附屬公司之僱員為中國相關地方政府當局管理之國家資助退休福利計劃之成員。該附屬公司須按其僱員之基本薪金之若干百分比向退休福利計劃供款，除年度供款外，毋須承擔有關實際退休金付款或退休福利之進一步責任。國家資助退休福利計劃就應向退休僱員支付之全部退休金負責。

本公司董事認為，本集團於二零一九年及二零一八年十二月三十一日，並無任何有關其僱員退休之重大或然負債。

27 以股本結算之股份交易

於二零一三年五月八日，本公司於股東週年大會通過有關終止舊購股權計劃（「舊購股權計劃」，乃於二零零三年十一月二十五日採納）之普通決議案，並採納新購股權計劃（「新購股權計劃」），據此，本公司董事會可酌情向合資格參與者（包括僱員、董事、供應商、諮詢顧問、代理及顧問或董事會全權酌情決定之任何人士）授出購股權，旨在肯定及鼓勵彼等對本集團作出貢獻。

於二零一六年四月二十九日，本公司於股東特別大會上通過普通決議案，對新購股權計劃下「合資格參與者」及「投資實體」之定義進行修訂並加入新購股權計劃（「新購股權計劃修訂」）。

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27 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Unless it is approved by shareholders in a general meeting of the Company, the maximum number of shares available for subscription under Amendments to the New Share Option Scheme or any other option scheme adopted by the Company is subject to:

- (i) The maximum number of shares of the Company which may be issued upon exercise of all options granted under Amendments to the New Share Option Scheme or any other share option scheme adopted by the Company must not exceed 30% of its issued share capital from time to time; and
- (ii) The total number of shares which may be issued upon exercise of all options to be granted under Amendments to the New Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue at the date of the approval of Amendments to the New Share Option Scheme/at the date of passing the relevant resolution in general meeting.

The maximum number of shares issuable under the options to each eligible participant in any 12-month period is limited to 1% of the shares in issue unless it is approved by shareholders in general meeting of the Company.

27 以股本結算之股份交易(續)

除非於本公司股東大會上獲股東批准，於新購股權計劃修訂或本公司採納之任何其他購股權計劃項下可供認購之最高股份數目受限於以下各項：

- (i) 本公司根據新購股權計劃修訂或本公司採納之任何其他購股權計劃授出之所有購股權獲行使時可能發行之本公司股份數目上限，不得超過其不時已發行股本之30%；及
- (ii) 根據新購股權計劃修訂及本集團任何其他購股權計劃將予授出之所有購股權獲行使時可能發行之股份總數合共不得超過於新購股權計劃修訂獲批准之日期／相關決議案於股東大會獲通過之日期已發行股份之10%。

於任何十二個月期間，根據購股權可向每名合資格參與者發行之最高股份數目為已發行股份之1%，除非於本公司股東大會上經股東批准則作別論。

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27 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Any grant of options under Amendments to the New Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by independent non-executive directors (excluding any independent non-executive director who is the proposed grantee of the options).

Any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of each grant) in excess of HK\$5 million, in any 12-month period, are subject to shareholders' approval in general meeting of the Company.

The offer of a grant of share options may be accepted within 28 days from the date of the offer of the option. The consideration for a grant of options by the Company is HK\$1.00. The exercise period of the share options granted is determined by the board of directors.

The exercise price of the share options is determined by the board of directors providing that the price shall not be less than the highest of (i) the closing price of the shares on GEM as stated in the Stock Exchange's daily quotations sheets on the date of the offer, which must be a trading day; (ii) the average closing price of the shares on GEM as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the shares.

The total number of share option that could be granted was limited to 127,264,000 shares at par value of HK\$0.04 each, representing approximately 10% of the total issued shares of the Company on the date of passing the resolution to refresh the New Share Option Scheme limit at the annual general meeting on 25 June 2018.

No share option under the Old Share Option Scheme or Amendments to the New Share Option Scheme was granted or outstanding during the years ended 31 December 2019 and 2018.

27 以股本結算之股份交易(續)

根據新購股權計劃修訂向本公司董事、主要行政人員或主要股東或彼等各自之聯繫人授出購股權，必須經獨立非執行董事(不包括其本身為購股權建議承授人之獨立非執行董事)批准。

於任何十二個月期間，向本公司主要股東或獨立非執行董事或彼等各自之任何聯繫人授出之任何購股權，如超過已發行股份0.1%及總值(根據授出日期之各自股份收市價計算)超過5,000,000港元，均須於本公司股東大會上獲股東批准。

購股權授出建議可於授出購股權建議日期起計28日內接納。接納本公司授出購股權之代價為1.00港元。授出購股權之行使期間由董事會釐定。

購股權行使價乃由董事會釐定，惟行使價不得低於以下最高者：(i)建議授出日期(必須為交易日)於聯交所每日報價表所報股份於GEM之收市價；(ii)緊接建議授出日期前五個交易日聯交所每日報價表所報股份於GEM之平均收市價；及(iii)股份面值。

可授出之購股權總數上限為127,264,000股每股面值0.04港元之股份，佔於二零一八年六月二十五日股東週年大會通過更新新購股權計劃之決議案當日本公司之已發行股份總額約10%。

截至二零一九年及二零一八年十二月三十一日止年度內並無根據舊購股權計劃或新購股權計劃修訂授出或尚未行使之購股權。

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28 CAPITAL AND RESERVES

(a) Share capital

(i) Authorised and issued share capital

28 資本及儲備

(a) 股本

(i) 法定及已發行股本

| | | Number of shares 股份數目 '000 千股 | Amount 金額 HK\$'000 千港元 |
|---|--|---|---------------------------------|
| Authorised: | 法定： | | |
| Ordinary shares | 普通股 | | |
| At 1 January 2018, 31 December 2018, 1 January 2019 and 31 December 2019 of HK\$0.04 each | 於二零一八年一月一日、 二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日 每股面值0.04港元 | 3,000,000 | 120,000 |
| Issued and fully paid: | 已發行及繳足： | | |
| Ordinary shares | 普通股 | | |
| At 1 January 2018 of HK\$0.04 each | 於二零一八年一月一日 每股面值0.04港元 | 1,088,640 | 43,546 |
| Issue of shares (note (ii)) | 股份發行(附註(ii)) | 184,000 | 7,360 |
| At 31 December 2018, 1 January 2019 and 31 December 2019 of HK\$0.04 each | 於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日 每股面值0.04港元 | 1,272,640 | 50,906 |

(ii) Issue of shares in 2018

On 25 April 2018, the Company issued 184,000,000 ordinary shares of HK\$0.04 each pursuant to a placing under general mandate at a price of HK\$0.18 per ordinary share, resulting in net proceeds of approximately HK\$32,337,000.

(ii) 二零一八年股份發行

於二零一八年四月二十五日，本公司根據一般授權進行配售，按每股普通股0.18港元之價格發行184,000,000普通股(每股面值0.04港元)，所得款項淨額約32,337,000港元。

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28 CAPITAL AND RESERVES (CONTINUED)

(b) Nature and purpose of reserves

(i) *Share premium*

Under the Companies Law, Cap.22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company 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 they fall in the ordinary course of business.

(ii) *Capital reserve*

The capital reserve represents capital contribution from shareholders in the form of interest-free loans. The amounts are estimated by discounting the nominal value of their non-interest-bearing loans to the Group at current market interest rate for similar financial instruments. An early repayment of interest-free loans represents a reduction in contribution from shareholders and reduces capital reserve accordingly.

(iii) *Capital surplus*

Capital surplus comprises the unconditional waiver of loans and advances by shareholders of the Company and the Group's former subsidiary.

(iv) *Exchange reserve*

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(y).

28 資本及儲備(續)

(b) 儲備之性質及用途

(i) *股份溢價*

根據開曼群島公司法第22章(一九六一年第3號法例,經綜合及修訂),本公司股份溢價賬之資金可分派予本公司股東,惟緊隨建議派發股息日期後,本公司須於其日常業務過程中可償還到期之債務。

(ii) *資本儲備*

資本儲備指股東以無息貸款形式注資。金額以給予本集團無息貸款之面值按類似金融工具之現行市場利率貼現估算。提早償還無息貸款指減少股東注資,而資本儲備亦因此相應減少。

(iii) *資本盈餘*

資本盈餘包括本公司股東及本集團前度附屬公司之無條件豁免貸款及墊款。

(iv) *匯兌儲備*

匯兌儲備包括因換算國外業務財務報表而產生之所有外匯差額。此儲備乃根據附註2(y)所載之會計政策處理。

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28 CAPITAL AND RESERVES (CONTINUED)

(b) Nature and purpose of reserves (Continued)

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 “Financial Instruments” that are held at the end of the reporting period (see note 2(h)).

(vi) Other reserve

The other reserve represents (i) the excess of the consideration received for the disposal of 20% equity interest in a non-wholly owned subsidiary over the increase in the carrying amount of the non-controlling interests of HK\$3,000; and (ii) the excess of cash consideration paid for acquisition of additional interests in non-wholly owned subsidiaries over the increase in the carrying amount of the non-controlling interests of HK\$102,000.

(c) Capital management

The Group’s primary objectives when managing capital are to safeguard the Group’s ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments as to the capital structure in light of changes in economic conditions.

28 資本及儲備(續)

(b) 儲備之性質及用途(續)

(v) 公平值儲備(不可迴轉)

公平值儲備(不可迴轉)包括於報告期末持有根據香港財務報告準則第9號「金融工具」指定為按FVOCI計量的股本投資的公平值累計變動淨額(見附註2(h))。

(vi) 其他儲備

其他儲備指(i)出售一間非全資附屬公司20%股權已收之代價超過非控股權益賬面值之3,000港元;及(ii)收購非全資附屬公司之額外權益已付之現金代價超過非控股權益賬面值之102,000港元。

(c) 資本管理

本集團管理資本之首要目標為透過將產品及服務之價格訂於與風險相稱之水平及按合理成本籌措融資，保障本集團持續經營業務之能力，從而繼續為股東提供回報及為其他權益持有人帶來裨益。

本集團積極及定期對資本架構開展檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好之資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

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28 CAPITAL AND RESERVES (CONTINUED)

(c) Capital management (Continued)

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing borrowings and lease liabilities), less cash and cash equivalents. Adjusted capital comprises all components of equity.

The directors of the Company review the capital structure on an ongoing basis. As part of this review, the directors consider the cost of debt and cost of capital. Based on the recommendation of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debts.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

(d) Distributability of reserves

At 31 December 2019, the aggregate amounts of reserves available for distribution to owners of the Company was HK\$96,879,000 (2018: HK\$207,064,000).

28 資本及儲備(續)

(c) 資本管理(續)

本集團以經調整債務淨額對資本比率為基準，監控其資本結構。就此而言，經調整債務淨額之定義為債務總額(包括付息借款及租賃負債)減現金及現金等值物。經調整資本包括所有權益項目。

本公司董事持續審閱資本結構。作為此審閱之部分，董事考慮債務及資本成本。本集團將根據董事之推薦意見透過支付股息、發行新股以及發行新債務平衡其整體資本結構。

本公司及其任何附屬公司均不受外界施加之資本規定所限制。

(d) 分派儲備

於二零一九年十二月三十一日，可供分派予本公司擁有人之儲備總額為96,879,000港元(二零一八年：207,064,000港元)。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables, contract assets and loans and interest receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks for which the Group considers to have low credit risk.

(i) Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. At the end of the reporting period, the Group has a concentration of credit risk as 39% (2018: 48%) and 83% (2018: 81%) of total trade receivables and contract assets was due from the largest customer and five largest customers respectively.

29 財務風險管理及金融工具公平值

信貸、流動資金、利率及貨幣風險乃於本集團一般業務過程中產生。本集團所面對之該等風險及本集團管理該等風險而採用之財務風險管理政策及常規列述如下。

(a) 信貸風險

信貸風險指交易方將違反其合約責任而導致本集團蒙受財務虧損之風險。本集團之信貸風險主要源自應收賬款及其他應收款、合約資產以及應收貸款及利息。本集團來自現金及現金等值物之信貸風險有限，由於交易方為本集團認為具有低信貸風險之銀行。

(i) 應收賬款及合約資產

本集團所承受之信貸風險主要受各客戶之個別特性影響。於報告期間結束時，本集團應收最大客戶及五大客戶之應收賬款及合約資產總額之信貸風險集中度分別為39%（二零一八年：48%）及83%（二零一八年：81%）。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These take into account the customer's past payment history, financial position and other factors. Trade receivables are due within 30 days from the billing date.

The Group measures loss allowances for trade receivables and contract assets 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.

29 財務風險管理及金融工具公平值(續)

(a) 信貸風險(續)

(i) 應收賬款及合約資產(續)

對於所有要求超過若干信貸金額之客戶均會進行個別信貸評估。該等評估考慮客戶之過往付款記錄、財務狀況及其他因素。應收賬款於發票日期起計30日內到期。

本集團按相等於使用撥備矩陣計算之全期預期信貸虧損之金額計量應收賬款及合約資產之虧損撥備。由於本集團之過往信貸虧損經驗並無就不同客戶分部顯示重大虧損模式差異，根據逾期狀態計算之虧損撥備並無於本集團不同客戶群之間進一步區分。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables and contract assets:

| | | 2019 二零一九年 | | | |
|----------------------------|-------------|--------------------------------|--|--|--|
| | | Expected loss rate 預期虧損率 | Gross carrying amount 賬面總值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |
| Contract assets | 合約資產 | | | | |
| Current (not past due) | 流動(未逾期) | 0.26% | 3,875 | (10) | 3,865 |
| Trade receivables | 應收賬款 | | | | |
| Current (not past due) | 流動(未逾期) | 0.26% | 1,677 | (4) | 1,673 |
| Less than 1 month past due | 逾期少於一個月 | 0.51% | 483 | (2) | 481 |
| 1 to 3 months past due | 逾期一至三個月 | 1.03% | 386 | (4) | 382 |
| 3 to 6 months past due | 逾期三至六個月 | 2.05% | 1,767 | (36) | 1,731 |
| 6 to 12 months past due | 逾期六至十二個月 | 4.10% | 1,740 | (72) | 1,668 |
| | | | 6,053 | (118) | 5,935 |

29 財務風險管理及金融工具公平值(續)

(a) 信貸風險(續)

(i) 應收賬款及合約資產(續)

下表提供有關本集團就應收賬款及合約資產所面臨之信貸風險及預期信貸虧損之資料：

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

| | | 2018 二零一八年 | | | |
|----------------------------|-------------|--------------------------------|--|--|--|
| | | Expected loss rate 預期虧損率 | Gross carrying amount 賬面總值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |
| Contract assets | 合約資產 | | | | |
| Current (not past due) | 流動(未逾期) | 0.07% | 3,875 | (3) | 3,872 |
| Trade receivables | 應收賬款 | | | | |
| Current (not past due) | 流動(未逾期) | 0.07% | 2,849 | (2) | 2,847 |
| Less than 1 month past due | 逾期少於一個月 | 0.14% | 530 | (1) | 529 |
| 1 to 3 months past due | 逾期一至三個月 | 0.29% | 571 | (2) | 569 |
| 3 to 6 months past due | 逾期三至六個月 | 0.59% | 168 | (1) | 167 |
| 6 to 12 months past due | 逾期六至十二個月 | 1.17% | 66 | (1) | 65 |
| Over 1 year past due | 逾期超過一年 | 100.00% | 16 | (16) | - |
| | | | 4,200 | (23) | 4,177 |

29 財務風險管理及金融工具公平值(續)

(a) 信貸風險(續)

(i) 應收賬款及合約資產(續)

| | | 2018 二零一八年 | | | |
|--|--|--------------------------------|--|--|--|
| | | Expected loss rate 預期虧損率 | Gross carrying amount 賬面總值 HK\$'000 千港元 | Loss allowance 虧損撥備 HK\$'000 千港元 | Net carrying amount 賬面淨值 HK\$'000 千港元 |

| | | | | | |
|------------------------|-------------|-------|-------|-----|-------|
| Contract assets | 合約資產 | | | | |
| Current (not past due) | 流動(未逾期) | 0.07% | 3,875 | (3) | 3,872 |

| | | | | | |
|----------------------------|-------------|---------|-------|------|-------|
| Trade receivables | 應收賬款 | | | | |
| Current (not past due) | 流動(未逾期) | 0.07% | 2,849 | (2) | 2,847 |
| Less than 1 month past due | 逾期少於一個月 | 0.14% | 530 | (1) | 529 |
| 1 to 3 months past due | 逾期一至三個月 | 0.29% | 571 | (2) | 569 |
| 3 to 6 months past due | 逾期三至六個月 | 0.59% | 168 | (1) | 167 |
| 6 to 12 months past due | 逾期六至十二個月 | 1.17% | 66 | (1) | 65 |
| Over 1 year past due | 逾期超過一年 | 100.00% | 16 | (16) | - |
| | | | 4,200 | (23) | 4,177 |

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(i) Trade receivables and contract assets (Continued)

Expected loss rates are based on actual loss experience in current year. 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 loss allowance in respect of trade receivables and contract assets is as follows:

| | | Trade receivables 應收賬款 HK\$'000 千港元 | Contract assets 合約資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|---|---|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 14 | – | 14 |
| Impairment losses recognised during the year | 於年內已確認之減值虧損 | 9 | 3 | 12 |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 23 | 3 | 26 |
| Amounts written off as uncollectible | 無法收回需撇銷款項 | (18) | – | (18) |
| Impairment losses recognised during the year | 於年內已確認之減值虧損 | 113 | 7 | 120 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 118 | 10 | 128 |

No significant changes to estimation techniques or assumptions were made during the reporting period.

29 財務風險管理及金融工具公平值 (續)

(a) 信貸風險 (續)

(i) 應收賬款及合約資產 (續)

預期虧損率根據本年度實際虧損經驗得出。該等比率已作出調整，以反映已取得過往數據期間內之經濟狀況、當前狀況及本集團對應收款之預期年期內之經濟狀況之意見之間之差異。

應收賬款及合約資產之虧損撥備變動：

| | | Trade receivables 應收賬款 HK\$'000 千港元 | Contract assets 合約資產 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-------------------------|---|---|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 14 | – | 14 |
| Impairment losses recognised during the year | 於年內已確認之減值虧損 | 9 | 3 | 12 |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 23 | 3 | 26 |
| Amounts written off as uncollectible | 無法收回需撇銷款項 | (18) | – | (18) |
| Impairment losses recognised during the year | 於年內已確認之減值虧損 | 113 | 7 | 120 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 118 | 10 | 128 |

於報告期間，估計方法或假設概無出現重大變動。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(ii) Loans and interest receivables

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available); and
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties' ability to meet its obligations

29 財務風險管理及金融工具公平值 (續)

(a) 信貸風險 (續)

(ii) 應收貸款及利息

本集團會考慮於初步確認資產後之違約可能性及信貸風險於各報告期間是否持續出現大幅增加。於評估信貸風險是否出現大幅增加時，本集團會比較於報告日期資產發生違約之風險與初步確認日期發生違約之風險。本集團會考慮可取得之合理可靠前瞻性資料。尤其會將以下指標計入考量：

- 內部信貸評級；
- 外部信貸評級 (如有)；及
- 預期將導致交易方履行債務之能力出現大幅變動之商業、金融或經濟環境之實際或預期重大不利變動

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(ii) Loans and interest receivables (Continued)

A summary of the assumptions underpinning the Group's ECL model for the loans and interest receivables is as follows:

| Category 類別 | Definition of category 類別定義 | Basis for recognition of ECL provision 預期信貸虧損撥備之確認基準 |
|-----------------|---|---|
| Stage 1 第1階段 | Exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit-impaired upon origination. 信貸風險自初步確認以來尚未出現大幅增加且於產生後並未出現信貸減值之風險。 | Portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised. 確認與未來十二個月內發生違約事件之可能性相關之全期預期信貸虧損部分。 |
| Stage 2 第2階段 | Exposures where there has been a significant increase in credit risk since initial recognition but are not credit-impaired. 信貸風險自初步確認以來出現大幅增加惟並未出現信貸減值之風險。 | Lifetime expected losses (i.e. reflecting the remaining lifetime of the financial asset) is recognised. 確認全期預期虧損(即反映餘下金融資產之可使用年期)。 |
| Stage 3 第3階段 | Exposures are assessed as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. 倘發生對該資產之估計未來現金流產生不利影響之一項或多項事件，則風險評估為出現信貸減值。 | Lifetime expected losses is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. 確認全期預期虧損並應用實際利率於攤銷成本(扣除撥備)而非賬面總值以計算利息收益。 |

29 財務風險管理及金融工具公平值(續)

(a) 信貸風險(續)

(ii) 應收貸款及利息(續)

本集團關於應收貸款及利息之預期信貸虧損模式所依據之假設概要如下：

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(ii) Loans and interest receivables (Continued)

Loans to the top borrower and top five borrowers constituted approximately 22% and 44% (2018: 24% and 45%) of the Group's loans receivable balance respectively as at 31 December 2019.

The directors consider that the credit risk arising from the loans receivable is significantly mitigated by the collaterals held, if required. The Group does not provide any guarantees which would expose the Group to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from other receivables and loans and interest receivables are set out in notes 18 and 19 respectively.

29 財務風險管理及金融工具公平值 (續)

(a) 信貸風險 (續)

(ii) 應收貸款及利息 (續)

借予最大借方和前五名借方之借款分別佔本集團於二零一九年十二月三十一日之應收貸款餘額約22%及44% (二零一八年：24%及45%)。

董事認為應收貸款產生之信貸風險因所持有之抵押品 (倘需要) 而顯著降低。本集團並無提供會令本集團面對信貸風險之任何擔保。

有關本集團因其他應收款以及應收貸款及利息而承受之信貸風險之進一步數據披露分別載於附註18及19。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(ii) Loans and interest receivables (Continued)

Movements in the gross amount of loans and interest receivables are as follows:

| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| Gross amount of loans and interest receivables | 應收貸款及利息之總金額 | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 98,873 | – | – | 98,873 |
| New originated | 新產生 | 48,256 | – | – | 48,256 |
| Repaid during the year | 於年內償還 | (36,300) | – | – | (36,300) |
| Write off | 撇銷 | (31) | – | – | (31) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 110,798 | – | – | 110,798 |
| New originated | 新產生 | 64,884 | – | – | 64,884 |
| Transfer | 轉撥 | (3,688) | 3,688 | – | – |
| Repaid during the year | 於年內償還 | (58,620) | – | – | (58,620) |
| Write off | 撇銷 | (27) | – | – | (27) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 113,347 | 3,688 | – | 117,035 |
| By class at 31 December 2019 | 按分類呈列，於二零一九年十二月三十一日 | | | | |
| – Loans receivable | – 應收貸款 | 107,287 | 3,278 | – | 110,565 |
| – Interest receivables | – 應收利息 | 6,060 | 410 | – | 6,470 |
| | | 113,347 | 3,688 | – | 117,035 |
| By class at 31 December 2018 | 按分類呈列，於二零一八年十二月三十一日 | | | | |
| – Loans receivable | – 應收貸款 | 108,599 | – | – | 108,599 |
| – Interest receivables | – 應收利息 | 2,199 | – | – | 2,199 |
| | | 110,798 | – | – | 110,798 |

29 財務風險管理及金融工具公平值 (續)

(a) 信貸風險 (續)

(ii) 應收貸款及利息 (續)

應收貸款及利息之總金額變動如下：

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(ii) Loans and interest receivables (Continued)

An analysis of changes in the corresponding ECL allowances is as follows:

| | | Stage 1 第1階段 HK\$'000 千港元 | Stage 2 第2階段 HK\$'000 千港元 | Stage 3 第3階段 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|----------------------------|------------------------------------|------------------------------------|------------------------------------|--------------------------------|
| ECL allowance of loans and interest receivables | 應收貸款及利息之預期信貸虧損撥備 | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 453 | – | – | 453 |
| Repaid during the year | 於年內償還 | (371) | – | – | (371) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 82 | – | – | 82 |
| New originated | 新產生 | 1,170 | – | – | 1,170 |
| Transfer to lifetime ECLs not credit-impaired | 轉撥至未出現信貸減值之全期預期信貸虧損 | (8) | 8 | – | – |
| Impact on year ended ECLs of exposures transferred between stages during the year | 年內各階段之間轉撥對年末預期信貸虧損之影響 | – | 3,680 | – | 3,680 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 1,244 | 3,688 | – | 4,932 |
| By class at 31 December 2019 | 按分類呈列，於二零一九年十二月三十一日 | | | | |
| – Loans receivable | – 應收貸款 | 1,242 | 3,278 | – | 4,520 |
| – Interest receivables | – 應收利息 | 2 | 410 | – | 412 |
| | | 1,244 | 3,688 | – | 4,932 |
| By class at 31 December 2018 | 按分類呈列，於二零一八年十二月三十一日 | | | | |
| – Loans receivable | – 應收貸款 | 80 | – | – | 80 |
| – Interest receivables | – 應收利息 | 2 | – | – | 2 |
| | | 82 | – | – | 82 |

No significant changes to estimation techniques or assumptions were made during the reporting period.

於報告期間，估計方法或假設概無出現重大變動。

29 財務風險管理及金融工具公平值 (續)

(a) 信貸風險 (續)

(ii) 應收貸款及利息 (續)

相應預期信貸虧損撥備之變動分析如下：

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (Continued)

(iii) Other financial assets at amortised cost

Other financial assets at amortised cost include cash and cash equivalents, deposits and other receivables. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of receivables and adjusts for forward looking macroeconomic data.

At 31 December 2019 and 2018, the Group assessed that the expected credit loss rate for those receivables is immaterial under 12 months expected losses method. Thus, no loss allowance for other financial assets at amortised costs (including amount due from a key management personnel) was recognised.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding to meet its liquidity requirements in the short and longer term.

29 財務風險管理及金融工具公平值(續)

(a) 信貸風險(續)

(iii) 按攤銷成本列賬之其他金融資產

按攤銷成本列賬之其他金融資產包括現金及現金等值物、按金及其他應收款。本集團透過及時就預期信貸虧損適當計提撥備，以將其信貸風險入賬。於計算預期信貸虧損率時，本集團會考慮各類應收款之過往虧損率，並就前瞻性宏觀經濟數據作出調整。

於二零一九年及二零一八年十二月三十一日，根據十二個月預期虧損法，本集團已評估該等應收款之預期信貸虧損率屬輕微，因此並未就按攤銷成本列賬之其他金融資產(包括應收主要管理人員之款項)確認任何虧損撥備。

(b) 流動資金風險

本集團內個別營運實體負責其本身之現金管理，包括現金盈餘之短期投資及增加貸款以應付預期現金需要。本集團之政策是定期監控其流動資金需求，以確保維持充足現金儲備及足夠信貸資金，以應付其短期及長期流動資金需求。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which is based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

| | | 2019 二零一九年 | | | |
|-----------------------------|------------|--|----------------------------|--|----------|
| | | Total contractual undiscounted cash flow | Within 1 year or on demand | More than 1 year but less than 5 years | |
| Carrying amount | | 已訂約未貼現現金流量總額 | 一年內到期或按要求 | 多於一年但少於五年 | |
| 賬面值 | | 現金流量總額 | 一年內到期或按要求 | 多於一年但少於五年 | |
| HK\$'000 | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| 千港元 | | 千港元 | 千港元 | 千港元 | 千港元 |
| Trade and other payables | 應付賬款及其他應付款 | 2,651 | 2,651 | 2,651 | - |
| Lease liabilities | 租賃負債 | 3,991 | 4,139 | 2,850 | 1,289 |
| Interest-bearing borrowings | 附息借款 | 40,266 | 40,312 | 40,312 | - |
| | | 46,908 | 47,102 | 45,813 | 1,289 |

29 財務風險管理及金融工具公平值(續)

(b) 流動資金風險(續)

下表列示本集團之金融負債於報告期間結束時之餘下訂約到期日，乃基於已訂約未貼現現金流量(包括使用訂約利率計算之利息款項，或如為浮息，則根據報告期間結束時之現行利率計算)以及本集團可能被要求付款之最早日期：

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Liquidity risk (Continued)

| | | 2018 二零一八年 | | | |
|----------------------------------|------------|--------------------------|----------------------------|--|-----------|
| | | Total contractual amount | Within 1 year or on demand | More than 1 year but less than 5 years | |
| | | Carrying amount | cash flow | cash flow | cash flow |
| | | 賬面值 | 已訂約未貼現現金流量總額 | 一年內到期或按要求 | 多於一年但少於五年 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| Trade and other payables | 應付賬款及其他應付款 | 3,384 | 3,384 | 3,384 | - |
| Obligations under finance leases | 融資租賃承擔 | 3,188 | 3,375 | 1,148 | 2,227 |
| Interest-bearing borrowings | 付息借款 | 33,000 | 33,275 | 33,275 | - |
| | | 39,572 | 40,034 | 37,807 | 2,227 |

(c) Interest rate risk

The Group's interest rate risk arises primarily from loans receivable, lease liabilities and interest-bearing borrowings. Borrowings issued at fixed rate and variable rates expose the Group to fair value interest rate risk and cash flow interest rate risk respectively. The Group's interest rate profile as monitored by management is set out below.

29 財務風險管理及金融工具公平值 (續)

(b) 流動資金風險 (續)

(c) 利率風險

本集團之利率風險主要來自應收貸款、租賃負債及付息借款。定息及浮息借款令本集團須分別承受公平值利率風險及現金流量利率風險。管理層監控本集團之利率組合載列如下。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (Continued)

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest-earning loans and interest-bearing borrowings at the end of the reporting period.

29 財務風險管理及金融工具公平值 (續)

(c) 利率風險 (續)

(i) 利率組合

下表詳述於報告期間結束時本集團計息貸款及付息借款之利率組合。

| | | 2019 二零一九年 | | 2018 二零一八年 | |
|---|---------------------|------------------------------------|-----------------|------------------------------------|-----------------|
| | | Effective interest rate 實際利率 | HK\$'000 千港元 | Effective interest rate 實際利率 | HK\$'000 千港元 |
| | | % | | % | |
| Net fixed rate deposits/ (borrowings): | 定息存款/(借款)淨額: | | | | |
| Loans receivable | 應收貸款 | 10.0% – 58.9% | 106,045 | 10.0% – 58.9% | 108,519 |
| Obligations under finance leases | 融資租賃承擔 | N/A不適用 | – | 3.5% – 4.8% | (3,188) |
| Interest-bearing borrowings | 付息借款 | N/A不適用 | – | 10.0% | (33,000) |
| Lease liabilities | 租賃負債 | 3.5% – 5.4% | (3,991) | N/A不適用 | – |
| | | | 102,054 | | 72,331 |
| Variable rate borrowings | 浮息借款 | | | | |
| Interest-bearing borrowings | 付息借款 | 3.8% – 5.3% | (40,266) | N/A不適用 | – |
| Net exposure | 風險淨額 | | 61,788 | | 72,331 |

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

At 31 December 2019, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss after tax and accumulated losses by approximately HK\$168,000 (2018: HK\$Nil).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next annual reporting period. The analysis is performed on the same basis for 2018.

(d) Currency risk

The Group's business activities and its assets and liabilities were denominated in HK\$ and RMB. The management considers the Group is not exposed to significant foreign currency risk as most sales, income, purchases and expenses are denominated in the functional currency of the operations to which they relate. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

29 財務風險管理及金融工具公平值(續)

(c) 利率風險(續)

(ii) 敏感度分析

於二零一九年十二月三十一日，預期利率在所有其他變數保持不變之情況下上升／下降50個基點，由此增加／減少本集團除稅後虧損及累計虧損約168,000港元(二零一八年：零港元)。

以上敏感度分析是假設利率變動已於本報告期末發生而釐定，並已應用至於該日存在之金融工具之利率風險。該50個基點增幅或減幅為管理層就截至下一個年度報告期末期間合理潛在之利率變動評估。二零一八年進行之分析採用相同基礎。

(d) 貨幣風險

本集團業務活動及其資產與負債以港元及人民幣列值。管理層認為本集團並無面對重大外幣風險，因為大部分銷售、收入、購買及開支均以其相關業務之功能貨幣計值。本集團目前並無外幣對沖政策。然而，管理層監察外匯風險及將於有需要時考慮對沖重大外幣風險。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(e) Categories of financial instruments

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Financial assets at amortised cost | 按攤銷成本列賬之金融資產 | 133,525 | 141,194 |
| Financial liabilities | 金融負債 | | |
| Financial liabilities at amortised cost | 按攤銷成本列賬之金融負債 | 46,908 | 39,572 |

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Investment in unlisted equity securities is measured at fair value at the end of each reporting period on a recurring basis. The fair value measurement of investment in unlisted equity securities is categorised as Level 3 which is measured using significant unobservable inputs, as defined in HKFRS 13 "Fair Value Measurement".

The Group's finance department performs valuations for the Level 3 financial instruments. The finance department reports directly to the management and the audit committee. A valuation report with analysis of changes in fair value measurement is prepared by the finance department with external valuation specialists appointed by the Group at the end of each reporting period, and is reviewed and approved by the management. Discussion of the valuation process and results with the management and the audit committee is held once a year.

29 財務風險管理及金融工具公平值(續)

(e) 金融工具類別

(f) 公平值計量

(i) 按公平值計量之金融資產及負債

非上市股本證券之投資乃於各報告期末按經常性之基礎根據公平值計量。非上市股本證券之投資之公平值計量被分類為第三級，其使用重大不可觀察輸入數據計量(定義見香港財務報告準則第13號「公平值計量」)。

本集團之財務部門就第三級金融工具進行估值。財務部門向管理層及審核委員會直接報告。財務部門與本集團委任之外部估值專家於各報告期末編製載有公平值計量變動分析之估值報告，並由管理層審閱及批准。與管理層及審核委員會就估值過程及結果之討論每年進行一次。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

The following table provides information about Level 3 fair value measurements:

| Financial assets 金融資產 | Valuation techniques 估值方式 | Significant unobservable input 重大不可觀察輸入數據 |
|--|--|---|
| Unlisted equity instruments 非上市股本工具 | Market comparable companies 市場可比較公司 | Discount for lack of marketability of 20% 就缺乏可銷售性貼現20% |

The fair value of unlisted equity instruments is determined using price/earnings ratios of comparable listed companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. At 31 December 2019, it is estimated that with all other variable held constant, a decrease/increase in discount for lack of marketability by 10% (2018: 10%) would have no significant impact on the Group's other comprehensive income.

29 財務風險管理及金融工具公平值(續)

(f) 公平值計量(續)

(i) 按公平值計量之金融資產及負債(續)

下表提供有關第三級公平值計量之資料：

非上市股本工具之公平值使用可比較上市公司之市盈率並就缺乏可銷售性貼現進行調整後釐定。公平值計量與缺乏可銷售性之貼現屬反向關係。於二零一九年十二月三十一日，估計在所有其他變數保持不變之情況下，就缺乏可銷售性減少／增加貼現10%（二零一八年：10%），對本集團其他全面收益並無重大影響。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(f) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

The movement during the year in the balances Level 3 fair value measurements are as follows:

| | | Investment in equity securities | Prepayment option embedded in promissory note issued 已發行 承兌票據 所附帶之 提前還款權 | Consideration payable for business combination 業務合併 應付代價 |
|--|-----------------------------|---------------------------------------|--|---|
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 500 | 116 | (71,651) |
| Settlement | 結算 | - | - | 72,429 |
| Changes in fair value recognised in profit or loss | 於損益中確認之 公平值變動 | - | (116) | (778) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日 及二零一九年一月一日 | 500 | - | - |
| Changes in fair value recognised other comprehensive income | 於其他全面收入中確認之 公平值變動 | (348) | - | - |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 152 | - | - |

(ii) Financial assets/liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2019 and 2018.

29 財務風險管理及金融工具公平值 (續)

(f) 公平值計量 (續)

(i) 按公平值計量之金融資產及負債 (續)

年內，該第三級公平值計量結餘變動如下：

(ii) 按公平值以外價值列值之金融資產／負債

本集團按成本或攤銷成本列值之金融工具之賬面值與其於二零一九年及二零一八年十二月三十一日之公平值並無重大差異。

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30 OPERATING LEASE COMMITMENTS

At 31 December 2018, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

| | | HK\$'000 千港元 |
|---------------------------------|---------|-----------------|
| Within 1 year | 一年內 | 3,787 |
| After 1 year but within 5 years | 一年後至五年內 | 239 |
| | | <hr/> 4,026 |

The Group is the lessee in respect of a number of office premises held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 2(c)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 2(l), and the details regarding the Group's future lease payments are disclosed in note 23.

30 經營租賃承擔

於二零一八年十二月三十一日，根據不可撤回經營租賃應付之未來最低租賃付款總額如下：

本集團為根據租賃持有之多項辦公室物業之承租人，該等租賃先前根據香港財務報告準則第17號被分類為經營租賃。本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整於二零一九年一月一日之期初結餘，以確認該等租賃之租賃之相關租賃負債（見附註2(c)）。自二零一九年一月一日起，未來租賃付款根據附註2(l)所載政策於綜合財務狀況表確認為租賃負債，有關本集團未來租賃付款之詳情於附註23披露。

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31 MATERIAL RELATED PARTY TRANSACTIONS AND BALANCES

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------|--------|----------------------------------|----------------------------------|
| Short-term employee benefits | 短期僱員福利 | 5,208 | 4,152 |
| Post-employment benefits | 離職後福利 | 92 | 104 |
| | | 5,300 | 4,256 |

(b) Material related party transactions

Except as disclosed in the note 14, the Group has not entered into any material related party transactions during the years ended 31 December 2019 and 2018.

(c) Balances with related parties

Balances with related parties are disclosed in the Company's statement of financial position (note 34(a)) and in note 18.

32 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

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

31 重大關連方交易及結餘

(a) 主要管理人員薪酬

本集團主要管理人員薪酬包括附註7所披露之已付本公司董事款項及附註8所披露之已付若干最高薪酬僱員之款項，詳情如下：

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------|----------------------------------|----------------------------------|
| Short-term employee benefits | 5,208 | 4,152 |
| Post-employment benefits | 92 | 104 |
| | 5,300 | 4,256 |

(b) 重大關連方交易

截至二零一九年及二零一八年十二月三十一日止年度，除附註14所披露外，本集團並無進行任何重大關連方交易。

(c) 與關連方有關之結餘

與關連方有關之結餘於本公司之財務狀況表(附註34(a))及附註18披露。

32 報告期後非調整事項

本集團並無於報告期後發生重大事項。

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33 SUBSIDIARIES

(a) Details of the subsidiaries as at 31 December 2019 and 2018

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

| Name of company 公司名稱 | Country of incorporation and operation 註冊成立及營運所在國家 | Particulars of issued and paid up capital 已發行及繳足股本詳情 | Proportion of effective ownership interest 2019 實際擁有權益比例 二零一九年 | | Proportion of effective ownership interest 2018 實際擁有權益比例 二零一八年 | | Principal activity 主要業務 |
|--|---|--|--|----------------|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | Direct 直接 | Indirect 間接 | |
| | | | | | | | |
| Aurum Pacific Management Limited 奧栢管理有限公司 | Hong Kong 香港 | 1 share (HK\$1) 1股股份 (1港元) | - | 100% | - | 100% | Provision of administrative services 提供行政管理服務 |
| KanHan Technologies Limited 看漢科技有限公司 | Hong Kong 香港 | 363,636 shares (HK\$7,200,000) 363,636股股份 (7,200,000港元) | - | 100% | - | 100% | Investment holding and provision of software platform 投資控股及提供軟件平台 |
| KanHan Technologies China Limited (notes (i) and (ii)) 廣州看漢科技有限公司(附註(i)及(ii)) | PRC 中國 | HK\$1,000,000 1,000,000港元 | - | 100% | - | 100% | Provision of software platform 提供軟件平台 |
| Aurum Pacific Finance Limited 奧栢財務有限公司 | Hong Kong 香港 | 1 share (HK\$1) 1股股份 (1港元) | - | 100% | - | 100% | Provision of money lending business 提供放貸業務 |
| First Surplus Investment Ltd. First Surplus Investment Ltd. | BVI 英屬處女群島 | 10 shares of US1 each 10股股份每股1美元 | - | 60% | - | 60% | Investment holding 投資控股 |
| Mooff Games Limited Mooff Games Limited | Hong Kong 香港 | 10,000 shares (HK\$10,000) 10,000股股份 (10,000港元) | - | 60% | - | 60% | Development and provision of mobile data solutions and related services 開發及提供移動數據解決方案及相關服務 |
| Side Quest Limited Side Quest Limited | Hong Kong 香港 | 3,020,000 shares (HK\$4,510,001) 3,020,000股股份 (4,510,001港元) | - | 60% | - | 60% | Development and provision of mobile data solutions and related services 開發及提供移動數據解決方案及相關服務 |

33 附屬公司

(a) 於二零一九年及二零一八年十二月三十一日之附屬公司詳情

下表僅載有主要影響本集團業績、資產或負債之附屬公司之詳情。除另有註明外，持有股份之類別屬普通股。

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33 SUBSIDIARIES (CONTINUED)

(a) Details of the subsidiaries as at 31 December 2019 and 2018 (Continued)

| Name of company 公司名稱 | Country of incorporation and operation 註冊成立及營運所在國家 | Particulars of issued and paid up capital 已發行及繳足股本詳情 | Proportion of effective ownership interest 2019 實際擁有權益比例 二零一九年 | | Proportion of effective ownership interest 2018 實際擁有權益比例 二零一八年 | | Principal activity 主要業務 |
|---|---|--|--|-----------------|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | Direct 直接 | Indirect 間接 | |
| | | | Smart City Technology Limited 智慧城市科技有限公司 | Hong Kong 香港 | 12,000 shares (HK\$1,010,000) 12,000股股份 (1,010,000港元) | - | |
| Top Banana Limited 高蕉有限公司 | Hong Kong 香港 | 1 share (HK\$1) 1股股份 (1港元) | - | 60% | - | 60% | Development of mobile games and related services 開發手機遊戲及相關服務 |
| Lasting Surplus Investment HK Limited 長盈資本有限公司 | Hong Kong 香港 | 10,000 shares (HK\$10,000) 10,000股股份 (10,000港元) | - | 60% | - | 60% | Tailor made IT solutions 定制資訊科技方案 |
| 廣州泛達科技有限公司(note (i)) 廣州泛達科技有限公司(附註(i)) | PRC 中國 | RMB3,600,000 人民幣3,600,000元 | - | 60% | - | 60% | Development of mobile games and related services 開發手機遊戲及相關服務 |

Notes:

- (i) Registered as wholly-owned foreign enterprise under PRC law.
- (ii) The English translation of the name is for reference only. The official name of the entity is in Chinese.

33 附屬公司(續)

(a) 於二零一九年及二零一八年十二月三十一日之附屬公司詳情(續)

附註：

- (i) 根據中國法律註冊為外商獨資企業。
- (ii) 英文譯名僅供參考。中文名稱為實體之官方名稱。

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33 SUBSIDIARIES (CONTINUED)

(b) *Partial disposal of equity interest in a subsidiary*

On 3 January 2018, the Group disposed 20% of the issued shares of a wholly-owned subsidiary, Global Ocean International Holdings Limited (“Global Ocean”), for a cash consideration of HK\$2,000 to an independent third party (the “Purchaser”). The carrying amount of the non-controlling interests in Global Ocean as at the date of disposal was a deficit of HK\$1,000. As a result, the Group recognised a decrease in non-controlling interests of HK\$1,000 and an increase in equity attributable to owners of the Company of HK\$3,000.

The effect of changes in ownership interest in Global Ocean was as follows:

| | | HK\$'000 千港元 |
|--|--------------------------|-----------------|
| Carrying amount of non-controlling interests disposed | 已出售非控股權益之賬面值 | 1 |
| Consideration received from the Purchaser | 買方所得代價 | 2 |
| Excess of consideration paid recognised in other reserve within equity | 於權益內其他儲備中確認之 已付代價超出部分 | 3 |

(c) *Acquisition of non-controlling interests*

On 30 April 2018, the Group acquired additional 26.6% of the issued shares of a 73.4% owned subsidiary, Mooff Games Limited (“Mooff Games”), for a cash consideration of HK\$2. The carrying amount of the non-controlling interests in Mooff Games as at the date of acquisition was a surplus of HK\$58,000. As a result, the Group recognised a decrease in non-controlling interests of HK\$58,000 and an increase in equity attributable to owners of the Company of HK\$58,000.

33 附屬公司(續)

(b) *部分出售一間附屬公司之股權*

於二零一八年一月三日，本集團出售全資附屬公司滙海國際控股有限公司(「滙海」)已發行股份之20%予獨立第三方(「買方」)，現金代價為2,000港元。於出售日期，滙海非控股權益之賬面值為赤字1,000港元。因此，本集團確認非控股權益減少1,000港元及本公司擁有人應佔權益增加3,000港元。

滙海所有權權益變動之影響如下：

(c) *收購非控股權益*

於二零一八年四月三十日，本集團額外收購擁有73.4%權益之附屬公司Mooff Games Limited(「Mooff Games」)已發行股份之26.6%，現金代價為2港元。於收購日期，Mooff Games非控股權益之賬面值為盈餘58,000港元。因此，本集團確認非控股權益減少58,000港元及本公司擁有人應佔權益增加58,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

33 SUBSIDIARIES (CONTINUED)

(c) Acquisition of non-controlling interests (Continued)

On 31 December 2018, Group acquired additional 15% of the issued shares of a 85% owned subsidiary, Side Quest Limited ("Side Quest"), for a cash consideration of HK\$1. The carrying amount of the non-controlling interests in Side Quest as at the date of acquisition was a deficit of HK\$160,000. As a result, the Group recognised an increase in non-controlling interests of HK\$160,000 and a decrease in equity attributable to owners of the Company of HK\$160,000.

The effects of changes in ownership interest in Mooff Games and Side Quest were as follows:

33 附屬公司(續)

(c) 收購非控股權益(續)

於二零一八年十二月三十一日，本集團額外收購擁有85%權益之附屬公司Side Quest Limited(「Side Quest」)已發行股份之15%，現金代價為1港元。於收購日期，Side Quest非控股權益之賬面值為赤字160,000港元。因此，本集團確認非控股權益增加160,000港元及本公司擁有人應佔權益減少160,000港元。

Mooff Games及Side Quest所有權權益變動之影響如下：

| | | Mooff Games | Side Quest | Total |
|--|-----------------------------------|-------------|------------|----------|
| | | Mooff Games | Side Quest | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 |
| Carrying amount of non-controlling interests | 非控股權益之賬面值 | 58 | (160) | (102) |
| Consideration paid to non-controlling interests | 非控股權益之已付代價 | - | - | - |
| Deficit/excess of consideration paid recognised in other reserve within equity | 於權益內其他儲備中 確認之已付代價 赤字/(超出部分) | 58 | (160) | (102) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

33 SUBSIDIARIES (CONTINUED)

(d) Information of material non-controlling interest ("NCI")

The following table lists out the information relating to FS Group which has material NCI. The summarised financial information presented below represents the amounts before any inter-company elimination.

33 附屬公司(續)

(d) 重大非控股權益(「非控股權益」)資料

下表呈列有關擁有屬重大非控股權益之FS Group之資料。下列財務資料概要顯示公司間對銷前之金額。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------|----------------------------------|----------------------------------|
| NCI percentage | 非控股權益百分比 | 40% | 40% |
| Non-current assets | 非流動資產 | 35,597 | 45,372 |
| Current assets | 流動資產 | 47,545 | 51,902 |
| Current liabilities | 流動負債 | (36,347) | (33,962) |
| Non-current liabilities | 非流動負債 | (5,192) | (7,278) |
| Net assets | 資產淨值 | 41,603 | 56,034 |
| Carrying amount of NCI | 非控股權益賬面值 | 16,471 | 22,244 |
| Revenue | 收益 | 2,926 | 21,892 |
| Loss for the year | 年度虧損 | (14,420) | (7,730) |
| Total comprehensive expense | 全面開支總額 | (14,431) | (7,922) |
| Loss allocated to NCI | 分配至非控股權益虧損 | (5,773) | (3,129) |
| Dividends paid to NCI | 派付至非控股權益股息 | - | - |
| Cash flows (used in)/generated from operating activities, net | 經營活動(所用)/所得之現金流量淨額 | (17,957) | 8,372 |
| Cash flows used in investing activities, net | 投資活動所用之現金流量淨額 | (2,997) | (1) |
| Cash flows generated from financing activities, net | 融資活動所得之現金流量淨額 | 16,842 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

34 FINANCIAL INFORMATION OF THE COMPANY

(a) Statement of financial position

34 本公司之財務資料

(a) 財務狀況表

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Non-current assets | 非流動資產 | | |
| Investments in subsidiaries | 於附屬公司之投資 | 8 | 8 |
| Investment in equity securities | 股本證券之投資 | 152 | 500 |
| | | 160 | 508 |
| Current assets | 流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 188,480 | 310,160 |
| Deposits, prepayments and other receivables | 按金、預付款及其他應收款項 | 5,175 | 5,660 |
| Cash and cash equivalents | 現金及現金等值物 | 497 | 771 |
| | | 194,152 | 316,591 |
| Current liabilities | 流動負債 | | |
| Amounts due to subsidiaries | 應付附屬公司款項 | 42,820 | 55,015 |
| Other payables and accrued charges | 其他應付款及應計費用 | 185 | 244 |
| | | 43,005 | 55,259 |
| Net current assets | 流動資產淨值 | 151,147 | 261,332 |
| NET ASSETS | 資產淨值 | 151,307 | 261,840 |
| Capital and reserves | 資本及儲備 | | |
| Share capital | 股本 | 50,906 | 50,906 |
| Reserves | 儲備 | 100,401 | 210,934 |
| TOTAL EQUITY | 權益總額 | 151,307 | 261,840 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

34 FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

(b) Details of changes in the Company's individual components of capital and reserves during the year:

34 本公司之財務資料(續)

(b) 本公司年內資本及儲備個別組成部分之變動詳情如下：

| | | Share capital | Share premium | Capital reserve | Capital surplus | Fair value reserve (non- recycling) 公平值儲備 (不可迴轉) | Accumulated losses 累計虧損 | 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 | HK\$'000 千港元 |
| | | | (note 28(b)(i)) (附註28(b)(i)) | | | | | |
| At 1 January 2018 | 於二零一八年一月一日 | 43,546 | 356,513 | 2,261 | 1,609 | - | (122,515) | 281,414 |
| Loss and total comprehensive expense for the year | 年度虧損及全面開支總額 | - | - | - | - | - | (51,911) | (51,911) |
| Issue of shares (note 28(a)(ii)) | 發行股份(附註28(a)(ii)) | 7,360 | 24,977 | - | - | - | - | 32,337 |
| | | 7,360 | 24,977 | - | - | - | (51,911) | (19,574) |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 50,906 | 381,490 | 2,261 | 1,609 | - | (174,426) | 261,840 |
| At 1 January 2019 | 於二零一九年一月一日 | 50,906 | 381,490 | 2,261 | 1,609 | - | (174,426) | 261,840 |
| Loss and total comprehensive expense for the year | 年度虧損及全面開支總額 | - | - | - | - | - | (110,185) | (110,185) |
| Equity investments as FVOCI: | 按FVOCI計量之股本投資： | | | | | | | |
| Net movement in the fair value reserve (non-recycling) | 公平值儲備之變動淨額 (不可迴轉) | - | - | - | - | (348) | - | (348) |
| | | - | - | - | - | (348) | (110,185) | (110,533) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 50,906 | 381,490 | 2,261 | 1,609 | (348) | (284,611) | 151,307 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

34 FINANCIAL INFORMATION OF THE COMPANY (CONTINUED)

(c) *Contingent liabilities*

At 31 December 2019, the Company has issued a corporate guarantee in respect of a loan made by a bank to a subsidiary (see note 22).

The Company has issued corporate guarantee in respect of the motor vehicles under leases at 3.5% – 4.8% per annum with the carrying amount of approximately HK\$2,158,000 (2018: HK\$3,188,000) as at 31 December 2019.

The fair value of these guarantees has not been provided for in these consolidated financial statements as the directors of the Company consider the amount involved to be insignificant.

35 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the consolidated financial statements. The principal accounting policies are set forth in note 2. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the consolidated financial statements.

34 本公司之財務資料(續)

(c) *或然負債*

於二零一九年十二月三十一日，本公司就銀行向附屬公司提供之貸款提供公司擔保(見附註22)。

於二零一九年十二月三十一日，本公司就根據租賃按每年3.5%–4.8%租賃汽車發行公司擔保，賬面值約2,158,000港元(二零一八年：3,188,000港元)。

此等綜合財務報表並無提供該等擔保之公平值，因為本公司董事認為所涉及之金額並不重大。

35 會計估計及判斷

估計及判斷會持續進行評估，並以過往經驗及其他因素(包括在某些情況下被視為對未來事件之合理預計)為依據。

在審閱綜合財務報表時，需要考慮主要會計政策之選用、影響會計政策應用範圍之判斷及其他不確定因素，以及所呈報業績是否較易受情況及假設變動影響。主要會計政策載於附註2。本集團相信，下列主要會計政策涉及在編製綜合財務報表時採用之最重要判斷及估計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

35 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(a) *Impairment loss on intangible assets*

The carrying amounts of intangible assets that are not yet available for use are reviewed annually in order to assess whether the recoverable amounts have declined below the carrying amounts. When such a decline has occurred, the carrying amount is reduced to recoverable amount.

The recoverable amount is the greater of the fair value less costs of disposal and the value in use. In determining the value in use, the expected cash flows generated by the intangible assets are discounted to their present value, which requires significant judgement relating to the level of future software revenue and the amount of service costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of software revenue and the amount of service costs, and discount rate.

(b) *Impairment loss on goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the impairment loss calculation are set out in note 12.

35 會計估計及判斷(續)

(a) *無形資產減值虧損*

尚未可供使用之無形資產之賬面值會按年檢討，以評估可收回金額是否已跌至低於賬面值。當出現上述下跌情況時，賬面值會減至可收回金額。

可收回金額為公平值減出售成本與使用價值間之較高者。釐定使用價值時，預期無形資產產生之現金流量乃貼現至其現值，而釐定現值須對未來軟件收益及服務成本金額作出重大判斷。本集團使用一切可取得之資料，釐定可收回金額合理約數之金額，包括根據合理及有力之假設及預測，估計軟件收益及服務成本金額以及貼現率。

(b) *商譽減值虧損*

釐定商譽是否減值時，須對獲分配商譽之現金產生單位之使用價值作出估計。計算使用價值時，董事須估計預期源自現金產生單位之未來現金流量及適合貼現率，以計算現值。減值虧損之計算詳情載於附註12。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

35 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(c) *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses. As these deferred tax assets can only be recognised to the extent that it is probable that future taxable profits will be available against which the unused tax benefits can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly received and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered; conversely, the carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Details of the nature and carrying amounts of deferred tax assets are disclosed in note 25(b).

(d) *Impairment allowances on financial assets at amortised cost and contract assets*

The Group estimates the loss allowances for financial assets at amortised cost and contract assets by assessing the ECLs. This requires the use of estimates and judgements. ECLs are based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, and an assessment of both the current and forecast general economic conditions at the end of the reporting period. Where the estimation is different from the previous estimate, such difference will affect the carrying amounts of financial assets at amortised cost and contract assets and thus the impairment loss in the period in which such estimate is changed.

35 會計估計及判斷(續)

(c) *遞延稅項資產*

遞延稅項資產就未動用稅項虧損獲確認。由於遞延稅項資產僅在可能有未來應課稅溢利以使用未動用稅項福利之情況下確認，管理層須就評估未來應課稅溢利之可能性作出判斷。倘未來應課稅溢利能令遞延稅項資產可予收回，則管理層持續進行評估，並確認額外遞延稅項資產。反之，遞延稅項資產賬面值予以扣減，以不再可能有足夠應課稅溢利用以抵扣部分或全部遞延稅項資產之利益為限。有關遞延稅項資產之性質及賬面值詳情於附註25(b)披露。

(d) *按攤銷成本計量之金融資產之減值撥備和合約資產*

本集團評估預期信貸虧損，就按攤銷成本計量之金融資產估計及合約資產虧損撥備。此舉需要使用估計及判斷。預期信貸虧損按本集團之過往信貸虧損經驗，並根據債務人之特定因素以及就報告期末整體經濟狀況現況及預測之評估作出調整而定。倘估計有別於先前估計，有關差額將影響按攤銷成本計量之金融資產及合約資產之賬面值，繼而影響估計變動期間之減值虧損。

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綜合財務報表附註

(Expressed in Hong Kong dollars)
(以港元列示)

35 ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(e) *Fair value of Level 3 financial instruments*

Where the fair value of investment in unlisted equity securities recorded in the consolidated statement of financial position cannot be derived from active markets, its fair value is determined using valuation techniques including market comparable companies. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. The judgement includes consideration of input such as discount for lack of marketability. Changes in assumptions about these factors could affect the reported fair value of investment in unlisted equity securities.

35 會計估計及判斷(續)

(e) *第三級金融工具之公平值*

倘載於綜合財務狀況表之非上市股本證券之投資之公平值不可自活躍市場取得，該公平值之釐定須使用市場可資比較公司作為估值方式。該等模式之輸入數據乃來自可觀察市場(如適用)，倘無法獲取該等數據，釐定該等公平值時則需涉及若干程度之判斷。該判斷包括考慮就缺乏可銷性貼現的有關輸入數據。有關該等因素假設之變動亦可影響非上市股本證券之投資之呈報公平值。

FIVE-YEARS FINANCIAL SUMMARY

五年財務摘要

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| RESULTS | 業績 | | | | | |
| Revenue from continuing and discontinued operations | 持續及已終止經營業務之收益 | 40,073 | 53,968 | 64,464 | 34,459 | 41,268 |
| Loss before taxation | 除稅前虧損 | (69,601) | (43,534) | (43,846) | (40,351) | (26,728) |
| Income tax credit/(expense) | 所得稅抵免/(開支) | 2,118 | 1,462 | (1,889) | 56 | 763 |
| Loss for the year | 年度虧損 | (67,483) | (42,072) | (45,735) | (40,295) | (25,965) |
| Attributable to: | 以下人士應佔： | | | | | |
| Owners of the Company | 本公司擁有人 | (61,470) | (38,967) | (48,823) | (37,986) | (20,131) |
| Non-controlling interests | 非控股權益 | (6,013) | (3,105) | 3,088 | (2,309) | (5,834) |
| | | (67,483) | (42,072) | (45,735) | (40,295) | (25,965) |
| Loss per share | 每股虧損 | | | | | |
| Basic and diluted (HK cents) | 基本及攤薄(港仙) | (4.83) | (3.21) | (4.50) | (5.22) | (4.84) |
| ASSETS AND LIABILITIES | 資產及負債 | | | | | |
| Total assets | 資產總值 | 260,698 | 324,784 | 405,730 | 451,871 | 273,819 |
| Total liabilities | 負債總額 | (57,979) | (54,208) | (123,350) | (153,427) | (38,252) |
| | | 202,719 | 270,576 | 282,380 | 298,444 | 235,567 |
| Total equity attributable to owners of the Company | 本公司擁有人應佔權益總額 | 186,544 | 248,383 | 257,107 | 276,259 | 230,949 |
| Non-controlling interests | 非控股權益 | 16,175 | 22,193 | 25,273 | 22,185 | 4,618 |
| | | 202,719 | 270,576 | 282,380 | 298,444 | 235,567 |

