



Royal China International Holdings Limited
皇中國際控股有限公司

(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 : 1683

Annual Report 年報 2018

Contents

目 錄

| | | | |
|---|----|---|-----|
| Corporate Information 公司資料 | 2 | Independent Auditors' Report 獨立核數師報告 | 58 |
| Chairman's Statement 主席報告 | 4 | Consolidated Statement of Profit or Loss and Other Comprehensive Income | 66 |
| Management Discussion and Analysis 管理層討論與分析 | 6 | 綜合損益和其他全面收益表 | |
| Directors' Report 董事會報告 | 13 | Consolidated Statement of Financial Position 綜合財務狀況表 | 68 |
| Profile of Directors and Senior Management 董事及高級管理層履歷 | 29 | Consolidated Statement of Changes in Equity 綜合權益變動表 | 69 |
| Corporate Governance Report 企業管治報告 | 33 | Consolidated Statement of Cash Flows 綜合現金流量表 | 70 |
| Environmental, Social and Governance Report 環境、社會及管治報告 | 48 | Notes to the Consolidated Financial Statements 綜合財務報表附註 | 72 |
| | | Financial Summary 財務概要 | 183 |

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. LEONG Hing Loong Rudoff (*Chairman*)
Ms. CHEW Christina Mooi Chong (*Chief Executive Officer*)
Mr. SHIH Steven Chun Ning
Ms. GAO Jinyi

Independent Non-executive Directors

Mr. HO Hin Yip
Mr. CHAN Kwong Ming Johnny
Mr. LU Zhuohui

AUDIT COMMITTEE

Mr. HO Hin Yip (*Chairman*)
Mr. CHAN Kwong Ming Johnny
Mr. LU Zhuohui

REMUNERATION COMMITTEE

Mr. CHAN Kwong Ming Johnny (*Chairman*)
Mr. HO Hin Yip
Mr. LEONG Hing Loong Rudoff

NOMINATION COMMITTEE

Mr. LU Zhuohui (*Chairman*)
Mr. CHAN Kwong Ming Johnny
Mr. LEONG Hing Loong Rudoff

COMPANY SECRETARY

Mr. ZHU Ben Yu

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

董事會

執行董事

梁興隆先生 (*主席*)
周梅莊女士 (*行政總裁*)
施振寧先生
高錦儀女士

獨立非執行董事

何衍業先生
陳光明先生
陸卓輝先生

審核委員會

何衍業先生 (*主席*)
陳光明先生
陸卓輝先生

薪酬委員會

陳光明先生 (*主席*)
何衍業先生
梁興隆先生

提名委員會

陸卓輝先生 (*主席*)
陳光明先生
梁興隆先生

公司秘書

朱本宇先生

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21st Floor, Wyndham Place
No. 44 Wyndham Street
Central
Hong Kong
Tel : (852) 2521 8226
Fax : (852) 2786 4203
Website: www.royalchina.hk

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 Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

AUDITORS

HLB Hodgson Impey Cheng Limited

PRINCIPAL BANKERS

Public Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited
Wing Lung Bank Limited

STOCK CODE

1683

香港總部及主要營業地點

香港
中環
雲咸街44號
雲咸商業中心21樓
電話 : (852) 2521 8226
傳真 : (852) 2786 4203
網站 : www.royalchina.hk

股份過戶登記總處

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

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

核數師

國衛會計師事務所有限公司

主要往來銀行

大眾銀行(香港)有限公司
香港上海滙豐銀行有限公司

永隆銀行有限公司

股份代號

1683

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of Royal China International Holdings Limited (the "Company"), together with its subsidiaries (the "Group") for the year ended 31 December 2018.

BUSINESS REVIEW

In 2018, the turnover of the Group increased by HK\$29.9 million from HK\$157.4 million for the fifteen months ended 31 December 2017 to HK\$187.3 million for the year ended 31 December 2018. The overall gross profit decreased by HK\$6.4 million from HK\$51.1 million for the fifteen months ended 31 December 2017 to HK\$44.7 million for the year ended 31 December 2018. The increase in revenue was mainly due to the increase in revenue from construction and ancillary services of non-residential projects and the business of aviation and traveling business, while the decrease in gross profit was mainly due to the decrease in gross profit margin from construction and ancillary services.

However, the Group recorded the loss attributable to the owners of the Company of HK\$17.4 million for the year ended 31 December 2018, representing an increase of approximately HK\$7.2 million as compared with the loss attributable to the owners of the Company of HK\$10.2 million for the fifteen months ended 31 December 2017. The increase in the loss attributable to the owners of the Company was mainly due to decrease in gross profit margin from the construction and ancillary services business which includes design, fitting-out, decoration, alteration and addition, construction and other related business and the increase in operating expenses of the Group.

On 14 March 2018, the Group has obtained the licenses for regulated activities under Securities and Futures Ordinance (the "SFO") to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities (as defined in the SFO).

In order to alleviate the possible impact from the uncertainty in Hong Kong property development industry on the segment of construction and ancillary services business, the Group has explored business opportunities for non-residential business of construction and ancillary services and financial services.

敬啟者：

本人謹代表董事會（「董事會」）欣然呈獻皇中國際控股有限公司（「本公司」，連同其附屬公司，統稱「本集團」）截至二零一八年十二月三十一日止年度之年報。

業務回顧

於二零一八年，本集團營業額由截至二零一七年十二月三十一日止十五個月之157.4百萬港元增加29.9百萬港元至截至二零一八年十二月三十一日止年度之187.3百萬港元。整體毛利由截至二零一七年十二月三十一日止十五個月之51.1百萬港元減少6.4百萬港元至截至二零一八年十二月三十一日止年度之44.7百萬港元。收益增加主要得力於來自非住宅項目之建設及配套服務以及航空旅遊業務之收益增加，而毛利減少是主要由於建設及配套服務之毛利率下降所致。

然而，本集團於截至二零一八年十二月三十一日止年度錄得本公司擁有人應佔虧損17.4百萬港元，較截至二零一七年十二月三十一日止十五個月之本公司擁有人應佔虧損10.2百萬港元增加約7.2百萬港元。本公司擁有人應佔虧損增加主要由於建設及配套服務業務（其包括設計、裝修、裝飾、改動和添加、建設及其他相關業務）之毛利率下降，以及本集團之經營開支增加所致。

於二零一八年三月十四日，本集團取得根據《證券及期貨條例》（「證券及期貨條例」）進行受規管活動之牌照，以進行第1類（證券交易）、第4類（就證券提供意見）及第9類（提供資產管理）受規管活動（定義見證券及期貨條例）。

為減輕香港地產發展業前景不明朗對建設及配套服務業務分部可能帶來之影響，本集團已著手研究為非住宅項目提供建設及配套服務以及金融服務之商機。

CHAIRMAN'S STATEMENT

主席報告

PROSPECT

In February 2019, the plan for the Greater Bay Area development was released. The plan targets to transform Hong Kong and 10 cities around the Pearl River Delta into a thriving global center of technology, innovation and economic vibrancy. The blueprint planned to consolidate and enhance Hong Kong's status as an international finance, transportation and trade center, as well as an international aviation hub.

Under this favorable environment, the Group will continue to broaden its customer bases of construction and ancillary services to non-residential customers in order to reduce our reliance on residential projects of Hong Kong residential projects of Hong Kong based property developers and uncertainty of Hong Kong property market. The Group will also explore business opportunities of construction and ancillary services in Guangdong-Hong Kong-Macao Greater Bay Area and financial services including dealing in securities, advising on securities, asset management, financing business and other business/investment opportunities for enhancing our future development and strengthening our revenue bases.

APPRECIATION

We would like to thank our committed staff for their contributions, our customers, business partners and shareholders of the Company for their continued support to the Group.

On behalf of the Board

LEONG HING LOONG RUDOFF

Chairman

Hong Kong, 26 March 2019

展望

二零一九年二月，當局發表粵港澳大灣區發展規劃綱要。該計劃旨在將香港和珠江三角洲的10個城市轉變為蓬勃發展的全球技術、創新和經濟活力中心。該規劃綱要支持香港鞏固和提升其作為國際金融、航運、貿易中心和國際航空樞紐的地位。

面對利好環境，本集團將繼續擴大其建設及配套服務之客戶群至非住宅項目之客戶，以減輕對香港地產發展商住宅項目之依賴及所面對之香港地產市場的不確定性。本集團亦將研究粵港澳大灣區內建設及配套服務之商機以及金融服務之商機，包括證券交易、就證券提供意見、資產管理及融資業務以及其他業務／投資機遇，以提升我們的未來發展及增強我們的收益基礎。

致謝

我們謹此對各位忠誠的員工所作出的貢獻，以及客戶、業務夥伴及本公司股東對本集團的不間斷支持，致以謝意。

代表董事會

主席

梁興隆

香港，二零一九年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Board is pleased to present the results of the Group for the year ended 31 December 2018 (“FY2018”), together with the comparative figures for the fifteen months ended 31 December 2017 (the “Relevant 2017 Period”).

FINANCIAL REVIEW

During the FY2018, the revenue of the Group increased by approximately 19.0% to approximately HK\$187.3 million mainly due to the increase in revenue from non-residential projects of construction and ancillary services and aviation and traveling services. The loss attributable to the owners of the Company increased by 70.4% to approximately HK\$17.4 million for the FY2018 mainly due to the decrease in gross profit margin from the construction and ancillary services and the increase in operating expenses of the Group.

BUSINESS REVIEW

The Group’s business segments include three major segments, namely construction and ancillary services, aviation and traveling services and financial services.

During the FY2018, the revenue of the Group was increased by 19.0% to HK\$187.3 million (the Relevant 2017 Period: HK\$157.4 million).

董事會欣然呈列本集團截至二零一八年十二月三十一日止年度（「二零一八財政年度」）之業績，連同截至二零一七年十二月三十一日止十五個月（「相關二零一七期間」）之比較數字。

財務回顧

於二零一八財政年度，本集團之收益增長約19.0%至約187.3百萬港元，主要得力於來自非住宅項目之建設及配套服務以及航空旅遊業務之收益。二零一八財政年度之本公司擁有人應佔虧損增加70.4%至約17.4百萬港元，主要由於建設及配套服務業務之毛利率下降，以及本集團之經營開支增加所致。

業務回顧

本集團之業務分部包括三個主要分部，即是建設及配套服務、航空旅遊服務以及金融服務。

於二零一八財政年度，本集團之收益增長19.0%至187.3百萬港元（相關二零一七期間：157.4百萬港元）。

| | | Year ended 31 December 2018 截至二零一八年 十二月三十一日止年度 | | Fifteen months ended 31 December 2017 截至二零一七年 十二月三十一日止十五個月 | |
|-------------------------------------|---------|---|------|---|------|
| | | HK\$'000 千港元 | % | HK\$'000 千港元 | % |
| Construction and ancillary services | 建設及配套服務 | 150,832 | 80.5 | 128,270 | 81.5 |
| Aviation and traveling services | 航空旅遊服務 | 36,482 | 19.5 | 28,010 | 17.8 |
| Financial services | 金融服務 | — | — | 1,117 | 0.7 |
| Revenue | 收益 | 187,314 | 100 | 157,397 | 100 |

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

CONSTRUCTION AND ANCILLARY SERVICES

Construction and ancillary services which include design, fitting-out, decoration, alteration and addition, conduction and other related businesses were the focus of our Group business during the FY2018. During the FY2018, the revenue from construction and ancillary services increased by 17.6% to HK\$150.8 million (the Relevant 2017 Period: HK\$128.3 million). The increase in the revenue from this segment mainly due to the contribution from non-residential projects of construction and ancillary services.

In the FY2018, the major customers of the Group were mostly well-established listed property developers based in Hong Kong. Since the second half of 2018, Hong Kong resident property market was affected by unfavorable market conditions such as trade war between United States of America and China and interest hikes in the United States of America. In order to reduce the reliance on Hong Kong property market, the Group has started to broaden customer base to non-residential customers and explore business opportunities of construction and ancillary services in Guangdong-Hong Kong-Macao Greater Bay Area.

AVIATION AND TRAVELING SERVICES

During the FY2018, the revenue from aviation and traveling services recorded HK\$36.5 million (the Relevant 2017 Period: HK\$28.0 million).

Aircraft management service

The Group provided aircraft management service for our customers including flight scheduling, aircraft maintenance and crew management. During the FY2018, the revenue from aircraft management service was HK\$36.5 million (the Relevant 2017 Period: HK\$20.0 million).

On 13 April 2018, Smart Empire Global Limited (“Smart Empire”), an indirect wholly-owned subsidiary of the Company, BAA Jet Management Limited (“BAA”), a top business jet management company in China and Himalaya Business Aviation Limited (“HBA”), an indirect non wholly-owned subsidiary of the Company entered into the conditional sale and purchase agreement dated 13 April 2018 (the “Acquisition Agreement”), pursuant to which Smart Empire conditionally agreed to acquire 49% equity interest in HBA from BAA, for consideration of HK\$4,900,000. The completion of the Acquisition Agreement (the “Completion”) has taken place on 20 April 2018. Upon the Completion, BAA ceased to hold any equity interests in HBA and ceased to be

建設及配套服務

於二零一八財政年度，建設及配套服務（其包括設計、裝修、裝飾、改動和添加、建設及其他相關業務）是本集團業務的重心所在。於二零一八財政年度，建設及配套服務之收益增長17.6%達150.8百萬港元（相關二零一七期間：128.3百萬港元）。該分部收益增長得益於為非住宅項目提供建設及配套服務之貢獻。

於二零一八財政年度，本集團之主要客戶以香港知名上市物業發展商為主。自二零一八年下半年以來，面對不利的市場因素，如中美之間的貿易戰及美國加息，令到香港住宅樓市受到影響。為減輕對香港樓市之依賴，本集團已開始擴大其客戶群至非住宅項目之客戶，並已著手研究粵港澳大灣區內建設及配套服務之商機。

航空旅遊服務

於二零一八財政年度，航空旅遊服務所帶來之收益達36.5百萬港元（相關二零一七期間：28.0百萬港元）。

飛機管理服務

本集團為客戶提供包括航班排期、飛機保養及機組人員管理服務的飛機管理服務。於二零一八財政年度，飛機管理服務所帶來收益達36.5百萬港元（相關二零一七期間：20.0百萬港元）。

於二零一八年四月十三日，智國環球有限公司（「智國環球」，為本公司之間接全資附屬公司）、亞聯公務機有限公司（「亞聯」，為中國頂尖的公務機管理公司）及喜馬拉雅公務航空有限公司（「喜航公務機」，為本公司之間接非全資附屬公司）訂立日期為二零一八年四月十三日之有條件買賣協議（「買賣協議」），據此，智國環球有條件同意向亞聯收購喜航公務機49%的權益，代價為4,900,000港元。收購協議已於二零一八年四月二十日完成（「完成」）。於完成後，亞聯不再持有喜航公務機任何股權及不再為本公司於本公司

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

a connected person of the Company in subsidiary level of the Company. For details of Acquisition Agreement, please refer to the announcements of the Company dated 13 April 2018 and 20 April 2018.

In July 2018, all the aircraft management agreements of the Group were terminated.

FINANCIAL SERVICES

During the FY2018, there is no revenue generated from the segment of financial services (the Relevant 2017 Period: HK\$1.1 million).

Precious metal trading

The Group obtained the ordinary membership (the "Membership") of The Chinese Gold & Silver Exchange Society (the "CGSE") in September 2017. Found in 1910, CGSE is the sole exchange in Hong Kong which trades physical gold and silver. Run on a membership-based system, CGSE provides an exchange, facilities and related services for its members or transaction of precious metals. The Membership allows its holder to provide trading services of gold, silver and precious metals for its customers and molding of physical gold/silver bullion under physical gold and silver.

During the FY2018, there is no revenue generated from precious metal trading (the Relevant 2017 Period: HK\$0.6 million).

Financial service

On 14 March 2018, the Group obtained the licenses for regulated activities under Securities and Futures Ordinance (the "SFO") to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities (as defined in the SFO). The Group is exploring and developing business opportunities in financial services including dealing in securities, advising on securities, asset management and financing business.

Administrative expenses

The administrative expenses increased by HK\$2.1 million from HK\$57.0 million in the Relevant 2017 Period to HK\$59.1 million in FY2018. The increase was mainly due to the increase in operating expenses of the Group.

附屬公司層面的關連人士。有關收購協議之詳情，請參閱本公司日期為二零一八年四月十三日及二零一八年四月二十日之公告。

於二零一八年七月，本集團所有飛機管理協議已予終止。

金融服務

於二零一八財政年度，並無來自金融服務分部之收益(相關二零一七期間：1.1百萬港元)。

貴金屬交易

本集團於二零一七年九月獲得金銀業貿易場(「貿易場」)普通會員資格(「會籍」)。貿易場成立於一九一零年，是香港唯一進行現貨黃金及白銀買賣的交易所。貿易場實行會員制，為會員提供貴金屬交易之交易場所、設施及相關服務。會籍持有人可以為其客戶提供黃金、白銀及貴金屬交易服務以及將有現貨黃金及白銀鑄成金／銀條。

於二零一八財政年度，並無來自貴金屬交易之收益(相關二零一七期間：0.6百萬港元)。

金融服務

於二零一八年三月十四日，本集團取得根據《證券及期貨條例》(「證券及期貨條例」)進行受規管活動之牌照，以進行第1類(證券交易)、第4類(就證券提供意見)及第9類(提供資產管理)受規管活動(定義見證券及期貨條例)。本集團正研究及發展金融服務之商機，包括證券交易、就證券提供意見、資產管理及融資業務。

行政開支

行政開支由相關二零一七期間之57.0百萬港元增加2.1百萬港元至二零一八財政年度之59.1百萬港元。該增加主要由於本集團之經營開支增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

Loss for the year

The Group recorded the loss attributable to the owners of the Company of HK\$17.4 million in FY2018 as compared to the loss attributable to the owners of the Company of HK\$10.2 million in the Relevant 2017 Period mainly due to the decrease in gross profit margin from construction and ancillary services and the increase in operating expenses for the Group.

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 26 employees (31 December 2017: 40) in Hong Kong and the PRC. The total remuneration paid by the Group to its employees (including Directors) for FY2018 was HK\$30.5 million (the Relevant 2017 Period: HK\$24.7 million).

The objective of the Group's remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration paid to its employees (including Directors and senior management), the following factors are considered:

- workload, responsibility and job complexity;
- business requirements;
- individual performance and contribution to results;
- company performance and profitability;
- retention considerations and the potential of individuals;
- corporate goals and objectives;
- market rates and changes in relevant markets, including supply and demand fluctuations and changes in competitive conditions; and
- general economic situation.

In addition to salaries, provident fund scheme and medical insurance coverage and discretionary bonuses are available to employees. Level of remuneration is reviewed annually. During the review process, no individual director is involved in decisions relating to his/her own remuneration.

本期間虧損

本集團於二零一八財政年度錄得本公司擁有人應佔虧損17.4百萬港元而相關二零一七期間則錄得本公司擁有人應佔虧損10.2百萬港元，主要是由於建設及配套服務之毛利率下降及本集團之經營開支增加所致。

人力資源及薪酬政策

於二零一八年十二月三十一日，本集團在香港及中國有26名（二零一七年十二月三十一日：40名）僱員。本集團已就二零一八財政年度而已付其僱員（包括董事）之薪酬總額為30.5百萬港元（相關二零一七期間：24.7百萬港元）。

本集團薪酬政策之目標為根據業務需求及行業慣例維持公平且具競爭力之薪酬待遇。於釐定向其僱員（包括董事及高級管理層）支付之薪酬水平時會考慮以下因素：

- 工作量、職責及工作之複雜程度；
- 業務需求；
- 個人表現及對業績作出之貢獻；
- 公司表現及盈利能力；
- 留任因素及個人潛力；
- 公司目標及宗旨；
- 相關市場之市場費率及變動，包括供需變動及競爭環境轉變；及
- 整體經濟狀況。

除薪金外，僱員亦可享有公積金計劃、醫療保險及酌情花紅。薪酬水平會每年檢討。於檢討過程中，各董事概無參與本身薪酬之決策。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 31 December 2018, the Group had a total cash and bank balances of HK\$105.8 million (31 December 2017: HK\$134.5 million) mainly denominated in Hong Kong dollars.

The Group continued to maintain a healthy liquidity position. As at 31 December 2018, the Group had net current assets of HK\$117.0 million (31 December 2017: HK\$136.3 million). The Group had current ratio of approximately 4.99 times as at 31 December 2018 compared to that of approximately 3.76 times at 31 December 2017.

The gearing ratio of the Group is defined as a percentage of interest-bearing liabilities divided by total equity. As at 31 December 2018, the Group did not have any borrowing (31 December 2017: nil). Hence, as at 31 December 2018, the gearing ratio was nil (31 December 2017: nil). The Group's working capital requirements were mainly financed by internal resources.

FOREIGN EXCHANGE EXPOSURE

The Group mainly earns revenue in Hong Kong dollars and Renminbi and also incurs cost in Hong Kong dollars and Renminbi. The Group is exposed to foreign exchange risk with respect mainly to Renminbi which may affect the Group's performance. The management is aware of the possible exchange rate exposure due to the continuing fluctuation of Renminbi and will closely monitor its impact on the performance of the Group to see if any hedging policy is necessary. The Group currently does not have any foreign currency hedging policy.

PLEDGE OF ASSETS

There was no pledged asset as at 31 December 2018 (31 December 2017: nil).

流動資金、財政資源及資本架構

於二零一八年十二月三十一日，本集團之現金及銀行結餘總額為105.8百萬港元（二零一七年十二月三十一日：134.5百萬港元），主要以港元計值。

本集團繼續維持穩健流動資金狀況。於二零一八年十二月三十一日，本集團之流動資產淨值為117.0百萬港元（二零一七年十二月三十一日：136.3百萬港元）。於二零一八年十二月三十一日，本集團之流動比率約為4.99倍，而於二零一七年十二月三十一日則約為3.76倍。

本集團之資產負債比率乃界定為計息負債除以權益總額所得百分比。於二零一八年十二月三十一日，本集團並無任何借貸（二零一七年十二月三十一日：無）。因此，於二零一八年十二月三十一日，資產負債比率為無（二零一七年十二月三十一日：無）。本集團之營運資金需求主要以內部資源撥付。

外匯風險

本集團主要賺取港元及人民幣收入，亦產生港元及人民幣成本。本集團所面對之外匯風險主要與人民幣有關，本集團之表現可能因此受到影響。管理層知悉人民幣持續波動可能引致之外匯風險，並將密切監察其對本集團表現之影響，以判斷是否需要採取任何對沖政策。本集團現時並無任何外幣對沖政策。

資產抵押

於二零一八年十二月三十一日，並無任何資產予以抵押（二零一七年十二月三十一日：無）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

USE OF PROCEEDS FROM THE SHARE OFFER

The net proceeds from the Company's Share offer in September 2015 amounted to approximately HK\$100.0 million (after deducting underwriting commissions and all related expenses).

With reference to announcements dated 16 October 2017, 7 November 2017 and 15 November 2017, the Group awarded contracts of HK\$123.5 million for design and build works for residential property projects and office premises. In order to better deploy the resources of the Group, the Board decided to re-allocate HK\$45 million which is originally planned for financing the potential acquisition of companies and or/ businesses which are primarily engaged in DFD works and the complement our existing business so as to expand our contracting capabilities (the "Potential Acquisition") to working capital for awarded, ongoing and future construction and ancillary services projects of HK\$25 million and to additional working capital and other general corporate purposes which include rental expenses, directors' remuneration, staff salary and other corporate expenses of HK\$20 million. The original plans for the Potential Acquisitions will be withheld and/or financed by internally generated resources of the Group. Further details are set out in the announcements dated 13 April 2018, 12 July 2017 and 9 May 2017 respectively.

The proposed use of new proceeds from listing, and details of the original allocation of the net proceeds, the revised allocation of the net proceeds and the utilisation of the net proceeds as at 31 December 2018 are set out below:

股份發售所得款項之用途

本公司於二零一五年九月進行之股份發售之所得款項淨額約為100.0百萬港元(經扣除包銷佣金及所有相關開支)。

參照日期為二零一七年十月十六日、二零一七年十一月七日及二零一七年十一月十五日之公告，本集團獲得123,500,000港元之住宅物業項目及辦公室物業的設計及建造工程合約。為了更好地調配本集團的資源，董事會決定將原先計劃用作為潛在收購主要從事設計、裝修及裝飾工程及補充我們現有業務的公司及／或業務撥付資金的45百萬港元重新分配，以擴展我們的承建能力(「潛在收購」)，當中的25百萬港元將改作已獲得、進行中及未來的建設及配套服務項目之營運資金，而20百萬港元將改作額外營運資金及其他一般企業用途，包括租金開支、董事酬金、員工薪酬及其他企業開支。潛在收購的原先計劃將暫緩及／或以本集團內部產生的資源撥付。進一步詳情載於本公司日期分別為二零一八年四月十三日、二零一七年七月十二日及二零一七年五月九日的公告。

於二零一八年十二月三十一日，上市所得款項淨額之計劃用途，以及所得款項淨額之原定分配、所得款項淨額之經修訂分配以及所得款項淨額之動用情況之詳情乃載列如下：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

| Planned use of proceeds | 所得款項計劃用途 | Original allocation | Revised allocation | Utilisation | Remaining balances |
|---|---|------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | | 原定分配 HK\$ million 百萬港元 | 經修訂分配 HK\$ million 百萬港元 | 已動用款項 HK\$ million 百萬港元 | 尚未動用款項 HK\$ million 百萬港元 |
| Financing the potential acquisition of companies and or/businesses which are primarily engaged in DFD works and the complement our existing business so as to expand our contracting capabilities | 用作為潛在收購主要從事設計、裝修及裝飾工程及補充我們現有業務的公司及／或業務撥付資金，以擴展我們的承建能力 | 45.0 | - | - | - |
| Financing the establishment of new regional offices in the PRC | 用作為成立中國新地區辦事處撥付資金 | 20.0 | 20.0 | - | 20.0 |
| Promoting our brand by strengthening our marketing efforts to increase our market share | 用作透過加大我們的營銷力度來推廣我們的品牌從而增加市場份額 | 15.0 | - | - | - |
| Recruiting high caliber talents in management, design, decoration, finance, sales and marketing and enhancing internal training to support future growth | 用作招聘於管理、設計、裝飾、財務、銷售及營銷方面的高素质人才並加強內部培訓以支持未來增長 | 10.0 | 4.9 | 4.9 | - |
| Additional working capital and other general corporate purposes | 用作額外營運資金及其他一般公司用途 | 10.0 | 30.0 | 30.0 | - |
| Precious metal trading business | 貴金屬交易業務 | - | 15.0 | 12.3 | 2.7 |
| Payment of subscription agreement of HBA dated 12 July 2017 | 支付日期為二零一七年七月十二日的喜航公務機認購協議項下之認購價 | - | 5.1 | 5.1 | - |
| Working capital for awarded, ongoing and future construction and ancillary services projects of the Group | 已獲得、進行中及未來的本集團建設及配套服務項目之營運資金 | - | 25.0 | 25.0 | - |
| | | 100.0 | 100.0 | 77.3 | 22.7 |

CONTINGENT LIABILITIES

The Group had no significant contingent liabilities as at 31 December 2018 (31 December 2017: nil).

或然負債

於二零一八年十二月三十一日，本集團並無重大或然負債（二零一七年十二月三十一日：無）。

CAPITAL COMMITMENTS

The Group had no significant outstanding capital commitment as at 31 December 2018 (31 December 2017: nil).

資本承擔

於二零一八年十二月三十一日，本集團並無重大未履行資本承擔（二零一七年十二月三十一日：無）。

DIRECTORS' REPORT

董事會報告

The directors of the Company (the "Directors") submit their report together with the audited financial statements of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, aviation and traveling services and financial services. The principal activities of the subsidiaries of the Company are set out in note 27 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group and an analysis of the Group's performance during the year ended 31 December 2018 are provided in "Chairman's Statement" on page 4 and "Management Discussion and Analysis" on page 6. Description of the principal risks and uncertainties that the Group is facing can be found in "Chairman's Statement" on page 4. Also, the financial risk management objectives and policies of the Group can be found in note 5(b) to the consolidated financial statements. The environmental policies and performance are provided in "Environmental, Social and Governance Report" on page 48.

The Group has complied with relevant laws and regulations that have significant impact on the operations of the Group.

No important events affecting the Group have occurred since the end of the financial year ended 31 December 2018. The Group's future business development is set out in "Chairman's Statement" on page 4.

RESULTS AND APPROPRIATIONS

The results of the Group for FY2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 66.

The Directors do not recommend any payment of final dividend for the year ended 31 December 2018.

FINANCIAL SUMMARY

A summary of the published results and of the assets and liabilities of the Group for the last five years is set out on page 183.

本公司董事(「董事」)提呈彼等之報告，連同本集團截至二零一八年十二月三十一日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股。本集團主要從事提供建設及配套服務(其包括設計、裝修、裝飾、改動和添加、建設及其他相關業務)、航空旅遊服務及金融服務。本公司附屬公司之主要活動載於綜合財務報表附註27。

業務回顧

截至二零一八年十二月三十一日止年度之本集團業務回顧及本集團表現之分析，乃載於第4頁「主席報告」及第6頁「管理層討論與分析」。本集團面對之主要風險及不明朗因素於第4頁「主席報告」內闡述。此外，本集團之財務風險管理目標及政策載於綜合財務報表附註5(b)。環境政策及表現載於第48頁之「環境、社會及管治報告」。

本集團已遵守對本集團營運有顯著影響之相關法律法規。

自截至二零一八年十二月三十一日止財政年度結束以來並無發生影響本集團之重要事件。本集團之未來業務發展載於第4頁「主席報告」。

業績及分派

本集團二零一八財政年度之業績載於第66頁之綜合損益和其他全面收益表內。

董事不建議派付截至二零一八年十二月三十一日止年度之任何末期股息。

財務概要

本集團過去五年之已刊發業績及資產與負債之概要載於第183頁。

DIRECTORS' REPORT

董事會報告

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2018, calculated under the Companies Law of the Cayman Islands amounted to approximately HK\$73.6 million (as of 31 December 2017: HK\$85.1 million).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movement's in the share capital of the Company during the FY2018 are set out in note 23 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

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 FY2018.

可供分派儲備

於二零一八年十二月三十一日，本公司根據開曼群島公司法計算之可供分派儲備約為73.6百萬港元(二零一七年十二月三十一日：85.1百萬港元)。

物業、廠房及設備

本集團之物業、廠房及設備詳情載於綜合財務報表附註14。

股本

本公司於二零一八財政年度內股本之變動詳情載於綜合財務報表附註23。

優先購買權

本公司之組織章程細則或開曼群島法律並無優先購買權之條文，從而令本公司須按比例向現有股東發售新股份。

購買、出售或贖回本公司之上市證券

於二零一八財政年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

DIRECTORS' REPORT

董事會報告

DIRECTORS

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

Executive Directors

Mr. LEONG Hing Loong Rudoff (*Chairman*)
Ms. CHEW Christina Mooi Chong (*Chief Executive Officer*)
(resigned on 10 April 2018 and reappointed on 27 August 2018)
Mr. SHIH Steven Chun Ning (appointed on 27 August 2018)

Ms. GAO Jinyi (appointed on 2 January 2019)
Mr. DENG Kui (resigned on 26 September 2018)
Mr. LIU Yong Sheng (resigned on 10 April 2018)
Mr. ZHOU Hucheng (resigned on 10 April 2018)

Independent non-executive Directors

Mr. HO Hin Yip (appointed on 27 August 2018)

Mr. CHAN Kwong Ming Johnny
(appointed on 27 August 2018)
Mr. LU Zhuohui (appointed on 1 January 2019)
Mr. LEE Frank King-ting
(appointed on 27 August 2018
and resigned on 31 December 2018)
Mr. LIU Gang (resigned on 26 September 2018)
Mr. YU Haizong (resigned on 26 September 2018)

Ms. AN Yiqing (resigned on 26 September 2018)

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his or her independence pursuant to rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company considered all of the independent non-executive Directors to be independent.

In accordance with article 83(3) & 84(1) of the Articles of Association, Ms. CHEW Christina Mooi Chong, Mr. SHIH Steven Chun Ning, Ms. GAO Jinyi, Mr. HO Hin Yip, Mr. CHAN Kwong Ming Johnny and Mr. LU Zhuohui shall retire from office and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

董事

本年度及截至本報告日期止本公司董事如下：

執行董事

梁興隆先生(主席)
周梅莊女士(行政總裁)
(於二零一八年四月十日辭任及於二零一八年八月二十七日重獲委任)
施振寧先生(於二零一八年八月二十七日獲委任)
高錦儀女士(於二零一九年一月二日獲委任)
鄧奎先生(於二零一八年九月二十六日辭任)
劉永生先生(於二零一八年四月十日辭任)
周虎城先生(於二零一八年四月十日辭任)

獨立非執行董事

何衍業先生(於二零一八年八月二十七日獲委任)
陳光明先生(於二零一八年八月二十七日獲委任)
陸卓輝先生(於二零一九年一月一日獲委任)
李敬天先生(於二零一八年八月二十七日獲委任及於二零一八年十二月三十一日辭任)

劉鋼先生(於二零一八年九月二十六日辭任)
余海宗先生(於二零一八年九月二十六日辭任)
安翊青女士(於二零一八年九月二十六日辭任)

本公司已自各獨立非執行董事接獲彼等各自根據聯交所證券上市規則(「上市規則」)第3.13條作出之獨立性年度確認。本公司認為全體獨立非執行董事均為獨立人士。

根據組織章程細則第83(3)及84(1)條，周梅莊女士、施振寧先生、高錦儀女士、何衍業先生、陳光明先生及陸卓輝先生將退任，並符合資格於應屆股東週年大會上膺選連任。

DIRECTORS' REPORT

董事會報告

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Directors' Position Held

On 10 April 2018:

- Mr. LIU Yong Sheng resigned as an executive Director and the Chief Executive Officer of the Company.
- Mr. ZHOU Hucheng resigned as an executive Director.
- Ms. CHEW Christina Mooi Chong resigned as an executive Director.

On 27 August 2018:

- Ms. CHEW Christina Mooi Chong was appointed as an executive Director and the Chief Executive Officer of the Company.
- Mr. SHIH Steven Chun Ning was appointed as an executive Director.
- Mr. HO Hin Yip was appointed as an independent non-executive Director, chairman of the Audit Committee and a member of the Remuneration Committee.
- Mr. CHAN Kwong Ming Johnny was appointed as an independent non-executive Director, chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee.
- Mr. LEE Frank King-ting was appointed as an independent non-executive Director, chairman of the Nomination Committee and a member of the Audit Committee.
- Mr. LEONG Hing Loong Rudoff was appointed as a member of the Remuneration Committee and the Nomination Committee.
- Mr. DENG Kui resigned as chairman of the Nomination Committee.

有關董事資料之變動

董事出任之職位

於二零一八年四月十日：

- 劉永生先生辭任執行董事兼本公司之首席執行官。
- 周虎城先生辭任執行董事。
- 周梅莊女士辭任執行董事。

於二零一八年八月二十七日：

- 周梅莊女士獲委任為執行董事兼本公司之行政總裁。
- 施振寧先生獲委任為執行董事。
- 何衍業先生獲委任為獨立非執行董事、審核委員會主席及薪酬委員會成員。
- 陳光明先生獲委任為獨立非執行董事、薪酬委員會主席以及審核委員會及提名委員會成員。
- 李敬天先生獲委任為獨立非執行董事、提名委員會主席及審核委員會成員。
- 梁興隆先生獲委任為薪酬委員會及提名委員會成員。
- 鄧奎先生辭任提名委員會主席。

DIRECTORS' REPORT

董事會報告

- Mr. LIU Gang resigned as chairman of remuneration committee and a member of the Audit Committee.
- Mr. YU Haizong resigned as chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee.
- Ms. AN Yiqing resigned as a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

On 26 September 2018:

- Mr. LEONG Hing Loong Rudoff was appointed as Chairman of the Board.
- Mr. DENG Kui resigned as an executive Director and Chairman of the Board.
- Mr. LIU Gang resigned as an independent non-executive Director.
- Mr. YU Haizong resigned as an independent non-executive Director.
- Ms. AN Yiqing resigned as an independent non-executive Director.

On 31 December 2018:

- Mr. LEE Frank King-ting resigned as an independent non-executive Director, chairman of the Nomination Committee and a member of the Audit Committee.

On 1 January 2019:

- Mr. LU Zhuohui was appointed as an independent non-executive Director, chairman of the Nomination Committee and a member of the Audit Committee.

On 2 January 2019:

- Ms. GAO Jinyi was appointed as an executive Director.

- 劉鋼先生辭任薪酬委員會主席及審核委員會成員。
- 余海宗先生辭任審核委員會主席以及薪酬委員會及提名委員會成員。
- 安翊青女士辭任審核委員會、薪酬委員會及提名委員會成員。

於二零一八年九月二十六日：

- 梁興隆先生獲委任為董事會主席。
- 鄧奎先生辭任執行董事兼董事會主席。
- 劉鋼先生辭任獨立非執行董事。
- 余海宗先生辭任獨立非執行董事。
- 安翊青女士辭任獨立非執行董事。

於二零一八年十二月三十一日：

- 李敬天先生辭任獨立非執行董事、提名委員會主席及審核委員會成員。

於二零一九年一月一日：

- 陸卓輝先生獲委任為獨立非執行董事、提名委員會主席及審核委員會成員。

於二零一九年一月二日：

- 高錦儀女士獲委任為執行董事。

DIRECTORS' REPORT

董事會報告

Director's Emoluments

The Board approved (as recommended by the Remuneration Committee) the following:

- The remuneration of Mr. LIU Gang, Mr. YU Haizong and Ms. AN Yiqing was revised from HK\$120,000 per annum to HK\$240,000 per annum with effective from 10 May 2018.
- The performance bonuses of HK\$1,130,000 was granted to Mr. DENG Kui and HK\$60,000 was granted to each of Mr. LIU Gang, Mr. YU Haizong and Ms. AN Yiqing.
- The remuneration of Ms. CHEW Christina Mooi Chong and Mr. SHIH Steven Chung Ning was fixed at HK\$2,000,000 per annum and HK\$950,950 per annum respectively with effect from 27 August 2018. The remuneration to each of Mr. HO Hip Yip, Mr. CHAN Kwong Ming Johnny and Mr. LEE Frank King-ting was fixed at HK\$240,000 per annum effect from 27 August 2018.
- The remuneration of Mr. LU Zhuohui was fixed at HK\$240,000 per annum effect from 1 January 2019.
- The remuneration of Ms. GAO Jinyi was fixed at HK\$780,000 per annum effect from 2 January 2019.

Saved as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

董事酬金

董事會已批准(按薪酬委員會所建議)以下各項:

- 劉鋼先生、余海宗先生及安翊青女士之酬金乃由為每年120,000港元修訂為每年240,000港元，並於二零一八年五月十日起生效。
- 1,130,000港元之表現花紅已向鄧奎先生發放而60,000港元之表現花紅已分別向劉鋼先生、余海宗先生及安翊青女士發放。
- 周梅莊女士及施振寧先生之酬金乃分別訂為每年2,000,000港元及每年950,950港元，並於二零一八年八月二十七日起生效。何衍業先生、陳光明先生及李敬天先生各自之酬金乃訂為每年240,000港元，並於二零一八年八月二十七日起生效。
- 陸卓輝先生之酬金乃訂為每年240,000港元，並於二零一九年一月一日起生效。
- 高錦儀女士之酬金乃訂為每年780,000港元，並於二零一九年一月二日起生效。

除上文所披露外，概無其他根據上市規則第13.51B(1)條須予披露之資料。

DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in or were interested in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2018.

PERMITTED INDEMNITY PROVISION

During the year ended 31 December 2018, the Company arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of Directors and senior management of the Group are set out in the section headed "Profile of Directors and Senior Management" on pages 29 to 32.

董事之服務合約

擬於應屆股東週年大會上膺選連任之各董事概無與本集團任何成員公司訂立任何服務合約（並非本集團可於一年內不作賠償（法定賠償除外）而終止的合約）。

董事於競爭業務之權益

於截至二零一八年十二月三十一日止年度，概無董事從事與或可能與本集團業務直接或間接競爭之任何業務或於當中擁有權益。

獲准許之彌償條文

於截至二零一八年十二月三十一日止年度，本公司已為董事及高級人員安排合適保險，以涵蓋彼等因企業活動而招致針對董事及高級管理層之法律行動所產生之責任。

董事於重大交易、安排或合約之權益

除本年報其他地方所披露者外，本公司或其任何附屬公司並無作為一方訂立本公司董事於當中直接或間接擁有重大權益且於本年度末或本年度任何時間存在之任何重大交易、安排或合約。

董事及高級管理層履歷詳情

本集團董事及高級管理層履歷詳情載於第29至第32頁「董事及高級管理層履歷」一節。

DIRECTORS' REPORT

董事會報告

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

As at 31 December 2018, the interest and short positions of the Directors and the chief executive in the shares, underlying shares and dentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong, the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of the SFO; as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

董事及最高行政人員於股份及相關股份之權益及淡倉

於二零一八年十二月三十一日，董事及最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債券中擁有根據證券及期貨條例第7及8分部規定須知會本公司及聯交所的權益及淡倉，或根據證券及期貨條例第352條須記錄於該條所指登記冊的權益及淡倉，或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益及淡倉如下：

| Name of Directors 董事姓名 | Nature of interest 權益性質 | Number of Shares 股份數目 | Approximate percentage of issued Shares 佔已發行股份 概約百分比 |
|---|--|-----------------------------|--|
| Mr. LEONG Hing Loong Rudoff ("Mr. LEONG") 梁興隆先生（「梁先生」） | Interest of controlled corporation 受控法團的權益 | 375,000,000 | 75% |
| Ms. CHEW Christina Mooi Chong ("Ms. CHEW") 周梅莊女士（「周女士」） | Interest of spouse 配偶權益 | 375,000,000 | 75% |

Notes:

- Percentage figures were calculated based on 500,000,000 ordinary shares ("Shares") of the Company having a par value of HK\$0.01 each in issue as of 31 December 2018.
- Each of Mr. LEONG and Ms. CHEW was beneficially interested in 75% and 25% of the issued share capital of Starcross Group Limited ("SGL") respectively. SGL was the registered holder of 375,000,000 Shares. Under Part XV of the SFO, Mr. LEONG was therefore deemed to have interests in 375,000,000 Shares in which SGL was interested.
- Ms. CHEW being the spouse of Mr. LEONG was therefore deemed to have interests in the same parcel of the Shares in which Mr. LEONG was interested under Part XV of the SFO.
- All interests stated above represented long positions.

附註：

- 百分比數字乃根據於二零一八年十二月三十一日本公司500,000,000股每股面值0.01港元之普通股（「股份」）計算。
- 梁先生及周女士分別實益擁有Starcross Group Limited（「SGL」）75%及25%之已發行股本。SGL為375,000,000股股份之登記持有人。因此，根據證券及期貨條例第XV部，梁先生被視為於SGL擁有權益的375,000,000股股份中擁有權益。
- 周女士為梁先生的配偶，因此，根據證券及期貨條例XV部，周女士被視為於梁先生擁有權益的同批股份中擁有權益。
- 上述所有權益均指好倉。

DIRECTORS' REPORT

董事會報告

Save as disclosed above, as at 31 December 2018, none of the Directors and chief executive had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of the SFO or which were required to be entered in the register required to be kept pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

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

As at 31 December 2018, the following person (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

| Name of Shareholder 股東名稱 | Nature of interest 權益性質 | Number of Shares 股份數目 (Note 1) (附註1) | Approximate percentage of issued Shares 佔已發行股份 概約百分比 (Note 2) (附註2) |
|---|--|---|---|
| SGL (Note 2) SGL (附註2) | Beneficial owner 實益擁有人 | 375,000,000 | 75.0% |
| Chance Achieve Limited ("Chance Achieve") (Note 4) Chance Achieve Limited ("Chance Achieve") (附註4) | Person having a security interest in shares 持有股份的保證權益的人 | 151,111,111 | 30.2% |
| Voice Chosen Investment Limited ("Voice Chosen") (Note 5) Voice Chosen Investment Limited ("Voice Chosen") (附註5) | Person having a security interest in shares 持有股份的保證權益的人 | 118,645,358 | 23.7% |

Notes:

- All interests stated above as at 31 December 2018 represented long positions.
- The percentage figures were calculated based on 500,000,000 Shares in issue as of 31 December 2018.
- SGL was registered holder of 375,000,000 Shares. The issued share capital of SGL was owned as to 75% by Mr. Leong and 25% by Ms. Chew.
- According to the information available to the Company, the 151,111,111 Shares held by SGL were pledged to Chance Achieve pursuant to a facility agreement entered into between SGL and Chance Achieve dated 15 November 2018.
- According to the information available to the Company, the 118,645,358 Shares held by SGL were pledged to Voice Chosen pursuant to a facility agreement entered into between SGL and Voice Chosen dated 15 November 2018.

除上文所披露者外，於二零一八年十二月三十一日，概無董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債券中擁有任何根據證券及期貨條例第7及8分部規定須知會本公司及聯交所的權益或淡倉，或根據證券及期貨條例第352條須記錄於該條所指登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

主要股東及其他人士於股份及相關股份之權益

於二零一八年十二月三十一日，以下人士（本公司的董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或已記錄於本公司根據證券及期貨條例第336條須存置之登記冊之權益或淡倉：

附註：

- 上述所有於二零一八年十二月三十一日之權益均指好倉。
- 百分比數字乃根據於二零一八年十二月三十一日之500,000,000股已發行股份計算。
- SGL為375,000,000股股份的登記持有人。SGL的已發行股本由梁先生及周女士分別擁有75%及25%。
- 根據本公司獲得的資料，SGL持有的151,111,111股股份已根據SGL與Chance Achieve所訂立日期為二零一八年十一月十五日的融資協議而質押予Chance Achieve。
- 根據本公司獲得的資料，SGL持有的118,645,358股股份已根據SGL與Voice Chosen所訂立日期為二零一八年十一月十五日的融資協議而質押予Voice Chosen。

DIRECTORS' REPORT

董事會報告

Save as disclosed above, as at 31 December 2018, the Company had not been notified of any other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

SHARE OPTION SCHEME

Pursuant to the share option scheme adopted on 13 August 2015 ("Share Option Scheme"), the Company may grant share options to any directors, employees, consultants, customers, suppliers of goods or services to any member of the Group or any entity in which the Group holds any equity interests ("Invested Entity") who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the Group so as to provide incentives or rewards for their contribution to the success of the Group's operation. During the year ended 31 December 2018, no share option was granted by the Company under the Share Option Scheme.

Summary of the terms of the Share Option Scheme is as follows:

(a) Purposes

The purposes of the Share Option Scheme are to enable the Group to grant options to the eligible participants to (i) motivate them to optimise their performance efficiently for the benefit of the Group; and (ii) attract and retain or maintain on-going business relationship with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.

除上文所披露者外，於二零一八年十二月三十一日，本公司並無獲告知任何其他人士（本公司的董事或最高行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或已記錄於本公司根據證券及期貨條例第336條須存置之登記冊之權益或淡倉。

購股權計劃

根據於二零一五年八月十三日採納之購股權計劃（「購股權計劃」），本公司可向董事會全權酌情認為已或將為本集團增長及發展作出貢獻的本集團任何成員公司或本集團持有任何股權之任何實體（「被投資實體」）之任何董事、僱員、顧問、客戶、貨品或服務供應商授予購股權，以就彼等為本集團之營運的成功作出貢獻提供獎勵或回報。於截至二零一八年十二月三十一日止年度，本公司並無根據購股權計劃授出任何購股權。

購股權計劃條款之概要如下：

(a) 目的

購股權計劃旨在令本集團能夠向合資格參與人授予購股權，以(i)激勵彼等為本集團的利益而優化其表現效率；及(ii)吸引及挽留合資格參與人或與合資格參與人保持持續的業務關係，而該等合資格參與人的貢獻，乃對或將對本集團的長遠發展有利。

DIRECTORS' REPORT

董事會報告

(b) Eligible Participants

Any employees (whether full time or part time), directors (including executive, non-executive and independent non-executive directors) of the Company, any subsidiary of the Group or any Invested Entity, any customers, suppliers of goods and services to any member of the Group or any Invested Entity and such other persons or entities ("Eligible Participants") who, in the sole discretion of the Board, have contributed or will contribute to the growth and development of the Group or any Invested Entity.

(c) Maximum number of Shares available for issue

The maximum number of Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. The total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of Shares in issue as at the date of listing of the Shares unless the Company obtains the approval of the Shareholders in general meeting for refreshment.

(d) Maximum entitlement of each Eligible Participant

The total number of Shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to:

- (i) each Eligible Participant must not exceed 1.0% of the total number of Shares in issue; and
- (ii) a substantial Shareholder or an independent non-executive director must not exceed 0.1% of the total number of Shares in issue and not exceed HK\$5.0 million in aggregate value.

(e) Period within which the Shares must be taken up under an option

An option must be exercised within 10 years from the date on which it is granted or such shorter period as the Board may specify at the time of grant.

(b) 合資格參與人

董事會全權酌情認為已或將對本集團或任何被投資實體之增長及發展作出貢獻的本公司、本集團任何附屬公司或任何被投資實體之任何僱員(不論全職或兼職)、董事(包括執行、非執行及獨立非執行董事)及本集團任何成員公司或任何被投資實體之任何客戶、貨品與服務供應商及有關其他人士或實體(「合資格參與人」)。

(c) 可供發行之股份最高數目

因根據購股權計劃及本公司任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可予配發及發行的最高股份數目，合共不得超過不時已發行股份總數的30%。根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份總數，不得超過於股份上市日期已發行股份總數的10%，除非本公司已於股東大會上獲股東批准更新。

(d) 各合資格參與人之最高配額

於任何12個月期間內因所授出購股權(不論已行使或尚未行使)獲行使而發行及將發行之股份總數：

- (i) 倘向各合資格參與人授出，則不得超過已發行股份總數之1.0%；及
- (ii) 倘向主要股東或獨立非執行董事授出，則不得超過已發行股份總數之0.1%及總值不超過5.0百萬港元。

(e) 根據購股權可認購股份之期限

購股權必須於授出日期起計10年或董事會於授出時可能訂明之有關較短期間內予以行使。

DIRECTORS' REPORT

董事會報告

(f) Minimum period, if any, for which an option must be held

No minimum period for which the option has to be held before it can be exercised is specified in the Share Option Scheme.

(g) Period open for acceptable of an option and amount payable upon acceptance

An offer of grant of an option may be accepted by an Eligible Participant within 21 days from the date of the offer of grant of the option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an option.

(h) Basis of determining the subscription price of an option

The exercise price must be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(i) Validity of the Share Option Scheme

The Share Option Scheme has a life of 10 years and will expire on 12 August 2025 unless otherwise terminated in accordance with the terms of the Share Option Scheme.

(f) 購股權必須持有之最短期間 (如有)

並無於購股權計劃內訂明於可行使前須持有購股權之最短期限。

(g) 購股權可供接受之期間及於接受時應付之款項

授出購股權之要約可由合資格參與人於自授出購股權要約日期起21日內接受。於接納購股權授出要約時應付代價1.00港元。

(h) 釐定購股權認購價之基準

行使價須至少為以下各項之最高者：
(i)於授出日期聯交所每日報價表所述股份之收市價；(ii)緊接授出日期前五個交易日聯交所每日報價所述之股份平均收市價；及(iii)一股股份之面值。

(i) 購股權計劃之有效期

購股權計劃之有效期為十年，並將於二零二五年八月十二日屆滿，除非根據購股權計劃之條款另行終止。

ARRANGEMENT TO PURCHASES SHARES OR DEBENTURES

At no time during the year and up to the date of this report was the Company or any of its subsidiaries or a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the FY2018.

購買股份或債權證之安排

於本年度內任何時間及截至本報告日期止，本公司或其任何附屬公司概無訂立任何安排，以令本公司董事可藉收購本公司或任何其他法人團體的股份或債權證而獲得利益。

管理合約

於二零一八財政年度，本公司概無訂立與本公司整體或任何主要部份業務有關之管理及行政合約或有此類合約存在。

DIRECTORS' REPORT

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2018, the Group's five largest group customers by related groups in aggregate accounted for approximately 91% of the Group's total turnover. The largest group customer accounted for approximately 34% of the Group's total turnover.

During the year ended 31 December 2018, the Group's five largest suppliers in aggregate accounted for approximately 70% of the Group's total purchases. The largest supplier accounted for approximately 31% of the Group's total purchases.

To the best knowledge of the Directors, none of the Directors, their respective associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

Details of the significant related party transactions undertaken by the Group during the year in ordinary course of business are set up in note 30 to the consolidated financial statements.

主要客戶及供應商

於截至二零一八年十二月三十一日止年度，本集團按相關集團劃分的五大集團客戶合共佔本集團總營業額約91%。最大集團客戶佔本集團總營業額約34%。

於截至二零一八年十二月三十一日止年度，本集團五大供應商合共佔本集團總採購額約70%。最大供應商佔本集團總採購額約31%。

就董事所深知，概無董事、彼等各自之聯繫人士或就董事所知擁有本公司股本逾5%以上之任何股東於此等主要供應商或客戶中擁有權益。

關連交易及持續關連交易

本集團本年度於一般業務過程中進行的重大關聯方交易詳情載於綜合財務報表附註30。

DIRECTORS' REPORT

董事會報告

Continuing Connected Transactions

On 14 September 2017, Himalaya Business Aviation Limited (“HBA”), an indirect non wholly-owned subsidiary of the Company and BAA Jet Management Limited (“BAA”), a shareholder of 49% of the equity interest of HBA, entered into the Services Framework Agreement in relation to the provision of the Business Jet Management Services by BAA to HBA, for a period commencing from 15 September 2017 and ending on 31 December 2019. As such, BAA is a connected person of the Company at the subsidiary level under Rule 14A.06(9) of the Listing Rules. Therefore, the Business Jet Management Services contemplated under the Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. HBA decided to subcontract part of such aircraft management service to BAA in order to reply on the expertise in aircraft management of BAA and thus improve efficiency and cost effectiveness of the provision of such services of the Group. For each of the financial years ending 31 December 2017, 2018 and 2019, it is expected that the amount of service fees which may be charged by BAA for the provision of Business Jet Management Services to HBA shall not exceed US\$3.1 million, US\$11.2 million and US\$11.8 million (which is equivalent to approximately HK\$24.0 million, HK\$87.6 million and HK\$91.9 million) respectively pursuant to the Services Framework Agreement. Further details are set out in the announcement of the Company dated 14 September 2017. On 13 April 2018, Smart Empire, BAA and HBA entered into the conditional sale and purchase agreement dated 13 April 2018 (the “Acquisition Agreement”), pursuant to which Smart Empire Global Limited conditionally agreed to acquire 49% equity interest in HBA from BAA, for consideration of HK\$4,900,000. The completion of the Acquisition Agreement (the “Completion”) has taken place on 20 April 2018. Upon the Completion, BAA ceased to hold any equity interests in HBA and ceased to be a connected person of the Company in subsidiary level of the Company. For details of Acquisition Agreement, please refer to the announcements of the Company dated 13 April 2018 and 20 April 2018. From 1 January to 20 April 2018, the service fees charged by BAA for the provision of Business Jet Management Services was HK\$16.3 million (the Relevant 2017 Period: HK\$13 million).

The amount of service fees charged by BAA for provision of Business Jet Management Services did not exceed the corresponding annual cap for the FY2018 as announced by the Company on 14 September 2017.

The independent non-executive Directors has reviewed the above continuing connected transactions and confirmed that the transaction has been entered into ordinary course and usual course of business of the Group, on normal commercial terms and that the terms thereof and the relevant annual caps thereto are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

持續關連交易

於二零一七年九月十四日，本公司間接持有之非全資附屬公司喜馬拉雅公務航空有限公司（「喜航公務機」），與持有其49%權益之股東亞聯公務機有限公司（「亞聯」），雙方就亞聯由二零一七年九月十五日開始至二零一九年十二月三十一日期間向喜航公務機提供公務機管理服務訂立服務框架協議。根據上市規則第14A.06(9)條，亞聯為本公司附屬公司層面之關連人士。因此，根據上市規則第14A章，服務框架協議項下擬進行之公務機管理服務將構成本公司之持續關連交易。喜航公務機決定將一部分飛機管理服務轉包予亞聯，依靠其在飛機管理方面的專業知識，從而提高本集團飛機管理服務之效率和成本效益。截至二零一七年、二零一八年及二零一九年十二月三十一日止之各財政年度，亞聯向喜航公務機提供公務機管理服務收取之服務費預計分別不多於3.1百萬美元、11.2百萬美元及11.8百萬美元（分別相當於約24.0百萬港元、87.6百萬港元及91.9百萬港元）。有關進一步詳情載於本公司日期為二零一七年九月十四日之公告。於二零一八年四月十三日，智國環球、亞聯及喜航公務機訂立日期為二零一八年四月十三日之有條件買賣協議（「買賣協議」），據此，智國環球有限公司有條件同意向亞聯收購喜航公務機49%的權益，代價為4,900,000港元。收購協議已於二零一八年四月二十日完成（「完成」）。於完成後，亞聯不再持有喜航公務機任何股權及不再為本公司於本公司附屬公司層面的關連人士。有關收購協議之詳情，請參閱本公司日期為二零一八年四月十三日及二零一八年四月二十日之公告。於二零一八年一月一日至四月二十日期間，亞聯提供公務機管理服務收取之服務費為16.3百萬港元（相關二零一七期間：13百萬港元）。

亞聯提供公務機管理服務收取之服務費並無超出本公司於二零一七年九月十四日所公佈二零一八財政年度之相應年度上限。

獨立非執行董事已審閱上述持續關連交易，彼等確認交易乃於本集團的日常及一般業務過程中按正常商業條款訂立，且該等條款及相關年度上限為公平合理及符合本公司及股東的整體利益。

DIRECTORS' REPORT

董事會報告

The Company's auditor was engaged to report the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditor has issued an unqualified letter containing the auditor's findings and conclusions in respect of the continuing connected transactions disclosed above by the Group and confirmed that the continuing connected transactions have not been exceeded the annual cap, in accordance with Rule 14A.56 of the Listing Rules. A copy of the Auditors' letter has been provided by the Company to the Stock Exchange.

CORPORATE GOVERNANCE REPORT

Details of the Corporate Governance Report are set out on page 33.

SUFFICIENCY OF PUBLIC FLOAT

As at 26 September 2018, immediately following the close of the Offer, 117,282,000 Shares, representing approximately 23.46% of the entire issued share capital of the Company were held by the public (within the meaning of the Listing Rules). Accordingly, following the close to the Offer, less than 25% of the issued Shares are held by the public and the Company did not satisfy the minimum public float requirement as set out under Rule 8.08 (1) of the Listing Rules. An application was made by the Company to the Stock Exchange for a temporary waiver from the strict compliance with Rule 8.08 (1) (a) of the Listing Rules for the period commencing from 26 September 2018 to 19 October 2018 (the "Waiver"). On 5 October 2018, the Stock Exchange granted the Waiver to the Company.

On 10 October 2018, Starcross Group Limited as Offeror entered into a placing agreement with Guotai Junan Securities (Hong Kong) Limited (the "Placing Agent") for placing of up to 7,718,000 Shares held by the Offeror on a best effort basis to independent placees (the "Placing").

Immediately after completion of the Placing on 15 October 2018, 125,000,000 Shares, representing 25% of the entire issued Shares of the Company, was held by the public. As such, the minimum public float of 25% as required under Rule 8.08 of the Listing Rules has been restored.

根據香港會計師公會發佈的香港鑒證業務準則3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之核數師已就本集團持續關連交易作出報告。

根據上市規則第14A.56條，核數師已就上述本集團披露之持續關連交易發出無保留意見之函件，當中載有核數師之發現和結論，並確認持續關連交易並無超出年度上限。本公司已向聯交所提供核數師函件副本。

企業管治報告

企業管治報告的詳情載於第33頁。

公眾持股量之充足性

於二零一八年九月二十六日，緊接要約截止後，117,282,000股股份（相當於本公司全部已發行股本約23.46%）由公眾（定義見上市規則）持有。因此，於要約截止後，少於25%之已發行股份由公眾持有，本公司因此並不符合上市規則第8.08(1)條所載的最低公眾持股量規定。本公司已向聯交所申請於二零一八年九月二十六日至二零一八年十月十九日期間暫時豁免嚴格遵守上市規則第8.08(1)(a)條之規定（「豁免」）。於二零一八年十月五日，聯交所向本公司授出豁免。

於二零一八年十月十日，Starcross Group Limited（作為要約人）與國泰君安證券（香港）有限公司（「配售代理」）訂立配售協議，以盡力基準向獨立承配人配售要約人持有之最多7,718,000股股份（「配售事項」）。

緊接配售事項於二零一八年十月十五日完成後，125,000,000股股份（相當於本公司全部已發行股份之25%）由公眾持有。因此，已恢復上市規則第8.08條所規定的25%最低公眾持股量。

DIRECTORS' REPORT

董事會報告

EVENTS AFTER THE REPORTING PERIOD

On 23 January 2019, Thousand Profit International Limited (“Thousand Profit”), a wholly owned subsidiary of the Company entered into the sale and purchase agreement with an independent third party pursuant to which Thousand Profit and the independent third party agreed to acquire the entire issued share capital of Smart Empire Global Limited (“Smart Empire”) for an aggregate consideration of approximately HK\$13,579,000. The completion of the sales and purchase agreement has been taken place on 28 January 2019 (the “Completion”). Upon the Completion, Smart Empire had ceased to an indirect wholly-owned subsidiary of the Company and the Company had ceased to have any interests in Smart Empire and the results of Smart Empire and its subsidiaries had been no longer be consolidated with results of the Group. For details of the sales and purchase agreement, please refer to the announcement of the Company dated 23 January 2019.

On 28 February 2019, Sincere Sword International Limited (“Sincere Sword”), an indirect wholly-owned subsidiary of the Company and a borrower entered into the loan agreement pursuant to which Sincere Sword has agreed to grant the loan in the amount of HK\$40,000,000 to the borrower for a term of twelve months from the effective date. For details of the loan agreement, please refer to the announcement of the Company dated 28 February 2019.

Details of the events after reporting period are set out in Note 31 to the consolidated financial statements.

AUDITORS

The consolidated financial statements for FY2018 have been audited by HLB Hodgson Impey Cheng Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

LEONG HING LOONG RUDOFF
Chairman

Hong Kong, 26 March 2019

報告期後事項

於二零一九年一月二十三日，千益國際有限公司（「千益」）（為本公司之全資附屬公司）與一名獨立第三方訂立買賣協議，據此千益同意出售而該獨立第三方同意收購智國環球有限公司（「智國環球」）之全部已發行股本，總代價約為13,579,000港元。買賣協議已於二零一九年一月二十八日完成（「完成」）。於完成後，智國環球已不再為本公司的間接全資附屬公司，而本公司已不再擁有智國環球的任何權益，而智國環球及其附屬公司的業績已不再併入本集團的業績。有關買賣協議之詳情，請參閱本公司日期為二零一九年一月二十三日的公告。

於二零一九年二月二十八日，誠劍國際有限公司（「誠劍」）（為本公司之間接全資附屬公司）與一名借款人訂立貸款協議，據此，誠劍同意向該借款人授出金額為40,000,000港元之該貸款，貸款期為自生效日期起計十二個月。有關貸款協議之詳情，請參閱本公司日期為二零一九年二月二十八日之公告。

報告期後事項之詳情載於綜合財務報表附註31。

核數師

二零一八財政年度之綜合財務報表已經國衛會計師事務所有限公司審核，其將於本公司應屆股東週年大會上退任，惟合資格並願意獲續聘連任。

代表董事會

主席
梁興隆

香港，二零一九年三月二十六日

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

EXECUTIVE DIRECTORS

Mr. LEONG Hing Loong Rudoff, aged 51, was appointed as a Director on 19 January 2015, and was re-designated as an executive Director on 24 April 2015. Mr. LEONG is primarily responsible for managing business operation and client relationship in the business of design, fit out and decoration. Mr. LEONG is the spouse of Ms. CHEW Christina Mooi Chong, an executive Director of the Company.

Mr. LEONG has over 29 years of experience in architectural design, and interior design and fit out with most of such experience gained in Hong Kong. Prior to the establishment of the Group, Mr. LEONG had developed his career in architectural practices in both Australia and Hong Kong. Mr. LEONG has worked for our Group for over 20 years since the commencement of business of LCL Architects Limited in 1996.

Mr. LEONG obtained a Bachelor's Degree in Architecture from the University of Western Australia in Australia in December 1989. He has been a member of The Hong Kong Institute of Architects and an Overseas Member Level 1 of the Royal Australian Institute of Architects (formerly known as the Australian Institute of Architects) since April 1992. He has been a registered architect in Hong Kong since 1992. He was also a Chartered International Member of the Royal Institute of British Architects from 1992 to 2012. He is also currently a Hong Kong authorised person (architect).

Ms. CHEW Christina Mooi Chong, aged 52, was reappointed as an executive Director on 27 August 2018 after her resignation as an executive Director on 10 April 2018, Ms. CHEW is primarily responsible for overseeing the daily operation of our Group's business of design, fit out and decoration ("DFD"), including generating and guiding design concepts, and supervising the sales department of our Group's DFD business. Ms. CHEW is the spouse of Mr. LEONG Hing Loong Rudoff, Chairman and an executive Director of the Company.

Ms. CHEW has over 29 years of experience in architectural design, and interior design and fit out with most of such experience gained in Hong Kong. Prior to the establishment of the Group, Ms. CHEW had developed her career in architectural practices in Australia and Hong Kong. Ms. CHEW has worked for our Group for over 20 years since the commencement of business of LCL Architects Limited in 1996.

執行董事

梁興隆先生，51歲，於二零一五年一月十九日獲委任為董事，並於二零一五年四月二十四日獲調任為執行董事。梁先生主要負責管理業務運作及管理設計、裝修及裝飾業務的客戶關係。梁先生為本公司執行董事周梅莊女士的配偶。

梁先生擁有逾29年建築設計、室內設計及裝修經驗，大部分經驗在香港累積。於本集團成立前，梁先生在澳洲及香港發展其建築師事業。自林周梁建築師有限公司於一九九六年開業以來，梁先生已在本集團工作逾20年。

梁先生於一九八九年十二月於澳洲西澳大學取得建築學學士學位。彼自一九九二年四月起為香港建築師學會會員及皇家澳洲建築師學會（前稱澳洲建築師學會）一級海外會員。彼自一九九二年成為香港註冊建築師。彼亦於一九九二年至二零一二年為英國皇家建築師學會特許國際會員。彼現時亦為香港認可人士（建築師）。

周梅莊女士，52歲，於二零一八年四月十日辭任執行董事後，於二零一八年八月二十七日再次獲委任為執行董事。周女士主要負責監管本集團設計、裝修及裝飾業務的日常運作，包括創作及指導設計概念，以及監督本集團設計、裝修及裝飾業務的銷售部門。周女士為本公司主席兼執行董事梁興隆先生的配偶。

周女士擁有逾29年建築設計、室內設計及裝修經驗，大部分經驗在香港累積。於本集團成立前，周女士在澳洲及香港發展其建築師事業。自林周梁建築師有限公司於一九九六年開業以來，周女士已在本集團工作逾20年。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Ms. CHEW obtained a Bachelor's Degree in Applied Science (Architectural Science) and a Bachelor's Degree in Architecture in February 1988 and February 1990 respectively from Curtin University of Technology (Western Australia). She has been a member of The Hong Kong Institute of Architects since June 1994. She has also been an Overseas Member Level 1 of the Royal Australian Institute of Architects (formerly known as the Australian Institute of Architects) since April 1994, a Chartered International Member of the Royal Institute of British Architects since March 1995, a registered architect in Hong Kong and an authorised person (architect) in Hong Kong since January 1995.

Mr. SHIH Steven Chun Ning, aged 55, was appointed as an executive Director on 27 August 2018 after his resignation as an executive Director on 10 February 2017. He is mainly responsible for business development for our Group in the PRC, managing client relationship and exploring new business opportunities of DFD. He also coordinates drafting services for our Group.

Mr. SHIH joined our Group in 2011 to develop our Group's DFD business in Hong Kong and the PRC and later provided drafting work service to our Group. He was appointed as our Director on 24 April 2015, and was re-designated as our executive Director on 24 April 2015 and resigned on 10 February 2017. Mr. SHIH has over 10 years of banking experience with a number of investment banks in Hong Kong from 1988 to 1999. Mr. SHIH left the banking field in 1999 and invested a majority stake in a listed company that was principally engaged in the telephone handset design and manufacturing in July 1999 which was formerly listed on the Stock Exchange and he became the chairman in September 1999. He later disposed of his shareholding interests of that company in 2000. He is currently a director of each of Tung Mei Design (H.K.) Holding Co. Limited ("TM Design") and 深圳市美刻設計工程有限公司(Shenzhen Meike Design and Construction Company Limited*) ("SZ Meike"), and a 50% shareholder of TM Design and a legal representative of SZ Meike. TM Design and SZ Meike are principally engaged in providing design and fit out work for retail shops and a number of commercial offices, and providing drafting services, respectively. The business of TM Design and SZ Meike may compete with business of the Group and the potential competing interests have been disclosed in the section headed "Directors and Senior Management – Potential Competing Interests" in the prospectus of the Company dated 21 August 2015.

周女士分別於一九八八年二月及一九九零年二月於科廷科技大學(西澳)取得應用科學(建築科學)學士學位及建築學學士學位。彼自一九九四年六月起成為香港建築師學會會員。彼亦自一九九四年四月起成為皇家澳洲建築師學會(前稱澳洲建築師學會)一級海外會員、自一九九五年三月起為英國皇家建築師學會特許國際會員,自一九九五年一月起為香港註冊建築師及香港認可人士(建築師)。

施振寧先生, 55歲, 於二零一七年二月十日辭任執行董事後, 於二零一八年八月二十七日獲委任為執行董事。彼主要負責本集團在中國的業務發展、管理設計、裝修及裝飾業務之客戶關係及探索該業務之新業務機會。彼亦協調本集團的繪圖服務。

施先生於二零一一年加入本集團, 負責發展本集團於香港及中國之設計、裝修及裝飾業務, 其後向本集團提供繪圖工作服務。彼於二零一五年四月二十四日獲委任為董事, 並於二零一五年四月二十四日調任為執行董事及於二零一七年二月十日辭任。施先生擁有逾10年銀行業經驗, 自一九八八年至一九九九年在香港多家投資銀行任職。施先生於一九九九年離開銀行界, 並於一九九九年七月於一間主要從事電話手機設計及製造的公司投資大多數股權, 該公司先前曾在聯交所上市, 彼於一九九九年九月擔任主席。其後, 彼於二零零零年出售該公司股權。彼現時分別為香港同美設計集團有限公司(「同美設計」)及深圳市美刻設計工程有限公司(「深圳美刻」)的董事以及同美設計的50%股東以及深圳美刻的法定代表人。同美設計及深圳美刻分別主要從事向零售店及多個商業辦公室提供設計及裝修作業, 以及提供繪圖服務。同美設計及深圳美刻之業務或會與本集團業務構成競爭, 而潛在競爭權益已於本公司日期為二零一五年八月二十一日之招股章程內「董事及高級管理層—潛在競爭權益」一節內披露。

* For identification purpose

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. SHIH obtained his Bachelor's degree in Science from the University of British Columbia in 1986 and his Master's degree in Business Administration from the same university in 1988.

Ms. GAO Jinyi, aged 36, has extensive experience in fund management and investment. Ms. GAO is primarily responsible for managing operation of the Group's financial services business. She is a responsible officer under the SFO for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management). Ms. GAO has held various senior management positions in financial institutions of Mainland China and overseas. Prior to her appointment, Ms. GAO was Senior Investment Director of China Region in Ping An Securities Limited and Investment Director and senior management of private equity fund of Zhongrong Huixing Asset Management Co., Ltd. From 2010 to 2012, Ms. Gao was appointed as a member of Financial Professional Committee of the Guangdong's Association for Promotion of Cooperation Guangdong, Hong Kong & Macao which conduct research on key projects in Guangdong, Hong Kong and Macau and provide professional advice to the government on financial development for promoting the cooperation among enterprises in Guangdong, Hong Kong and Macau and closely cooperation among the three regions. Ms. GAO has obtained Master of Business Administration from the University of Hong Kong and a qualification of fund professional by Securities Association of China.

Mr. HO Hin Yip, aged 45, was appointed as an independent non-executive Director on 27 August 2018 and has more than 20 years of financial and auditing experience. Since April 2012, he is the financial controller and joint company secretary of Dukung Distillers Holdings Limited (stock code: BKV), a company listed on the Singapore Exchange Limited, where he is responsible for the finance and accounting functions, statutory compliance and corporate governance affairs. He had been appointed as an independent non-executive Director of the Company from 13 August 2015 to 10 February 2017. He was also appointed as an independent non-executive director of each of China Ever Grand Financial Leasing Group Co., Ltd (formerly known as PME Group Limited) (stock code: 379), Xinhua News Media Holdings Limited (stock code: 309), and Jiyi Household International Holdings Limited (stock code: 1495), all are companies listed on the Main Board of the Stock Exchange, since December 2012, December 2014 and October 2015 respectively.

Mr. HO received his bachelor's degree in business administration from the Chinese University of Hong Kong in December 1997. He was admitted as a member and a fellow member of The Association of Chartered Certified Accountants in August 2000 and August 2005, respectively. He is registered as a certified public accountant (Practising) of the Hong Kong Institute of Certified Public Accountants.

施先生於一九八六年在英屬哥倫比亞大學取得理學學士學位，並於一九八八年在該大學取得工商管理碩士學位。

高錦儀女士，36歲，擁有豐富基金管理及投資經驗。高女士主要負責管理本集團金融服務業務之營運。彼為證券及期貨條例項下第1類（證券交易）、第4類（就證券提供意見）及第9類（提供資產管理）受規管活動之負責人員。高女士曾於中國大陸及海外金融機構出任多個高級管理層職位，就職前為平安證券有限公司之中國區高級投資總監，中融匯興資產管理有限公司投資總監及私募基金高管，並於二零一零年至二零一二年間獲委任為廣東省粵港澳合作促進會金融專業委員會會員，就開展對粵港澳合作重點課題研究，向政府提供金融發展專業意見及促進粵港澳企業間合作，推進三地緊密合作。高女士已取得香港大學工商管理碩士及中國證券業協會基金從業資格。

何衍業先生，45歲，於二零一八年八月二十七日獲委任為獨立非執行董事及擁有逾20年的財務及審核經驗。自二零一二年四月起，彼為一家新加坡交易所有限公司上市公司Dukung Distillers Holdings Limited（股份代號：BKV）的財務總監及聯席公司秘書，彼於該公司負責財務及會計職能、法定合規及企業管治事務。彼於二零一五年八月十三日至二零一七年二月十日期間曾獲委任為本公司獨立非執行董事。彼分別自二零一二年十二月、二零一四年十二月及二零一五年十月以來一直擔任聯交所主板上市公司中國恒嘉融資租賃集團有限公司（前稱必美宜集團有限公司）（股份代號：379）、新華通訊頻媒控股有限公司（股份代號：309）及集一家居國際控股有限公司（股份代號：1495）的獨立非執行董事。

何先生於一九九七年十二月在香港取得香港中文大學工商管理學士學位。彼於二零零零年八月及二零零五年八月分別獲接納為英國特許會計師公會之會員及資深會員。彼已註冊為香港會計師公會之執業會計師。

PROFILE OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷

Mr. CHAN Kwong Ming Johnny, aged 47, has founded Titan Works Limited. He received his Bachelor of Arts degree from the University of Toronto in 1994. He is serving as a Director of University of Toronto (HK) Foundation, Standing Director of Hong Kong Chinese General Chamber of Commerce and Chairman of External Affairs Committee. He had been appointed as part-time member from January 2009 to December 2010 and associate member from February 2014 to June 2017 of Central Policy Unit of the HKSAR Government. He had been appointed a member of sub-committee on promotion of corporate volunteering of Social Welfare Department the HKSAR Government from April 2012 to March 2014 and from April 2016 to March 2018. Since June 2018, he had been appointed as a member of Central & District Coordinating Committee on New Arrival Services.

Mr. LU Zhuohui, aged 35, has extensive financial management experience. Mr. LU had served KPMG Huazhen Certified Public Accountants for more than 10 years and provided services to numbers of large Chinese companies and multinational corporations and international organizations. Mr. LU is currently the Chief Financial Officer of Guangzhou 711 Electronic Information Technology Company Limited which is mainly engaged in finance lease, intelligent travel platform and data management business. Mr. LU holds a Bachelor's Degree in Public Affairs and Administration from Guangdong University of Foreign Studies and is a member of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. ZHU Ben Yu, aged 46, was appointed as Chief Financial Officer, Company Secretary and authorised representative of the Company since 27 February 2017. Mr. ZHU is primarily responsible for overseeing the overall financial management of our Group and company secretarial matters.

Mr. ZHU obtained a Bachelor's Degree of Business Administration and Executive Master of Business Administration from The Chinese University of Hong Kong. Mr. ZHU is a fellow member of the Association of Chartered Certified Accountants, a member of Hong Kong Institute of Certified Public Accountants and a Chartered Accountant of Chartered Accountants Australia and New Zealand. Mr. ZHU has over 20 years of experience in financial management, corporate finance and auditing. Mr. ZHU was chief financial officers, financial controllers and company secretary of several companies listed on the main board of the Stock Exchange.

陳光明先生，47歲，創辦鉅駿投資控股有限公司。彼於一九九四年獲多倫多大學文學士學位。彼現任多倫多大學(香港)基金會董事，香港中華總商會常務會董及對外事務委員會主席。彼於二零零九年一月至二零一零年十二月以及二零一四年二月至二零一七年六月分別獲委任為香港特別行政區政府中央政策組非全職顧問及特邀顧問。彼於二零一二年四月至二零一四年三月以及於二零一六年四月至二零一八年三月獲委任為香港特別行政區政府社會福利署工商機構義務工作推廣小組成員。自二零一八年六月起，彼獲委任為中西區新來港定居人士服務地區統籌委員會之委員。

陸卓輝先生，35歲，擁有豐富財務管理經驗，在畢馬威華振會計師事務所服務超過10年，期間為多家國內外大型企業及國際機構提供服務。陸先生現職廣州七一一電子信息科技有限公司財務總監，該公司主要從事融資租賃、智慧出行平台及數據管理業務。陸先生擁有廣東外語外貿大學公共事業管理學士學位，同時為香港會計師公會會員及中國註冊會計師協會會員。

高級管理層

朱本宇先生，46歲，於二零一七年二月二十七日獲委任為本公司首席財務官、公司秘書及授權代表。朱先生主要負責監督本集團的整體財務管理及公司秘書事宜。

朱先生持有香港中文大學工商管理學士學位及行政人員工商管理碩士學位。朱先生為英國特許公認會計師公會的資深會員、香港會計師公會會員及擁有澳洲及新西蘭特許會計師公會的特別會計師資格。朱先生擁有逾二十年之財務管理、企業融資及核數經驗。朱先生曾先後在多間於聯交所主板上市的公司任職首席財務官、財務總監及公司秘書。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining high standard of corporate governance to safeguard the interests of the shareholders of the Company and to enhance corporate value and responsibility. The Board comprises four executive Directors and three independent non-executive Directors. The Board has adopted the code provisions of the Corporate Governance Code (“CG Code”) set out in Appendix 14 to the Listing Rules. During the year ended 31 December 2018 and up to the date of this report, the Company has complied with the code provisions under the CG Code, except for the following deviation:

Mr. LIU Yong Sheng (Mr. “LIU”) resigned as an executive Director and the chief executive officer of the Company on 10 April 2018. For the period between the resignation of Mr. LIU on 10 April 2018 and the appointment of Ms. CHEW Christina Mooi Chong (“Ms. CHEW”) as an executive Director and the Chief Executive Officer of the Company on 27 August 2018, no individual was appointed as chief executive officer of the Company. The role of the chief executive officer has been performed by the Chairman and executive directors of the Company. With effect from 27 August 2018, Ms. CHEW was appointed as an executive Director and Chief Executive Officer of the Company. The code provision A.2.1 of the CG Code is therefore complied with.

The Company periodically reviews its corporate governance practices to ensure that it continues to meet the requirements under the Code Provisions.

MODEL CODE FOR SECURITIES TRANSACTIONS BY THE DIRECTORS

The Directors have adopted the Model Code as set out in Appendix 10 to the Listing Rules as the code of conduct for Directors in dealing in the Company’s securities. Specific enquiries have been made to all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out in the Model Code during the year ended 31 December 2018.

企業管治常規守則

本公司一直致力保持高水平企業管治，以保障本公司股東權益及提升企業價值及責任。董事會由四名執行董事及三名獨立非執行董事組成。董事會已採納上市規則附錄十四所載之企業管治守則（「企業管治守則」）之守則條文。本公司於截至二零一八年十二月三十一日止年度及截至本報告日期止已遵守企業管治守則下之守則條文，惟以下之偏離情況除外：

劉永生先生（「劉先生」）於二零一八年四月十日辭任本公司執行董事兼首席執行官。在劉先生於二零一八年四月十日辭任至周梅莊女士（「周女士」）於二零一八年八月二十七日獲委任為本公司執行董事兼行政總裁期間，並無任何人士獲委任為本公司行政總裁。行政總裁之角色由本公司主席及執行董事履行。周女士於二零一八年八月二十七日獲委任為本公司執行董事兼行政總裁。因此現已遵守企業管治守則之守則條文第A.2.1條。

本公司定期檢討其企業管治常規，確保其繼續符合守則條文之規定。

董事進行證券交易之標準守則

董事已採納上市規則附錄十所載之標準守則，作為董事買賣本公司證券之操守守則。向全體董事進行具體查詢後，全體董事已確認彼等於截至二零一八年十二月三十一日止年度已全面遵守標準守則所載之必守交易準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

The Board is committed to providing effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and its shareholders. The Board has established three board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a “Board Committee” and collectively the “Board Committees”), to oversee different areas of the Company’s affairs.

The Board currently comprises four executive Directors, namely Mr. LEONG Hing Loong Rudoff, Ms. CHEW Christina Mooi Chong, Mr. SHIH Steven Chun Ning, and Ms. GAO Jinyi and three independent non-executive Directors, namely, Mr. HO Hin Yip, Mr. CHAN Kwong Ming Johnny and Mr. LU Zhuohui. The posts of Chairman and Chief Executive Officer of the Company are separately held by Mr. LEONG Hing Loong Rudoff and Ms. CHEW Christina Mooi Chong respectively, to maintain an segregation of duties between the Chairman’s responsibility to manage the Board and the Chief Executive Officer’s responsibility to manage the Group’s business and oversee the management.

Their biographical details and (where applicable) their family relationships are set out in the section headed “Profile of Directors and Senior Management” on pages 29 to 32 in this annual report. A list of the Directors identifying their roles and functions is available on the Stock Exchange’s and the Company’s websites.

The Board sets the Group’s overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Group. It also decides on matters such as annual and interim results, major transactions, director appointments or re-appointments, investment policy, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group’s businesses to the executive Directors and members of senior management. The functions and power that are so delegated are reviewed periodically to ensure that they remain appropriate.

All Directors are required to declare to the Board upon their first appointment, the directorships or other positions they are concurrently holding at other companies or organisations. These interests are updated on an annual basis and when necessary.

董事會

董事會致力為本公司提供有效及負責任之領導。董事須個別及共同地為本公司及其股東之最佳利益真誠行事。董事會已設立三個董事委員會（即審核委員會、薪酬委員會及提名委員會（各自稱為「董事委員會」及統稱為該等「董事委員會」），以監督本公司不同範疇之事務。

董事會目前包括四名執行董事，即梁興隆先生、周梅莊女士、施振寧先生及高錦儀女士；以及三名獨立非執行董事，即何衍業先生、陳光明先生及陸卓輝先生。本公司主席及行政總裁職位分別由梁興隆先生及周梅莊女士擔任，主席負責管理董事會而行政總裁負責管理本集團業務及監督管理層，以維持職責之間的分工。

彼等之履歷詳情及（如適用）彼等之家屬關係載於本年報第29至32頁「董事及高級管理層履歷」一節。列明董事角色及職能之董事名單可於聯交所及本公司網站查閱。

董事會制定本集團之整體目標及策略、監察及評估其營運及財務表現並審閱本集團之企業管治準則。其亦就年度及中期業績、主要交易、董事委任或續聘、投資政策、股息及會計政策等事宜作出決定。董事會已指派及授權執行董事及高級管理層成員負責執行其業務策略及管理本集團業務之日常營運。董事會定期檢討所委派職能及權力以確保有關委派仍屬合適。

全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任之董事或其他職務，有關利益申報每年及於需要時更新。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

The Company's corporate governance function is carried out by the Board pursuant to provision D.3.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and relevant disclosure in the corporate governance report of the annual report of the Company.

BOARD PROCEEDINGS

Regular board meetings are held at quarterly intervals with additional meetings convened as and when necessary to discuss the overall strategic directions, the Group's operations, financial performance, and to approve interim and annual results and other significant matters. For regular meetings, Board members are given at least 14 days prior notice and agenda with supporting papers are sent to Directors not less than 3 days before the relevant meeting is held. Directors may propose to the Chairman or the Company Secretary to include matters in the agenda for regular board meetings.

Directors are requested to declare their direct or indirect interests, if any, in any proposals or transactions to be considered by the Board at board meetings and abstain from voting on the related board resolutions as appropriate.

Minutes of meetings of the Board and Board Committees are kept by the Company Secretary in sufficient details of the matters considered and decisions reached, including dissenting views expressed, and are open for inspection on reasonable notice by any Director. Draft and final versions of minutes are sent to all Directors for their comments and records respectively within a reasonable time after the board meeting is held.

All Directors have access to the advice and services of the Company Secretary with a view to ensuring the Board procedures are followed.

企業管治職能

董事會根據其企業管治守則第D.3.1條履行本公司的企業管治職能，其中包括(a)制定及檢討本公司的企業管治政策及常規並向董事會提出推薦建議；(b)檢討及監察本集團董事及高級管理層的培訓及持續專業發展；(c)檢討及監察本公司在遵守法律及監管規定方面的政策及常規；(d)制定、檢討及監察本集團僱員及董事的操守準則及合規手冊(如有)；及(e)檢討本公司企業管治守則的遵守情況及在本公司年報的企業管治報告內的相關披露。

董事會程序

董事會定期每季度舉行會議，並於有需要時召開額外會議，以商討整體策略方針、本集團的營運、財務表現及批准中期及年度業績及其他重大事宜。就定期會議而言，董事會成員於舉行相關會議前最少14天接獲通知，而議程(連同開會文件)於相關會議舉行前最少3天送呈各董事。董事可向主席或公司秘書建議於定期董事會會議議程內增加事項。

董事會在董事會會議考慮任何動議或交易時，董事須申報其直接或間接利益(如有)，並在適當情況下就相關董事會決議案放棄投票。

董事會及董事委員會的會議記錄由公司秘書負責保存，其中包括會議所考慮事項及所作出決定的足夠詳情，包括所表達反對意見，而有關記錄可公開由任何董事於合理通知下查閱。於董事會會議召開後合理時間內，全體董事均獲發會議記錄的初稿和定稿，以供彼等提供意見和記錄存檔。

為確保遵守董事會程序，全體董事皆可向公司秘書尋求建議及服務。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS

The Board held 13 Board meetings during the year ended 31 December 2018. The attendance of each Director at the Board meetings is set out in the paragraph headed “Board Committees” below. During the year under review, the Board reviewed the disclosures in the Corporate Governance Report to ensure compliance.

DIRECTORS' AND OFFICERS' INSURANCE

Appropriate insurance coverage has been arranged in respect of indemnification against costs, charges, losses, expenses and liabilities that may be incurred by the Directors and officers of the Company in the execution and discharge of their duties.

DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

All Directors are aware of their responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. They have to participate in continuous professional development through internal or external training organised by the Company. During the year ended 31 December 2018, the Company organised a training session relating to connected transactions under the Listing Rules to each of the Directors. All directors attended the training and complied with the requirement of the CG Code on continuous professional development during the year ended 31 December 2018.

Every newly appointed Director will receive an induction to ensure that he has a proper understanding of the business and operations of the Group and that he is fully aware of his duties and responsibilities as a director under applicable rules and requirements.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the Shareholders and the Group. They serve actively on the Board and its committees to provide their independent and objective views.

董事會會議

於截至二零一八年十二月三十一日止年度，董事會舉行13次董事會會議。各董事之董事會會議出席記錄載於下文「董事會委員會」一段。於回顧年度，董事會已審閱企業管治報告所載之披露。

董事及高級人員保險

本公司已就彌償本公司董事及高級人員於執行及履行彼等之職責時可能產生之成本、支出、損失、開支及負債安排合適保險。

董事之持續培訓及專業發展

全體董事知悉彼等對股東的責任，履行彼等的職責時已傾注其關注、技術及勤勉，以謀求本集團之發展。彼等須透過本公司組織之內部或外部培訓參與持續專業發展。於截至二零一八年十二月三十一日止年度，本公司為各董事籌辦有關上市規則項下之關連交易之培訓環節。於截至二零一八年十二月三十一日止年度，全體董事均有出席符合企業管治守則關於持續專業發展之培訓及遵守有關規定。

每位新獲委任之董事均獲提供必要的就職資料，以確保其對本集團的業務及營運有適當的認識，並充分理解其於適用法例及法規下的職責及責任。

獨立非執行董事之獨立性

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團整體利益。彼等於董事會及其委員會上積極提供獨立及客觀的意見。

CORPORATE GOVERNANCE REPORT

企業管治報告

In compliance with rules 3.10(1) and 3.10A of the Listing Rules, the Company has appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors namely, Mr. HO Hin Yip, has the appropriate professional qualifications, or accounting or related financial management expertise as required by rule 3.10(2) of the Listing Rules.

The Company has received from each of the independent non-executive Directors a written confirmation of his independence and has satisfied itself of such independence in accordance with the independent guidelines as set out in rule 3.13 of the Listing Rules.

BOARD COMMITTEES

The Board is supported by three committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the respective websites of the Stock Exchange and the Company.

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

(i) Audit committee

As at 31 December 2018, the Audit Committee comprised three independent non-executive Directors, namely Mr. HO Hin Yip, Mr. CHAN Kwong Ming Johnny and Mr. LEE Frank King-ting. Mr. LEE Frank King-ting resigned as an independent non-executive Director, a member of the Audit Committee and Chairman of the Nomination Committee on 31 December 2018. Mr. HO Hin Yip who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

The principal duties of the Audit Committee are to assist the Board in reviewing and supervising the financial reporting and internal control system. The Audit Committee also provides an important link between the Board and the Company's external auditors in matters within the scope of the financial audit of the Group.

為遵守上市規則第3.10(1)條及3.10A條，本公司已委任三名獨立非執行董事，超過董事會人數三分之一。按上市規則第3.10(2)條的規定，其中一名獨立非執行董事何衍業先生具備合適專業資格或會計或相關財務管理專業知識。

本公司已根據上市規則第3.13條所載獨立指引，自各獨立非執行董事收取獨立性確認書，並信納全體獨立非執行董事均屬獨立。

董事委員會

董事會獲得三個委員會（即審核委員會、提名委員會及薪酬委員會）支援。各董事委員會均設經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於聯交所及本公司各自的網站可供查閱。

所有董事委員會均獲提供足夠資源以履行其職責，包括於被視為有需要時取得管理或專業意見。

(i) 審核委員會

於二零一八年十二月三十一日，審核委員會包括三名獨立非執行董事（即何衍業先生、陳光明先生及李敬天先生）。李敬天先生於二零一八年十二月三十一日辭任獨立非執行董事、審核委員會成員及提名委員會主席。何衍業先生具備適當專業資格及於會計事務之經驗，獲委任為審核委員會主席。

審核委員會之主要職責為協助董事會審閱及監督財務申報及內部控制制度。審核委員會亦就本集團財務審核範圍內之事項擔當董事會與本公司外聘核數師之重要溝通橋樑。

CORPORATE GOVERNANCE REPORT

企業管治報告

There were 2 meetings of the Audit Committee held during the year ended 31 December 2018. The attendance of each member at the Audit Committee meetings is set out on page 40. During the year under review, the members of the Audit Committee reviewed the accounting principles and practices adopted by the Group, reviewed the consolidated financial statements of the Group for the six months ended 30 June 2018, and for the year ended 31 December 2018 and discussed the internal controls together with the management.

(ii) Remuneration committee

As at 31 December 2018 and the date of this report, the Remuneration Committee comprised two independent non-executive Directors and one executive Director, namely Mr. CHAN Kwong Ming Johnny, Mr. HO Hin Yip and Mr. LEONG Hing Loong Rudoff. Mr. CHAN Kwong Ming Johnny is the chairman of the Remuneration Committee. The Remuneration Committee makes recommendations to the Board on, among other matters, our Company's policy and structure for the remuneration of all Directors and senior managements, and the remuneration packages for all executive Directors and senior management.

There was 4 meeting of the Remuneration Committee held during the year ended 31 December 2018. The attendance of each member at the Remuneration Committee meeting is set out on page 40. During the year under review, the members of the Remuneration Committee reviewed the existing remuneration policy and package of all existing Directors and senior management.

Particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 10 and 11 to the consolidated financial statements.

於截至二零一八年十二月三十一日止年度，審核委員會曾舉行2次會議。各成員之審核委員會會議出席記錄載於第40頁。於回顧年度，審核委員會成員已審閱本集團採納之會計原則及慣例、審閱本集團截至二零一八年六月三十日止六個月及截至二零一八年十二月三十一日止年度之綜合財務報表及與管理層討論內部控制。

(ii) 薪酬委員會

於二零一八年十二月三十一日及本報告日期，薪酬委員會包括兩名獨立非執行董事及一名執行董事（即陳光明先生、何衍業先生及梁興隆先生）。陳光明先生為薪酬委員會主席。薪酬委員會就（其中包括）本公司全體董事及高級管理層薪酬之政策及架構以及全體執行董事及高級管理層之薪酬待遇向董事會作出推薦建議。

於截至二零一八年十二月三十一日止年度，薪酬委員會曾舉行4次會議。各成員之薪酬委員會會議出席記錄載於第40頁。於回顧年度，薪酬委員會成員檢討全體現有董事及高級管理層之薪酬政策及待遇。

根據上市規則附錄十六將須披露之有關董事薪酬及五名最高薪僱員之詳情載於綜合財務報表附註10及11。

CORPORATE GOVERNANCE REPORT

企業管治報告

(iii) Nomination committee

As at 31 December 2018, the Nomination Committee comprised two independent non-executive Directors and one executive Director, namely Mr. CHAN Kwong Ming Johnny, Mr. LEONG Hing Loong Rudoff and Mr. LEE Frank King-ting. Mr. LEE Frank King-ting is the Chairman of the Nomination Committee. Mr. LEE Frank King-ting resigned as an independent non-executive Director, chairman of the Nomination Committee, and a member of the Audit Committee on 31 December 2018. Mr. LU Zhuohui was appointed as an independent non-executive Director of the Company on 1 January 2019 in compliance with A5.1 of Appendix 14 of the Listing Rules. He was also appointed as Chairman of the Nomination Committee and the relevant CG Code has been complied with during the relevant period. The Nomination Committee has the responsibility to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and to identify individuals suitably qualified to become members of the Board in accordance with the board diversity policy. It is also responsible for assessing the independence of independent non-executive directors and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

There was 2 meeting of the Nomination Committee held during the year ended 31 December 2018. The attendance of each member at the Nomination Committee meeting is set out below. During the year under review, the members of the Nomination Committee reviewed the structure, size and composition of the Board and reviewed the objectives set for implementing the board diversity policy.

(iii) 提名委員會

於二零一八年十二月三十一日，提名委員會包括兩名獨立非執行董事及一名執行董事（即陳光明先生、梁興隆先生及李敬天先生）。李敬天先生為提名委員會主席。李敬天先生於二零一八年十二月三十一日辭任獨立非執行董事、提名委員會主席及審核委員會成員。陸卓輝先生於二零一九年一月一日獲任為本公司獨立非執行董事以遵守上市規則附錄14第A5.1條之規定。彼亦已獲委任為提名委員會主席而於相關期間已遵守企業管治守則之相關規定。提名委員會有責任至少每年檢討董事會之架構、規模及組成（包括技能、知識及經驗），並根據董事會成員多元化政策識別具備適當資格之人士加入董事會。其亦負責評估獨立非執行董事之獨立性，並就與董事委任或續聘以及董事繼任計劃有關之相關事項向董事會作出推薦建議。

於截至二零一八年十二月三十一日止年度，提名委員會曾舉行2次會議。各成員之提名委員會會議出席記錄載於下文。於回顧年度，提名委員會成員檢討董事會之架構、規模及組成，並檢討實施董事會成員多元化政策所設定之目標。

CORPORATE GOVERNANCE REPORT

企業管治報告

The individual attendance records of each Director at the physical meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee and at the general meeting of the Company during the year ended 31 December, 2018 are set out below:

於截至二零一八年十二月三十一日止年度，各董事出席董事會、審核委員會、薪酬委員會及提名委員會會議以及本公司股東大會之個別出席記錄載列如下：

Number of physical meetings attended/held during the year under review
於回顧年度內出席/舉行之會議數目

| Name of Directors 董事姓名 | | Board 董事會 | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 | General Meeting 股東大會 |
|--------------------------------------|-----------|--------------|-----------------------------|------------------------------------|----------------------------------|----------------------------|
| Mr. LEONG Hing Loong Rudoff (Note) | 梁興隆先生(附註) | 13/13 | N/A 不適用 | 0/4 | 0/2 | 1/1 |
| Ms. CHEW Christina Mooi Chong (Note) | 周梅莊女士(附註) | 7/13 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Mr. SHIH Steven Chun Ning (Note) | 施振寧先生(附註) | 4/13 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Ms. GAO Jinyi (Note) | 高錦儀女士(附註) | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Mr. DENG Kui (Note) | 鄧奎先生(附註) | 11/13 | N/A 不適用 | N/A 不適用 | 2/2 | 1/1 |
| Mr. LIU Yong Sheng (Note) | 劉永生先生(附註) | 3/13 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Mr. ZHOU Hucheng (Note) | 周虎城先生(附註) | 3/13 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Mr. HO Hin Yip (Note) | 何衍業先生(附註) | 3/13 | 0/2 | 0/4 | N/A 不適用 | N/A 不適用 |
| Mr. CHAN Kwong Ming Johnny (Note) | 陳光明先生(附註) | 3/13 | 0/2 | 0/4 | 0/2 | N/A 不適用 |
| Mr. LU Zhuohui (Note) | 陸卓輝先生(附註) | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 | N/A 不適用 |
| Mr. LEE Frank King-ting (Note) | 李敬天先生(附註) | 3/13 | 0/2 | N/A 不適用 | 0/2 | N/A 不適用 |
| Mr. LIU Gang (Note) | 劉鋼先生(附註) | 9/13 | 2/2 | 4/4 | N/A 不適用 | 1/1 |
| Mr. YU Haizong (Note) | 余海宗先生(附註) | 10/13 | 2/2 | 4/4 | 2/2 | 1/1 |
| Ms. AN Yiqing (Note) | 安翊青女士(附註) | 7/13 | 0/2 | 3/4 | 1/2 | 1/1 |

Note:

- Mr. LEONG Hing Loong Rudoff was appointed as a member of the Remuneration Committee and the Nomination Committee on 27 August 2018.
- Ms. CHEW Christina Mooi Chong resigned as an executive Director on 10 April 2018 and was reappointed as an executive Director and the Chief Executive Officer of the Company on 27 August 2018.
- Mr. SHIH Steven Chun Ning was appointed as an executive Director on 27 August 2018.
- Ms. GAO Jinyi was appointed as an executive Director on 2 January 2019.
- Mr. HO Hin Yip was appointed as an independent non-executive Director, chairman of the Audit Committee and a member of the Remuneration Committee on 27 August 2018.
- Mr. CHAN Kwong Ming Johnny was appointed as an independent non-executive Director, chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee on 27 August 2018.

附註：

- 梁興隆先生於二零一八年八月二十七日獲委任為薪酬委員會及提名委員會成員。
- 周梅莊女士於二零一八年四月十日辭任執行董事以及於二零一八年八月二十七日重獲委任為執行董事兼本公司之行政總裁。
- 施振寧先生於二零一八年八月二十七日獲委任為執行董事。
- 高錦儀女士於二零一九年一月二日獲委任為執行董事。
- 何衍業先生於二零一八年八月二十七日獲委任為獨立非執行董事、審核委員會主席及薪酬委員會成員。
- 陳光明先生於二零一八年八月二十七日獲委任為獨立非執行董事、薪酬委員會主席以及審核委員會及提名委員會成員。

CORPORATE GOVERNANCE REPORT

企業管治報告

- Mr. LU Zhuohui was appointed as an independent non-executive Director, chairman of the Nomination Committee and a member of the Audit Committee on 1 January 2019.
- Mr. LEE Frank King-ting was appointed as an independent non-executive Director, chairman of the Nomination Committee and a member of the Audit Committee on 27 August 2018 and resigned as an independent non-executive Director, chairman of the Nomination Committee and a member of the Audit Committee on 31 December 2018.
- Mr. DENG Kui resigned as chairman of the Nomination Committee on 27 August 2018 and an executive Director and Chairman of the Board on 26 September 2018.
- Mr. LIU Yong Sheng resigned as an executive Director and the Chief Executive Officer of the Company on 10 April 2018.
- Mr. ZHOU Hucheng resigned as an executive Director on 10 April 2018.
- Mr. LIU Gang resigned as chairman of remuneration committee and a member of the Audit Committee on 27 August 2018 and an independent non-executive Director on 26 September 2018.
- Mr. YU Haizong resigned as chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee on 27 August 2018 and an independent non-executive Director on 26 September 2018.
- Ms. AN Yiqing resigned as member of the Audit Committee, the Remuneration Committee and the Nomination Committee on 27 August 2018 and an independent non-executive Director on 26 September 2018.
- 陸卓輝先生於二零一九年一月一日獲委任為獨立非執行董事、提名委員會主席及審核委員會成員。
- 李敬天先生於二零一八年八月二十七日獲委任為獨立非執行董事、提名委員會主席及審核委員會成員，以及於二零一八年十二月三十一日辭任獨立非執行董事、提名委員會主席及審核委員會成員。
- 鄧奎先生於二零一八年八月二十七日辭任提名委員會主席，以及於二零一八年九月二十六日辭任執行董事兼董事會主席。
- 劉永生先生於二零一八年四月十日辭任執行董事兼本公司之首席執行官。
- 周虎城先生於二零一八年四月十日辭任執行董事。
- 劉鋼先生於二零一八年八月二十七日辭任薪酬委員會主席及審核委員會成員以及於二零一八年九月二十六日辭任獨立非執行董事。
- 余海宗先生於二零一八年八月二十七日辭任審核委員會主席以及薪酬委員會及提名委員會成員以及於二零一八年九月二十六日辭任獨立非執行董事。
- 安翊青女士於二零一八年八月二十七日辭任審核委員會、薪酬委員會及提名委員會成員以及於二零一八年九月二十六日辭任獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the executive Directors of the Company has entered into a service contract with the Company for an initial term of three years commencing from the date of appointment and will continue thereafter until terminated by not less than three months' notice in writing served by either party. Each of the independent non-executive Directors has entered into an appointment letter with the Company for an initial term of three years commencing from the date of appointment. Each of the Directors will be subject to retirement and re-election at annual general meeting of the Company in accordance with the Company's articles of association.

In accordance with the Company's articles of association, a person may be appointed as a director either by the Shareholders in general meeting or by the Board. Any directors appointed by the Board as additional directors or to fill casual vacancies shall hold office until the next following general meeting, and are eligible for re-election by the Shareholders. In addition, all directors are required to retire by rotation at least once every three years at the annual general meeting of the Company, and are eligible for re-election by the Shareholders.

BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and adopted a board diversity policy. The board diversity policy sets out that the Company should endeavour to ensure that its Board members have the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective.

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

COMPANY SECRETARY

Mr. ZHU Ben Yu has been appointed as company secretary of the Company since February 2017. He fulfills the requirement under rule 3.28 of the Listing Rules. He is responsible for advisory the Board on corporate governance matters. During FY2018, he has taken over 15 hours of relevant professional training.

委任及重選董事

本公司各執行董事已與本公司訂立服務合約，初步任期為自獲委任日期起計三年，其後將會續任，直至任何一方向另一方作出不少於三個月書面通知終止。各獨立非執行董事均與本公司訂立委任函，初步任期為自獲委任日期起計三年。各董事須根據本公司的組織章程細則於本公司股東週年大會退任及重選。

根據本公司的組織章程細則，任何人士均可由股東於股東大會上或由董事會委任為董事。任何獲董事會委任為新增董事或委任以填補臨時空缺的董事的任期僅直至于下屆股東大會為止，惟彼等符合資格由股東重選。此外，全體董事均須最少每隔三年於本公司股東週年大會上輪值退任，並符合資格由股東重選。

董事會成員多元化政策

本公司認同及接納董事會成員多元化以提升其表現質量所帶來的益處，並採納董事會成員多元化政策。董事會成員多元化政策列明，本公司應致力於確保董事會成員擁有支持執行本公司業務策略所需的技能、經驗、觀點多樣化之平衡，以令董事會能有效行事。

挑選候選人將基於多種不同方面，包括（但不限於）性別、年齡、教育背景、專業經驗、技能、知識及服務年限。最終決定將基於所挑選候選人之優點及將為董事會作出之貢獻。

公司秘書

朱本宇先生已自二零一七年二月起獲委任為本公司公司秘書。彼達到上市規則第3.28條之要求。彼負責就企業管治事項向董事會提供意見。於二零一八財政年度，彼已接受超過15個小時之相關專業培訓。

CORPORATE GOVERNANCE REPORT

企業管治報告

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial reporting

The Board acknowledges its responsibility to prepare the Group's consolidated financial statements which give a true and fair view of the Group's financial position, financial performance and cash flows for the year and in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants, and the disclosure requirements of the Hong Kong Companies Ordinance. The Group has selected appropriate accounting policies and has applied them consistently based on prudent and reasonable judgements and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and not aware of any material uncertainties relating to events or conditions that may affect the business of the Group or cast doubts on its ability to continue as going concern.

The responsibilities of the Company's external auditors with respect to financial reporting are set out in the section headed "Independent Auditors' Report" in this annual report.

Internal controls and risk management

The Board is of the opinion that sound internal control and risk management systems will contribute the effectiveness and efficiency of the operations of the Group and to the safeguard of the Group's assets as well as Shareholders' investments.

The Company improves its business and operational activities by identifying the areas of significant business risks via a regular review and taking appropriate measures to control and migrate these risks. The management of the Company reviews all significant control policies and procedures and highlights all significant matters to the Board and Audit Committee annually.

The Board is responsible for overall ensuring, maintaining and overseeing the internal control systems of the Group. The Audit Committee helps the Board to discharge its responsibilities of ensuring and maintaining sound internal control functions by reviewing and monitoring the internal control systems and processes annually so as to ensure that they can provide reasonable assurance against material errors of the Group. The Group has an internal audit function.

The Board has reviewed the effectiveness of the risk management and internal control systems and considers the risks management and internal control systems effective and adequate.

財務報告及內部監控

財務報告

董事會明白本身有責任根據香港會計師公會頒布的香港財務報告準則及香港公司條例之披露規定編製本集團的綜合財務報表，而有關報表須真實公平反映本集團於本年度的財務狀況、財務表現及現金流量。本集團已根據審慎及合理判斷及估計選擇合適的會計政策並貫徹採用。董事會認為本集團備有充足資源於可見未來繼續經營業務，且並不知悉任何重大不確定因素有關的事件或狀況而可能影響本集團業務或致令本集團持續經營能力成疑。

本公司外聘核數師就財務申報承擔的責任載於本年報「獨立核數師報告」一節。

內部監控及風險管理

董事會認為，健全之內部監控風險管理系統能提高本集團之營運效益及效率，亦有助於保障本集團之資產及股東之投資。

本公司透過定期檢討辨識重大業務風險範圍並進行適當措施控制並減輕此等風險以改善其業務及營運活動。本公司管理層檢討所有重大控制政策及程序並每年向董事會及審核委員會強調所有重大事宜。

董事會負責整體確保、維持及監管本集團之內部監控系統。審核委員會協助董事會履行確保及維持健全內部監控系統之責任，並透過每年監督檢討內部監控系統和程序，以確定該等系統和程序能合理地確保本集團不會出現重大之誤差。本集團設有內部審核功能。

董事會已檢討風險管理及內部控制系統之效益並認為風險管理及內部控制系統屬有效且足夠。

CORPORATE GOVERNANCE REPORT

企業管治報告

EXTERNAL AUDITORS

HLB Hodgson Impey Cheng Limited has been appointed as the external auditors of the Company for the year ended 31 December 2018. The Audit Committee was notified of the nature and the service charges of non-audit services performed by HLB Hodgson Impey Cheng Limited during FY2018 and considered that such services did not have adverse effect on the independence of the external auditors.

During the year, the remuneration paid and payable to HLB Hodgson Impey Cheng Limited is set out as below:

| | | |
|--------------------|-------|-------|
| Audit services | 審計服務 | 880 |
| Non-audit services | 非審計服務 | 155 |
| Total | 總計 | 1,035 |

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditors during the year ended 31 December 2018.

外聘核數師

國衛會計師事務所有限公司已獲委任為本公司截至二零一八年十二月三十一日止年度之外聘核數師。審核委員會於二零一八財政年度已獲知會由國衛會計師事務所有限公司所提供非審計服務之性質及服務費，並認為該等服務對外聘核數師之獨立性並無不利影響。

於本年度，已付及應付予國衛會計師事務所有限公司之薪酬載列如下：

FY2018
二零一八
財政年度
HK\$'000
千港元

於截至二零一八年十二月三十一日止年度，董事會與審核委員會概無就挑選及委任外聘核數師存在異議。

CORPORATE GOVERNANCE REPORT

企業管治報告

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its Shareholders and investment public.

The Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. The corporate website of the Company (www.royalchina.hk) has provided an effective communication platform to the public and the Shareholders.

SHAREHOLDERS COMMUNICATION

The Company has adopted Shareholders communication policy with objective to provide our Shareholders with accurate, clear, comprehensive and timely information about the Company so that they can exercise their rights in an informed manner. The Company would review the Shareholders communication policy on a regular basis.

The Company uses a range of communication tools to ensure its Shareholders are kept well informed of key business development. These include annual general meeting, annual report, various notices, announcements and circulars. The annual general meeting and other general meetings of the Company are primary forum for communication between the Company and its Shareholders. The members of the Board, Board committees and the external auditors are present to answer shareholders' questions at the annual general meeting of the Company. The Company shall provide Shareholders with relevant information on the resolution(s) proposed at a general meeting in a timely manner in accordance with the Listing Rules. The information provided shall be reasonably necessary to enable Shareholders to make an informed decision on the proposed resolution(s). As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted. Shareholders and investors may write directly to the Company at its principal place of business in Hong Kong with any inquiries.

投資者關係

本公司相信，維持高透明度為加強投資者關係的關鍵。本公司致力奉行向其股東及公眾投資者公開及適時披露公司資料的政策。

本公司透過其年度及中期報告向其股東更新最新業務發展及財務表現。本公司之公司網站(www.royalchina.hk)為公眾及股東提供有效的交流平台。

與股東之溝通

本公司已採納與股東溝通之政策，旨在向股東提供有關本公司之準確、清晰、全面與及時的資料，使彼等能在知情的情況下行使彼等之權利。本公司將定期檢討股東溝通政策。

本公司採用多種溝通工具，以確保股東充分獲悉主要業務發展。該等溝通工具包括股東週年大會、年報、各項通告、公告及通函。本公司的股東週年大會及其他股東大會為本公司與其股東溝通的主要平台。董事會成員、董事委員會及外聘核數師均會出席本公司股東週年大會以回答股東提問。本公司應按照上市規則及時向股東提供在股東大會上提呈的決議案的相關資料。所提供的資料應為合理所需的資料，以便股東能夠就提呈的決議案作出知情決定。作為促進有效溝通之渠道，本集團設有網站，以刊登有關本公司之公告、財務資料以及其他資料之資料。股東及投資者可以書面方式寄往本公司之香港主要營業地點，直接向本公司作出任何查詢。

CORPORATE GOVERNANCE REPORT

企業管治報告

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under Companies Law of the Cayman Islands. However, shareholders are requested to follow Article 58 of the Articles of Association of the Company, general meetings shall be convened on the written requisition of any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails 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 Board shall be reimbursed to the requisitionist(s) by the Company.

PROCEDURES FOR SHAREHOLDERS TO PROPOSE A PERSON FOR ELECTION AS A DIRECTOR

The provisions for a shareholder to propose a person for election as a Director of the Company are laid down in Article 85 of the Company's Articles of Association. No person other than a Director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that (if the notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such notice(s) shall commence on the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

Detailed procedures for shareholders to propose a person for election as a Director are available on the Company's website.

股東召開股東特別大會的程序

開曼群島公司法並無條文批准股東於股東大會上提呈新決議案。然而，股東須遵從本公司組織章程細則第58條，即任何一位或以上於提請要求當日持有不少於本公司繳足股本（賦予權利在本公司股東大會上投票）十分之一的股東，可隨時向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的任何事項，且有關會議須於提請該要求後兩(2)個月內舉行。倘提請後二十一(21)日內董事會未有進行召開有關大會，則提請要求的人士可自行以相同方式召開大會，而本公司須向提請要求的人士補償其因董事會未有召開大會而產生的所有合理開支。

股東提名人選參選為董事的程序

有關股東提名人選參選為本公司董事的條文載列於本公司組織章程細則第85條。除非獲董事推薦參選，或由正式合資格出席大會並可於會上投票的股東（並非擬參選者）簽署通知，表明建議提名相關人士參選的意向，且獲提名人士簽署該通知表明願意參選，否則除會上退任董事外，概無任何人士有資格於任何股東大會上參選董事。上述通知須呈交總部或註冊辦事處，通知期不得少於七(7)天，倘該等通知是於寄發有關推選董事的股東大會通告後方予呈交，則呈交該等通知的期間為寄發有關推選董事的股東大會通告翌日起計至不遲於該股東大會舉行日期前七(7)日。

股東提名人選參選為董事的程序詳情於本公司網站刊載。

CORPORATE GOVERNANCE REPORT

企業管治報告

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of company secretary, by mail to 21st Floor, Wyndham Place, No.44 Wyndham Street, Central, Hong Kong.

CONSTITUTIONAL DOCUMENTS

During the year and up to the date of this annual report, the Company has not made any change to its constitutional documents. A consolidated version of the Company's constitutional documents is available on the Company's website and the website of the Stock Exchange.

INFORMATION DISCLOSURE

The Company discloses information in compliance with the Listing Rules, and publishes periodic reports and announcements to the public in accordance with the relevant laws and regulations. The primary focus of the Company is to ensure information disclosure is timely, fair, accurate, truthful and complete, thereby enabling shareholders, investors as well as the public to make rational and informed decisions.

向董事會發出查詢的程序

股東可將書面查詢郵寄至本公司（註明公司秘書為收件人），地址為香港中環雲咸街44號雲咸商業中心21樓。

組織章程文件

於本年度及本年報日期，本公司並無對其組織章程文件作出任何變動。本公司組織章程文件綜合版本可於本公司網站及聯交所網站查閱。

資料披露

本公司遵從上市規則披露資料，及根據相關法律及法規定期向公眾刊發報告及公告。本公司首要任務是確保資料披露為及時、公正、準確、真實及完整，務求使股東、投資者及公眾能作出合理知情決定。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Royal China International Holdings Limited (hereafter “the Group”) is governed by the Board which is responsible for the Group’s ESG Report policies and reporting. The Board is accountable for sustainable business development in respect of environmental and social responsibilities while balancing the financial performance. This Environment, Social and Governance Report (the “ESG Report”) summarizes the Group’s performance, plans and initiatives in the environment, social and governance and demonstrates its effort in sustainable development.

In compliance with the requirements as set out in the Environmental, Social and Governance Reporting Guide under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group reports its commitment and practices of the environmental, social and governance performance for the year from 1 January 2018 to 31 December 2018 (the “Reporting Period”). The ESG report covers our central office and design, fit out and decoration business in Hong Kong.

The Group has fully considered and balanced our stakeholders’ needs and expectations to gain their supports and trust to make decisions and by establishing comprehensive communication channels to engage them.

ENVIRONMENT

The Group realizes the importance of environmental protection and it contributes a lot to sustainable development, therefore, we have upheld the principles of sustainable development and longed for a balance between business development and sustainability. During the Reporting Period, there was no offence in environmental legislation.

EMISSIONS

The major GHG emissions are generated from indirect emission of purchased electricity and direct emissions of company vehicles. Measures of energy saving and paper reduction are described in the section “Use of Resources”. Although we purchased 220 reams of paper for our office use, we did not make a solid record regarding paper consumption. Therefore, the total GHG emission does not include the factor of paper disposal. To better understanding our performance in terms of GHG emission, we will try to keep a record of it in the future.

皇中國際控股有限公司(下稱「本集團」)由董事會管理，而董事會負責本集團的環境、社會及管治政策及報告。董事會對有關環境及社會責任的可持續業務發展負責，並謀求與財務表現之間取得平衡。本《環境、社會及管治報告》概述本集團在環境、社會及管治的表現、計劃及倡議，並展示其於可持續發展方面的努力。

遵照香港聯合交易所有限公司證券上市規則附錄二十七《環境、社會及管治報告指引》載列的規定，本集團報告其於二零一八年一月一日至二零一八年十二月三十一日止年度(「報告期間」)在環境、社會及管治表現的承諾與實踐。《環境、社會及管治報告》涵蓋在香港的中環辦公室以及設計、裝修及裝飾業務。

本集團在決策時已充份考慮及平衡持份者的需要及期望以爭取他們的支持及信任，並通過建立全面的渠道與持份者溝通。

環境

本集團明白環境保護至關重要，而環保工作對於可持續發展貢獻良多。因此，我們已堅守可持續發展的原則，期望在業務發展與可持續性之間取得平衡。於報告期間並無違反環保法例。

排放

主要溫室氣體排放產生自所購買電力的間接排放及公司車輛的直接排放。節能及減少用紙的措施於「資源使用」一節中闡述。儘管我們已購買220令紙張供辦公室使用，我們並無保留完整的用紙記錄。因此，溫室氣體排放總量並不包括紙張棄置因素。為了更好地掌握我們的溫室氣體排放表現，我們在未來將嘗試對此保留記錄。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Indicator ^{Note 1}

Total GHG emissions
Scope 1 ^{Note 2}
Scope 2 ^{Note 3}
SOx

Total emissions in 2018

60.97 CO₂e tonnes
13.16 CO₂e tonnes
47.81 CO₂e tonnes
0.071 kg

Note:

- 1 The GHG emissions data are presented in terms of carbon dioxide equivalent which refer to the latest released emission factors by HKE.
- 2 Scope 1 refers to direct GHG emissions such as fuel combustion of the mobile source.
- 3 Scope 2 refers to indirect GHG emissions such as consumption of electricity.

Use of Resources

Energy Consumption

In our design, fit out and decoration business, it inevitably consumes a considerable amount of energy. In the meantime, we understand energy consumption is one of the key contributors to climate change. In view of that, we have implemented the following energy measures to reduce energy consumption.

- Adopted energy efficient equipment and lightings at the office;
- Turned off lighting, equipment and personal computer during non-office hours;
- Switched off idling engines when not in use;
- Utilized natural lighting if applicable;
- Maintained air indoor room temperature at 25.5 Degree Celsius at the office;
- Placed energy saving reminders at pantry and office;
- Procured energy efficient appliances with Grade 1 Energy Saving Label;
- Offered plantation in office; and
- Avoided consumption of shark fin at annual dinner.

| Type of Energy | Total consumption in 2018 | Intensity (KWh/employee) |
|----------------------------------|---------------------------|--------------------------|
| Electricity | 60,521 kWh | 2,328 |
| Unleaded Petrol of passenger car | 4,859.4 Litres | NA |

指標 ^{附註1}

溫室氣體排放總量
範圍1 ^{附註2}
範圍2 ^{附註3}
硫氧化物

60.97噸二氧化碳當量
13.16噸二氧化碳當量
47.81噸二氧化碳當量
0.071千克

二零一八年排放總量

附註：

- 1 溫室氣體排放數據以二氧化碳當量噸呈列，其參考香港電燈的最新公佈排放系數。
- 2 範圍1指移動源的燃料燃燒等直接溫室氣體排放。
- 3 範圍2指購買電力等間接溫室氣體排放。

資源使用

能源消耗

我們的設計、裝修及裝飾業務難免需要用上大量能源。同時，我們明白能源消耗為氣候轉變的主要原因之一。有見及此，我們已實行下列能源措施，以減少能源消耗。

- 在辦公室採用節能設備及照明；
- 在非辦公時間關掉照明、設備及個人電腦；
- 在不使用時關掉空轉引擎；
- 使用自然採光(如適用)；
- 維持辦公室室內氣溫為攝氏25.5度；
- 在茶水間及辦公室張貼節能提示；
- 採購一級能源效益標籤的節能電器；
- 在辦公室設立種植區；及
- 在週年晚宴並無魚翅菜色。

| 能源種類 | 二零一八年消耗總量 | 密度(千瓦時/僱員) |
|---------|-----------|------------|
| 電力 | 60,521千瓦時 | 2,328 |
| 客車的無鉛汽油 | 4,859.4升 | 不適用 |

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Waste Management

Apart from energy consumption, waste management is another environmental aspect of the Group that focuses on office and in operation. We take waste management into consideration beginning at design stage from materials selection to end-user experience with an aim to reduce waste at source. We have also adopted the following waste measures to reduce waste.

- Refurnished and reused existing furniture in different projects wherever possible;
- Procured durable, less packaged and environmentally friendly products;
- Recycled and reused waste paper;
- Encouraged double-sided printing;
- Encouraged document filling in an electronic mean;
- Recycled waste paper, compact fluorescent lamps, as well as toners and cartridges; and
- Provided and encouraged employees to use reusable tableware and containers.

Waste Data

| Category of Waste | Total discharge in 2018 |
|-------------------|--------------------------|
| General Waste | Approximately 1.59 tones |

Because of our business nature, the Group does not dispose of the significant amount of hazardous waste during the operation. Only exhausted cartridges and toners is remained in our office. They are collected by a registered recycler for reuse and recycling purposes.

Water Consumption and packing materials

Water discharge is relatively less significant in the office when compared to the consumption of energy and disposal of waste. Yet, we have also placed water saving reminders at a prominent place in office to remind employees to save water. Hong Kong office is solely managed by the property management. As a result, the provision of water supply and discharge data is not available.

In the concern of packaging materials, in one hand, our fit out and decoration services always take place in site and no obvious need to use packaging in daily operation. On the other hand, we do not consume a significant amount of packaging materials for final products in operation. Yet it is inevitably to have packaging materials from our suppliers, therefore, we strive to purchase raw materials in bulk and absolutely will continue to find out possibilities to minimize packaging materials as much as we can.

廢棄物管理

除能源消耗外，廢棄物管理屬本集團在辦公室及營運上關注的另一個環境層面。我們於設計環節起已考慮廢棄物管理，由挑選用料至終端用戶的體驗，均以源頭減廢為目標。我們亦已採用下列廢棄物措施以減少廢棄物。

- 盡量翻新及重用不同項目的現有家具；
- 採購耐用、少包裝及環保產品；
- 回收及重用廢紙；
- 鼓勵雙面列印；
- 鼓勵以電子方式填寫文件；
- 回收廢紙、慳電膽、碳粉盒及墨盒；及
- 向僱員提供並鼓勵他們使用可重用的餐具和容器。

廢棄物數據

| 廢棄物種類 | 二零一八年棄置總量 |
|-------|-----------|
| 一般廢棄物 | 約1.59噸 |

由於業務性質使然，本集團於營運中並無棄置大量有害廢棄物。辦公室僅留存已用罄的墨盒及碳粉盒，並由註冊回收商收集，以回收及重用。

耗水量及包裝材料

與能源消耗及棄置廢棄物相比，排水對辦公室的影響相對較輕。然而，我們亦於辦公室當眼處張貼節約用水提示，提醒僱員節約用水。香港辦事處由物業管理部門全權管理。因此，無法提供有關供水和污水排放的數據。

包裝材料方面，首先，我們的裝修及裝飾服務經常於現場進行，於日常營運中並無使用包裝材料的明顯需要。另一方面，在營運上我們不會為最終物品消耗大量包裝物料。不過無可避免地會從供應商裡收到包裝物料，因此，我們致力批量購買原材料，並必定繼續尋找盡可能減少包裝物料的可能性。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

THE ENVIRONMENT AND NATURAL RESOURCES

Construction Waste Management

Additionally, the Group realizes that construction waste is another concern that draws us and our stakeholders' attention. Design, fit out and decoration service produces construction waste is unavoidable. This might cause much suffering to the environment if the waste is handled improperly. As a result, all construction waste generated from demolition is handled by licensed and registered suppliers and must be disposed properly and complied with laws and regulations. If non-compliance is identified, the Group will reassess the supplier's performance or even remove it from the supplier list.

Noise control

The Group tries our utmost to utilize daytime to work. However, the Group must not schedule loud and noisy works at night even if the night shift still exists in some circumstances. Moreover, we will actively communicate with sensitive stakeholders nearby such as residents regarding the working schedule to eliminate the impacts on their everyday life if applicable.

SOCIAL

Employees are our key to success. The Group has not successfully achieved today's achievements without their effort and contribution. Therefore, understanding their needs and expectations is a driving force to make us better. To facilitate communication among us, we have established transparent and open communication channels. It is not only a channel to disseminate corporate policies and visions, but also a channel to collect employees' opinions and feedbacks to strive for improvement.

EMPLOYMENT

A standard employment handbook, which would be updated from time to time, is set up with reference to the Hong Kong Employment Ordinance to regulate employment, promotion, discipline, working hours and benefits. Each position is clearly defined according to roles, responsibilities, relevant qualifications and experiences. The Group also established fair employment and recruitment procedures to hire and promote employees. All talented employees will be promoted and/or hired simply based on their experiences, work performance and business needs, regardless of race, gender, age, marital status, pregnancy, family status, sexual orientation, religion and nationality. During the Reporting Period, there was no non-compliance of laws and regulations and no discrimination case in respect of employment.

環境及天然資源

建築廢棄物管理

此外，本集團明白建築廢棄物為另一個引起我們及持份者關注的議題。設計、裝修及裝飾服務難免產生建築廢棄物。倘未能妥善處理，廢棄物可能污染環境。因此，所有清拆產生的建築廢棄物均由持牌及註冊供應商處理，必須妥善棄置並符合法律法規。倘發現任何違規行為，本集團將重新評估供應商的表現甚至將其於供應商名單上除名。

噪音控制

本集團盡量編排在日間工作。然而，倘在某些情況需要夜間工作，本集團不會編排夜間進行大聲和嘈雜的工作。此外，我們將積極與周遭敏感的持份者如居民就工作時間表進行溝通，以消除對其日常生活的影響（如適用）。

社會

僱員是我們成功的關鍵。若無僱員的竭誠服務及貢獻，本集團絕無今天的成就。因此，理解僱員的需要和期望是推動我們變得更好的原動力。為促進與僱員的溝通，我們已建立高透明度及公開的溝通渠道。有關渠道並非僅用於發放企業政策及願景，亦是收集僱員意見及反饋，以臻完善的渠道。

僱傭

本集團參照香港僱傭條例制訂標準僱員手冊，以規管僱傭、晉升、紀律、工時及福利，並將不時更新手冊內容。各職位根據角色、責任、相關資格及經驗明確界定。本集團亦已制訂公平的僱傭及招聘程序，以聘請和提拔僱員。所有能幹僱員將僅根據其經驗、工作表現及業務需要而獲晉升及／或聘請，當中並不考慮種族、性別、年齡、婚姻狀況、懷孕、家庭狀況、性取向、宗教和國籍。報告期間內並無不遵守相關僱傭法律法規，亦並無僱傭方面的歧視個案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

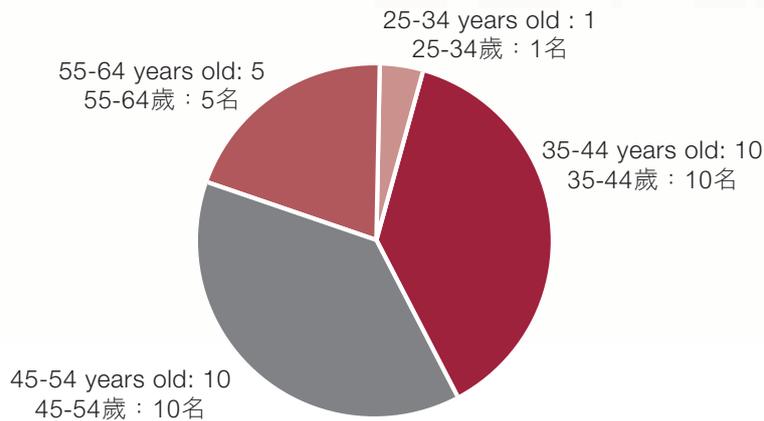
Total workforce

The Group employs 26 staff members, of which 14 employees are female and 12 employees are male.

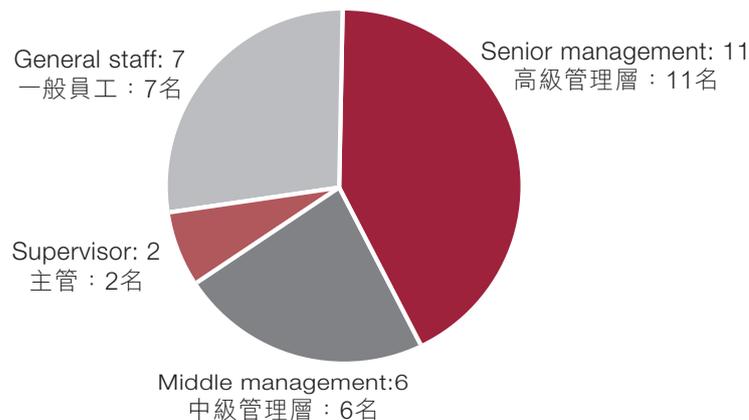
僱員總數

本集團僱用26名員工，其中14名為女性，12名為男性。

Total workforce by age
按年齡劃分的僱員總數



Total workforce by employment category
按僱傭類型劃分的僱員總數



In addition to the above employment benefits, the Group will also benchmark employees' salary against industry norms and standards to retain talented employees. Employees are not only entitled to enjoy statutory holidays and various types of paid leave such as annual leave, sick leave, maternity leave, paternity leave, compensation leave, compassionate leave and injury leave, but also, they are covered by medical insurance, in which employees are available to enjoy dental and clinical benefits. Meanwhile, we realize that the remuneration package for employees may not be fruitful enough, so additional benefits are offered to enhance employees' sense of belonging. For example, gifts giving in the festivals, early leave on special days, parties, an annual corporate trip and/or team building activities.

除上述僱傭福利外，本集團亦以市場常規及標準作為釐定僱員薪金之基準，以挽留能幹僱員。僱員不單享有法定假期及多種有薪假期，例如年假、病假、產假、侍产假、補假、恩恤假及工傷假，亦獲得醫療保險保障，僱員可享有牙科及門診服務福利。同時，我們明白僅著眼於僱員的薪酬待遇未必足夠，因此提供額外福利以增強僱員的歸屬感，例如佳節送禮、於特別日子可提早下班、舉辦派對、籌辦年度公司旅行及／或建立團隊精神的活動。

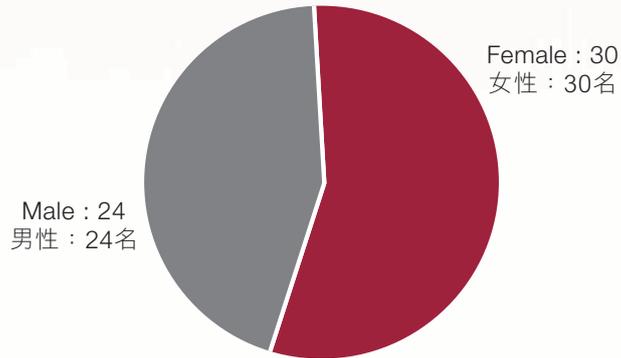
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

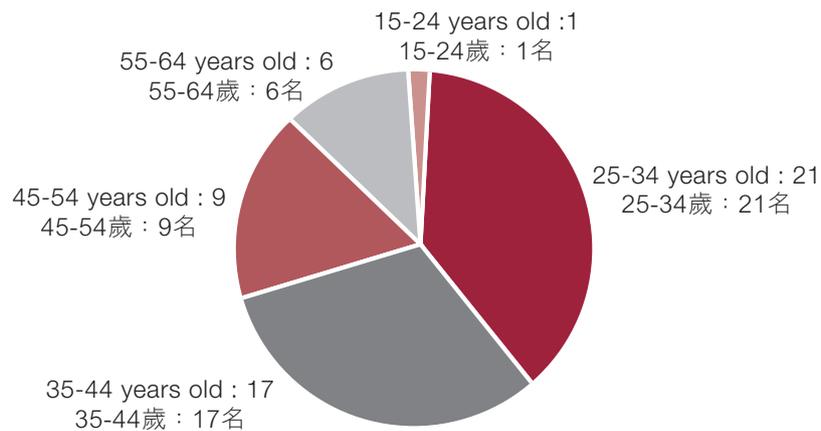
Turnover

流失率

Turnover by gender
按性別劃分的僱員流失率



Turnover by age
按年齡劃分的僱員流失率



In spite of improving employment conditions, we are with the deepest regret to confess that a total of 54 employees resigned from employment during the Reporting Period. The notorious reasons behind mainly due to the alteration of the shareholder. An economic downturn caused suffering to our business since the second quarter of the year as our majority of employees are hired on a project basis.

儘管僱傭情況不斷改善，惜報告期間內有合共54名僱員離職，此顯然是股東變更所引起。由於大多數僱員乃按項目基準聘用，經濟衰退導致業務自年內第二季度起受挫。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

OCCUPATIONAL HEALTH AND SAFETY

Health and safety of employees are in the top priority of the Group by providing and maintaining a safe working environment. We do not only offer suitable and adequate personal protective equipment (PPE) to the employees to reduce the exposure of dust and noise, but we also stipulate and review working procedures and workflow in a timely manner to avoid any danger. Furthermore, all employees are required to attend the safety training course and carry a valid Construction Industry Safety Training Certificate (Green Card) before on-board. Other than that, only registered skilled or semi-skilled workers of designated trade divisions are allowed to conduct construction works independently on construction sites. Workers and visitors whose entering the construction sites must register beforehand for safety and emergency purposes. For those who refuse to follow the guidelines will be kept away from the site.

Besides, the Group remains highly attentive to the safety on construction sites and office so various measures have been adopted.

- First-aid kits are provided on sites;
- An annual body check is available for all employees;
- Carpet cleaning services are scheduled quarterly;
- A regular fire drill is scheduled;
- The evacuation plan is put up at prominent locations; and
- Accidental insurances are purchased for all workers for extra protection.

There was no work-related serious injuries or fatalities happened in the Group and no claims or compensation were paid due to such events in the Reporting Period. In case of injuries, we absolutely offer immediate support to the injured and will undergo investigations to examine the root cause of the events. Corrective actions will be taken to prevent the same thing from happening in the future.

TRAINING AND DEVELOPMENT

An appraisal is adopted annually with an aim of providing a two-way communication to employees to review performance and discuss their needs and expectations with their supervisors. Moreover, this appraisal system can identify talented employees and offer them a promising promotion ladder.

職業健康與安全

本集團將僱員的健康和安全放在首位，提供及維持安全工作環境。我們不僅為僱員提供合適及充足的個人保護裝備，以減少接觸塵埃及噪音，亦適時地規定及檢討工作流程及程序，免生危險。再者，全體僱員均須參加安全培訓課程並於上任前持有建造業安全訓練證明書（平安咭）。此外，僅指定工種分項的註冊熟練或半熟練技工獲准在項目現場單獨進行建造工程。進入項目現場的技工及訪客必須事先登記，以策安全及作應急之用。拒絕遵守指引者一律不得進入項目現場。

此外，本集團密切關注項目現場及辦公室安全，並已就此採納多項措施。

- 在項目現場提供急救箱；
- 為所有僱員提供年度身體檢查；
- 每季安排地氈清潔服務；
- 定期安排火警演習；
- 在當眼處張貼逃生路線；及
- 為所有技工購買意外保險作額外保障。

報告期間內本集團並無發生與工作相關的重傷或死亡情況，亦無因該等情況而支付索償或賠償。如有受傷事故，我們必定立即向傷者提供支援，並調查意外成因。我們將實行糾正措施，以免同類事件再次發生。

發展與培訓

我們每年進行僱員評核，藉此與僱員交流，以檢討僱員的表現及讓僱員與上級討論本身的需要和期望。此外，此評核系統可識別能幹僱員，並提供可讓他們大展拳腳的晉升階梯。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group also actively encourage our employees to attend technical training and/or examinations to acquire professional qualifications and recognitions for the new change and challenge. Subsidies will be provided. Besides, the human resources department and business units formulated a training plan for existing employees to develop professional skills. In addition to technical training and examinations, the Group also organized soft skills training to enable the top management to assist employees to be well-equipped for the change and achieve their full potential. In the Reporting Period, a total of 30 training hours were provided for employees.

LABOUR PRACTICES

The Group strongly believes the importance of work-life balance as it links to productivity and accidents. We neither encourage nor force employees to work overtime. In the matter of the massive amount of overtime work needed, the production schedule and workflow will be closely monitored and adjusted accordingly. In addition, child labour is forbidden in the Group. We must check the personal document of every single employee to make sure they are legal to be employed during the recruitment process. Any issues related to staff benefits and labour practices are freely discussed among employees and us through emails, meetings, and hotlines.

OPERATING PRACTICES

Supply Chain Management

With the efforts of our suppliers and contractors, we have successfully developed a high degree of valuable design, fit out and decoration business to our customers over the past years. In the selection process, the financial performance of suppliers is not the only factor for consideration, but we take an equal amount of concerns on suppliers' service quality and on-time delivery. We would also state specifically on tender documents to encourage suppliers and contractors to adopt environmentally friendly products such as sustainably sourced timber with eco-labels like Forest Stewardship Council (FSC), and paints, coating materials, adhesives and sealants with low Volatile Organic Compound (VOC) content. A yearly evaluation is carried out to the suppliers who are unable to meet the requirements and criteria will be disqualified and removed from the supplier list. We also work closely with suppliers and contractors regarding environmental, health and safety issues on site.

本集團亦積極鼓勵僱員為應對新的變化和挑戰參與技術培訓及／或考試，以獲得專業資格及認可，並為他們提供資助。此外，人力資源部及各業務單位制定培訓計劃，以便現有僱員發展專業技能。除技術培訓及考試外，本集團亦籌辦軟技能培訓，讓高級領導層可協助僱員為變革做好周全準備及充份發揮自身潛力。於報告期間，合共為僱員提供30小時的培訓。

勞工常規

本集團堅信工作與生活平衡的重要，因為其與生產力及意外息息相關。我們不鼓勵亦不強迫僱員超時工作。如遇需要大幅超時工作的情況，我們會密切監察生產進度和調整工作流程。此外，本集團嚴禁聘用童工。我們會於招聘程序中檢查所有僱員的個人文件，以確保其可依法僱用。僱員及我們之間可透過電郵、會議及熱線電話暢論任何有關員工福利及勞工常規的事宜。

營運慣例

供應鏈管理

全賴供應商和承包商的鼎力支持，我們多年來成功為客戶發展一流的設計、裝修及裝飾業務。於挑選程序中，我們不僅考慮供應商的財務表現，亦同樣看重供應商的服務質素及按時交付表現。我們亦於投標文件中特別注明，以鼓勵供應商及承包商採用環保產品，例如獲得環保標籤且具可持續認證的木材，如森林管理委員會(FSC)認證的木材，以及含低揮發性有機化合物(VOC)的油漆、塗料、黏合劑及密封膠。集團每年進行供應商評估，未能符合要求及標準的供應商將被取消資格並從供應商名單中除名。我們亦就項目現場的環境、健康和 safety 事宜與供應商及承包商緊密合作。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Product Responsibility

Our aim is to provide high quality and value-added interior design business, mostly to the well-established property developers based in Hong Kong. We must ensure all matters relating to our customers are properly addressed as well as enquires and even complaints since our business is profiting by clients' feedbacks and inspired by their expectations. First and foremost, all our design, fit out and decorations services meet governmental policies and regulations. Second, we work tightly and closely with contractors, suppliers and relevant parties to decrease the possibility of happening unexpected situation. With our great care to product responsibility, we did receive enquiries from time to time related to the products and services, yet no product sold or shipped were recalled because of safety and health reasons in the reporting period. Hence, every enquiry will be addressed promptly and recorded in detail in accordance with the prescribed procedures. An investigation will be taken and come up with suggestions if any.

Meanwhile, the Group respects the privacy of personal data as well as intellectual property rights. Project information includes clients' information, drawings, and photos are kept highly confidential at all times to prevent harm to clients, suppliers, individuals or other parties that have trusted us with their information. Under no circumstances, the Group discloses personal data and confidential information to the third parties or the public without clients' consent. Besides, we refuse to use any outdated and unauthorized software to avoid data leakage and enhance cybersecurity.

Anti-Corruption

Integrity is the foundation of our business operation. Any form of bribery, extortion, fraud and money laundering can ruin the brand image. The Code of Conduct has developed, and all employees must fully comply with it at all the times. An internal control system is also set up to monitor and review the operation and assure the operation is in line with the Code of Conduct, regulations and compliances.

產品責任

我們致力提供優質及增值室內設計業務，並以香港知名地產發展商為主要客戶。由於旗下業務受惠於客戶的反饋意見，並自客戶期望得到啟發，我們必須確保有關客戶的所有事宜、查詢甚至投訴均獲妥善處理。首先，旗下所有設計、裝修及裝飾服務均符合政府政策及條例。第二，我們與承包商、供應商及有關各方合作無間，盡量避免出現意料以外的情況。全賴我們極為注重產品責任，儘管我們間或收到有關產品及服務的查詢，但於報告期間並無已發售或已運送產品因安全與健康理由而須回收。因此，所有查詢均會及時處理，並根據既定程序詳細記錄。集團將於需要時調查並提出建議（如有）。

同時，本集團尊重個人資料的私隱及知識產權。客戶資料、圖則及相片等項目資料無論何時一概屬高度機密，以免對於將資料放心交託我們的客戶、供應商、個別人士或其他各方造成損害。若未經客戶同意，無論任何情況，本集團絕不向第三方披露或公開個人資料及機密資料。此外，我們不會使用任何過時及未經授權的軟件，以免資料外洩及藉此加強網絡安全。

反貪污

本集團經營業務時以誠信為本。任何形式的賄賂、勒索、欺詐及洗黑錢均可令品牌形象毀於一旦。我們已制定操守守則，規定全體僱員須時刻遵守。我們亦已建立內部監控系統以監察及審視運作流程及確保運作符合操守守則、法例及合規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Due to the revenue of the projects are substantial, the Group has set up tender policies to regulate the selection process of contractors and suppliers to avoid insider dealing between employees and tenderers. The same set of tendering documents is sent to all contractors and suppliers during the procurement process. A copy of the tender policy is disseminated verbally to the contractors and suppliers to ensure them their understanding of the Group's policies. Project Manager is accountable for the selection process and the Director is responsible for final approval. Independent non-executive directors engage to monitor the overall tendering process of the Group. Employees can remain anonymous to report any suspicious cases to the Group. The Group will not condone any unlawful acts and corruption.

Community Involvement

The Group believes helping the needy is a way to build up a harmonious community and it is our social responsibility to support the underprivileged. As a result, we are eager to provide financial support to the Community Chest and World Wide Fund for Nature. The Group is going to devote our more resources to the community in the future.

基於項目收入金額甚高，為免僱員與投標者之間出現內幕交易，本集團已制定招標政策以規管承包商及供應商的遴選程序。於採購程序中向各承包商及供應商發出的投標文件均為相同無異。招標政策的副本將會口頭通知承包商及供應商，以確保其理解本集團的政策。遴選程序由項目經理負責，而董事則負責最後批准。獨立非執行董事負責監察本集團的整體投標程序。僱員可向本集團匿名舉報任何可疑個案。本集團絕不縱容任何違法行為及貪污行徑。

惠澤社群

本集團相信幫助有需要人士是共建和諧社會之途，而支援弱勢社群屬我們的社會責任。因此，我們向香港公益金及世界自然基金會踴躍捐輸。本集團未來將為社區投放更多資源。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

**TO THE SHAREHOLDERS OF
ROYAL CHINA INTERNATIONAL HOLDINGS LIMITED**
(Incorporated in Cayman Islands with limited liability)

**致皇中國國際控股有限公司
列位股東**
(於開曼群島註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Royal China International Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 66 to 182, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors' 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.

意見

吾等已完成審核載於第66頁至第182頁的皇中國國際控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)之綜合財務報表，包括於二零一八年十二月三十一日的綜合財務狀況表、截至該日止年度的綜合損益和其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

意見的基準

吾等已根據香港會計師公會頒佈的香港審核準則(「香港審核準則」)進行審核。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔之責任」一節中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，吾等獨立於貴集團，並已履行守則中的其他專業道德責任。吾等相信，吾等所獲得的審核憑證能充足及適當地為吾等的審核意見提供基準。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Key audit matters 關鍵審核事項

Revenue recognition

Refer to the accounting policies in note 2 to the consolidated financial statements.

We identified recognition of revenue from the provision of design, fitting-out and decoration service as a key audit matter due to significant judgments involved in the management's assessment process.

The revenue of design, fitting-out and decoration service contracts amounting to approximately HK\$150,832,000 were recorded in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018.

Revenue from design, fitting-out and decoration service contracts which are fixed price contract work, is recognised progressively over time using the input method in accordance with HKFRS 15 *Revenue from Contract with Customers*. It is based on Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The revenue and profit recognised in a year on these projects is dependent, amongst others, on the assessment of the Group's efforts or inputs to the projects (ie. contract cost incurred for work performed) relative to the total expected inputs to the projects (ie. estimated total budgeted contract cost committed for the projects).

吾等已將提供設計、裝修及裝飾服務之收益的確認識別為關鍵審核事項，原因為管理層之評估過程中涉及重大判斷。

截至二零一八年十二月三十一日止年度之綜合損益和其他全面收益表內錄得設計、裝修及裝飾服務合約之收益約150,832,000港元。誠如綜合財務報表附註18所披露。

設計、裝修及裝飾服務合約（為固定造價合約工程）之收益乃使用投入方法而隨時間經過逐漸地確認。根據香港財務報告準則第15號客戶合約收益，此乃基於貴集團的努力或履行合約責任相對於合約責任的總預期投入的投入來確認收益。此等項目在一年內確認的收益及溢利主要取決於（其中包括）對貴集團為項目所作的努力或投入的評估（即已履行工作所錄得的合約成本）相對於項目的總預期投入（即估計為項目承擔的估計總預算合約成本）。

關鍵審核事項

關鍵審核事項是根據吾等的專業判斷，認為對本年度綜合財務報表的審核最為重要的事項。這些事項是在吾等審核整體綜合財務報表及出具吾等之意見時進行處理的。吾等不會對這些事項提供單獨的意見。

How our audit addressed the key audit matters 吾等的審核如何處理關鍵審核事項

收益確認

請參閱綜合財務報表附註2所載之會計政策。

Our procedures in relation to the recognition of revenue of design, fitting-out and decoration service contract and contract assets and contract liabilities included:

- obtained an understanding of the projects, evaluated the design and implementation of relevant controls and tested the operating effectiveness of the controls relating to revenue recognition and partially completed projects;
- assessed the Group's revenue recognition practice to determine that they are in compliance with HKFRS 15 *Revenue from Contracts with Customers*, including the assessment of the Group's efforts or inputs to the projects (i.e. contract cost incurred for work performed) relative to the total expected inputs to the projects (i.e. estimated total budgeted contract cost committed for the projects);
- agreeing projects contract sum to signed contracts and variation orders on sample basis;

吾等有關確認設計、裝修及裝飾服務合約收益以及合約資產及合約負債的程序包括：

- 了解項目、評估相關控制的設計和實施，並測試與收益確認和部分完成項目相關的控制的運行成效；
- 評估貴集團的收益確認慣例，以釐定其符合香港財務報告準則第15號客戶合約收益，包括對貴集團為項目所作的努力或投入的評估（即已履行工作所錄得的合約成本）相對於項目的總預期投入（即估計為項目承擔的估計總預算合約成本）；
- 抽樣檢視項目合約金額與已簽訂的合約和變更訂單是否一致；

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matters 關鍵審核事項

Variations in contract work are recognised as contract revenue to the extent that the modification has been approved by the parties to the contracts and it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

The uncertainty and subjectivity involved in determining the cost to complete and foreseeable losses may have a significant impact on the revenue and profit of the Group.

倘合約訂約方已批准修訂，則合約工程變動確認為合約收益，而經確認累計收益金額的重大撥回極可能不會發生。

釐定完成成本和可預見虧損所涉及的不確定性和主觀性可能對 貴集團的收益及溢利產生顯著影響。

關鍵審核事項(續)

How our audit addressed the key audit matters 吾等的審核如何處理關鍵審核事項

- obtaining contracts from management and reviewed for any specific or special performance obligations and conditions during the financial period;
- vouching the actual cost incurred during the year to details of supplier invoices and subcontractors on sample basis to check the validity and accuracy of the costs;
- performing cut-off testing to verify contract costs were taken up in the appropriate financial year;
- performing retrospective review by comparing the total actual contract costs incurred at completion against the total budgeted contract costs to assess the reasonableness of the estimates used by the management;
- for projects in progress, we further recomputed the percentage of the progress of the contract based on input method to test the accuracy of the percentage of the progress to determine the revenue; and
- comparing total contract revenue to actual cost incurred plus estimated cost to complete, and assessed for foreseeable losses.

We consider the management conclusion to be consistent with the available information.

- 從管理層取得合約及審視財務期間內的任何特定或特殊履約責任及條件；
- 以抽樣方式，根據供應商和分包商發票的詳情檢視年度內錄得的實際成本是否獲證明，以檢查成本的有效性和準確性；
- 在適當的財政年度進行截止測試以核實合約成本；
- 通過比較完成時錄得的總實際合約成本與總預算合約成本進行追溯審查，以評估管理層使用的估計是否合理；
- 對於進行中項目，吾等進一步根據投入法重新計算合約進度的百分比，以測試釐定收益的進度百分比的準確性；及
- 將總合約收益與實際錄得的成本加上估計的完成成本進行比較，並對可預見的虧損進行評估。

吾等認為管理層的結論與可得資料一致。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Key audit matters 關鍵審核事項

Impairment assessment of trade receivables

Refer to note 16 to the consolidated financial statements

As at 31 December 2018, the Group had gross trade receivables of approximately HK\$14,982,000 (2017: HK\$28,602,000) and allowance for expected credit losses of approximately HK\$202,000 (2017: nil).

In general, the credit term granted by the Group to the customers is, in general, 7 to 45 days. Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of allowance for expected credit losses based on information including credit profile of different customers, ageing of the trade receivables, expected future receipts from customers based on past payment trend, subsequent settlement status and on-going trading relationships with the relevant customers. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

We focused on this area due to the impairment assessment of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.

於二零一八年十二月三十一日，貴集團有貿易應收款項總額約14,982,000港元（二零一七年：28,602,000港元）及預期信貸虧損撥備約202,000港元（二零一七年：無）。

總體而言，貴集團向客戶授出的信貸期一般為7至45天。管理層根據不同客戶的信用狀況、貿易應收款項的賬齡、基於過往付款趨勢而預期未來向客戶收款的情況、後續結算狀況、及與相關客戶的持續交易關係等資料對貿易應收款項的可收回性及預期信貸虧損撥備的充足性進行定期評估。管理層亦考慮可能影響客戶償還未償還結餘能力的前瞻資料，以估計減值評估的預期信貸虧損。

吾等關注此範疇乃由於根據預期信貸虧損模式對貿易應收款項的減值評估涉及使用重大管理層判斷及估計。

關鍵審核事項（續）

How our audit addressed the key audit matters 吾等的審核如何處理關鍵審核事項

貿易應收款項的減值評估

請參閱綜合財務報表附註16

Our procedures in relation to management's impairment assessment on trade receivables included:

- Discussing the Group's procedures on credit limits and credit periods given to customers with the management;
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2018 to the underlying financial records and post year-end settlements to bank receipts;
- Evaluating the management's impairment assessment of trade receivables; and
- Assessing the appropriateness of the expected credit losses provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.

We consider the management conclusion to be consistent with the available information.

吾等有關管理層貿易應收款項減值評估之程序包括：

- 與管理層討論 貴集團授予客戶信貸限額及信貸期之程序；
- 抽樣檢查於二零一八年十二月三十一日有關財務記錄內的貿易應收款項的賬齡情況及年結日後的銀行賬戶結算收據；
- 評價管理層對貿易應收款項之減值評估；及
- 評估預期信貸虧損撥備方法是否合適，以抽樣方式檢查關鍵數據輸入，以評估其準確性和完整性，並質疑用於釐定預期信貸虧損的假設，包括過往和前瞻資料。

吾等認為管理層的結論與可得資料一致。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

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 auditors' report thereon ("the Other Information").

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他資料

董事需對其他資料負責。其他資料包括刊載於年報內的資料（「其他資料」），但不包括綜合財務報表及吾等的核數師報告所載資料。

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

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

董事及審核委員會就綜合財務報表須承擔之責任

董事須負責根據香港會計師公會頒佈的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中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督貴集團之財務報告過程。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' 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 auditors' report that includes our opinion. We report our opinion 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 HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審核綜合財務報表承擔 之責任

吾等的目標，是對綜合財務報表整體是否存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包含吾等意見之核數師報告。吾等僅向閣下（作為整體）報告吾等之意見，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負責或承擔任何責任。合理鑒證屬高水平的保證，但不能保證按照香港審核準則進行的審核，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘若合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定時，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當之審核憑證，作為吾等意見之基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部控制以設計適當之審核程序，但目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策的恰當性以及作出會計估計和相關披露之合理性。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

核數師就審核綜合財務報表承擔 之責任(續)

- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審核憑證，確定是否存在與事項或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中之相關披露。假若有關之披露不足，則吾等應當發表非無保留之意見。吾等之結論是基於核數師報告日止所取得之審核憑證。然而，未來事項或情況可能導致貴公司不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平呈列相關交易及事項。
- 就貴集團內實體或業務活動之財務資料獲取充足、適當之審核憑證，以便對綜合財務報表發表意見。吾等負責貴集團審核的方向、監督及執行。吾等為吾等之審核意見承擔全部責任。

吾等與審核委員會溝通有關(其中包括)計劃的審核範圍及時間安排、重大審核發現等，包括吾等於審核期間識別出內部控制之任何重大缺陷。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響吾等獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

HLB Hodgson Impey Cheng Limited
Certified Public Accountants

Ng Ka Wah
Practicing Certificate Number: P06417

Hong Kong, 26 March 2019

核數師就審核綜合財務報表承擔 之責任(續)

從與審核委員會溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，如果合理預期在吾等報告中溝通某事項造成之負面後果超過產生之公眾利益，吾等決定不應在報告中溝通該事項。

出具本獨立核數師報告之審核項目董事是吳家華。

國衛會計師事務所有限公司
香港執業會計師

吳家華
執業證書編號：P06417

香港，二零一九年三月二十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益和其他全面收益表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

| | | Notes 附註 | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|---|-------------------------------|-------------|---|--|
| Revenue | 收益 | 6 | 187,314 | 157,397 |
| Cost of sales | 銷售成本 | | (142,636) | (106,258) |
| Gross profit | 毛利 | | 44,678 | 51,139 |
| Other revenue and other gains | 其他收益及其他盈利 | 7 | 1,393 | 1,523 |
| Other operating expenses | 其他經營開支 | | (1,167) | (1,954) |
| Administrative expenses | 行政開支 | | (59,052) | (56,998) |
| Loss before taxation | 除稅前虧損 | 8 | (14,148) | (6,290) |
| Taxation | 稅項 | 9 | (2,478) | (2,982) |
| Loss for the year/period | 年/期內虧損 | | (16,626) | (9,272) |
| Other comprehensive (loss)/income for the year/period, net of income tax: | 年/期內其他全面(虧損)/收益，扣除所得稅： | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | <i>可能於其後重新分類至損益之項目：</i> | | | |
| Exchange differences on translating of financial statements of foreign operations | 換算外國業務財務報表之匯兌差額 | | (6) | 1 |
| Other comprehensive (loss)/income for the year/period | 年/期內其他全面(虧損)/收益 | | (6) | 1 |
| Total comprehensive loss for the year/period | 年/期內全面虧損總額 | | (16,632) | (9,271) |
| (Loss)/profit for the year/period attributable to: | 年/期內(虧損)/收益應佔份額： | | | |
| Owners of the Company | 本公司擁有人 | | (17,373) | (10,193) |
| Non-controlling interests | 非控股權益 | | 747 | 921 |
| | | | (16,626) | (9,272) |

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益和其他全面收益表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|---|-----------------------------|---|--|
| | Notes 附註 | | |
| Total comprehensive (loss)/income for the year/period attributable to: | 年/期內全面(虧損)/收益總額應佔份額: | | |
| Owners of the Company | 本公司擁有人 | (17,379) | (10,192) |
| Non-controlling interests | 非控股權益 | 747 | 921 |
| | | (16,632) | (9,271) |
| Loss per share: | 每股虧損: | | |
| Basic and diluted (HK cents) | 基本及攤薄(港仙) | (3.47) | (2.04) |

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註構成該等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 2018
於二零一八年十二月三十一日

| | | Notes 附註 | As at 31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元 | As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 |
|--|-----------------|-------------|--|--|
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 14 | 3,688 | 5,895 |
| Trading licence | 交易牌照 | 15 | 10,000 | 10,000 |
| | | | 13,688 | 15,895 |
| Current assets | 流動資產 | | | |
| Trade receivables | 貿易應收款項 | 16 | 14,780 | 28,602 |
| Amounts due from customers for contract work | 應收客戶合約工程款項 | 17 | – | 5,007 |
| Contract assets | 合約資產 | 18 | 3,964 | – |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 19 | 21,613 | 16,344 |
| Income tax recoverable | 可收回所得稅 | | 177 | 1,215 |
| Cash and bank balances | 現金及銀行結餘 | 20 | 105,783 | 134,524 |
| | | | 146,317 | 185,692 |
| Current liabilities | 流動負債 | | | |
| Trade payables | 貿易應付款項 | 21 | 16,021 | 22,774 |
| Amounts due to customers for contract work | 應付客戶合約工程款項 | 17 | – | 374 |
| Contract liabilities | 合約負債 | 18 | 873 | – |
| Accrued expenses and other payables | 應計開支及其他應付款項 | 22 | 12,401 | 26,197 |
| | | | 29,295 | 49,345 |
| Net current assets | 流動資產淨值 | | 117,022 | 136,347 |
| Total assets less current liabilities | 總資產減流動負債 | | 130,710 | 152,242 |
| Net assets | 資產淨值 | | 130,710 | 152,242 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 23 | 5,000 | 5,000 |
| Reserves | 儲備 | | 125,710 | 142,151 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | 130,710 | 147,151 |
| Non-controlling interests | 非控股權益 | | – | 5,091 |
| Total equity | 總權益 | | 130,710 | 152,242 |

Approved and authorised for issue by the board of directors on 26 March 2019.

於二零一九年三月二十六日獲董事會批准及授權刊發。

On behalf of the board

代表董事會

LEONG Hing Loong Rudoff
梁興隆
Director
董事

CHEW Christina Mooi Chong
周梅莊
Director
董事

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註構成該等綜合財務報表之組成部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | Non- | Total |
|--|-----------------------------|--|---|--|---|---|------------------------------------|--|-----------------------|
| | | Share capital 股本 HK\$'000 千港元 (Note 23) (附註23) | Share premium 溢價 HK\$'000 千港元 | Exchange reserve 匯兌儲備 HK\$'000 千港元 | Other reserve 其他儲備 HK\$'000 千港元 (Note) (附註) | Retained earnings 保留盈利 HK\$'000 千港元 | Sub-total 小計 HK\$'000 千港元 | controlling interests 非控股權益 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| As at 1 October 2016 | 於二零一六年十月一日 | 5,000 | 109,834 | - | 2,770 | 39,009 | 156,613 | - | 156,613 |
| (Loss)/profit for the period | 期內(虧損)/溢利 | - | - | - | - | (10,193) | (10,193) | 921 | (9,272) |
| Other comprehensive income for the period, net of income tax: | 期內其他全面收益， 扣除所得稅： | | | | | | | | |
| Exchange differences on translation of financial statements of foreign operation | 換算外國業務財務報表 之匯兌差額 | - | - | 1 | - | - | 1 | - | 1 |
| Total comprehensive profit/(loss) for the period | 期內全面收益/(虧損)總額 | - | - | 1 | - | (10,193) | (10,192) | 921 | (9,271) |
| Change in ownership interests in non-controlling interests | 非控股權益之擁有權權益變動 | - | - | - | 730 | - | 730 | 4,170 | 4,900 |
| As at 31 December 2017 and and 1 January 2018 | 於二零一七年十二月三十一日及 二零一八年一月一日 | 5,000 | 109,834 | 1 | 3,500 | 28,816 | 147,151 | 5,091 | 152,242 |
| (Loss)/profit for the year | 期內(虧損)/溢利 | - | - | - | - | (17,373) | (17,373) | 747 | (16,626) |
| Other comprehensive loss for the year, net of income tax: | 期內其他全面虧損， 扣除所得稅： | | | | | | | | |
| Exchange differences on translation of financial statements of foreign operation | 換算外國業務財務報表之 匯兌差額 | - | - | (6) | - | - | (6) | - | (6) |
| Total comprehensive (loss)/profit for the year | 期內全面(虧損)/收益總額 | - | - | (6) | - | (17,373) | (17,379) | 747 | (16,632) |
| Disposal of subsidiaries | 出售附屬公司 | - | - | - | (1,442) | 1,442 | - | - | - |
| Change in ownership interests in non-controlling interests (Note 26) | 非控股權益之擁有權權益變動 (附註26) | - | - | - | 938 | - | 938 | (5,838) | (4,900) |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 5,000 | 109,834 | (5) | 2,996 | 12,885 | 130,710 | - | 130,710 |

Note:

Other reserve

Other reserve represented (i) the difference between the Group's share of nominal values of the paid-up capital of the subsidiaries acquired over the Group's cost of acquisition of the subsidiaries under common control upon the completion of the Group's corporate re-organisation in the preparation of the Company's listing on the Main Board of The Stock Exchange of Hong Kong Limited; and (ii) the changes in the Group's ownership interests in its subsidiaries that do not result in the loss of control.

附註：

其他儲備

其他儲備指(i)本集團分佔所收購附屬公司繳足股本的面值超出本集團於為籌備本公司在香港聯合交易所有限公司主板上市而進行之本集團企業重組完成時收購共同控制下附屬公司的成本的差額；及(ii)本集團於其附屬公司的所有權權益變動而並不導致喪失控制權。

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註構成該等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 2018
截至二零一八年十二月三十一日止年度

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|--|------------------------|---|--|
| Cash flows from operating activities | 經營活動產生之現金流量 | | |
| Loss before taxation | 除稅前虧損 | (14,148) | (6,290) |
| Adjustments for: | 就以下項目作出調整： | | |
| Allowance for expected credit losses | 預期信貸虧損撥備 | 217 | - |
| Impairment loss recognised on trade receivables | 貿易應收款項之已確認減值虧損 | - | 1,091 |
| Bank interest income | 銀行利息收入 | (271) | (623) |
| Depreciation of property, plant and equipment | 物業、廠房及設備折舊 | 2,937 | 2,619 |
| (Gain)/loss on disposal of property, plant and equipment | 出售物業、廠房及設備之(收益)/虧損 | (150) | 168 |
| Operating cash flows before movements in working capital | 營運資金變動前之經營現金流量 | (11,415) | (3,035) |
| Decrease/(increase) in trade receivables | 貿易應收款項減少/(增加) | 13,620 | (19,417) |
| Increase in deposits, prepayments and other receivables | 按金、預付款項及其他應收款項增加 | (5,284) | (12,579) |
| Decrease/(increase) in contract assets/amounts due from customers for contract work | 合約資產/應收客戶合約工程款項減少/(增加) | 1,043 | (4,088) |
| (Decrease)/increase in trade payables | 貿易應付款項(減少)/增加 | (6,753) | 16,145 |
| Increase/(decrease) in contract liabilities/amounts due to customers for contract work | 合約負債/應付客戶合約工程款項增加/(減少) | 499 | (352) |
| (Decrease)/increase in accrued expenses and other payables | 應計開支及其他應付款項(減少)/增加 | (13,796) | 24,749 |
| Cash (used in)/generated from operations | 經營(所用)/產生之現金 | (22,086) | 1,423 |
| Hong Kong tax paid | 已付香港稅項 | (1,710) | (11,854) |
| Net cash used in operating activities | 經營活動所用之現金淨額 | (23,796) | (10,431) |

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

| | | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|--|---------------------------|----|---|--|
| Cash flows from investing activities | 投資活動產生的現金流量 | | | |
| Purchases of items of property, plant and equipment | 購置物業、廠房及設備項目 | 14 | (730) | (4,943) |
| Bank interest received | 已收銀行利息 | | 271 | 623 |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備之所得款項 | | 150 | 139 |
| Purchase of trading licence | 購買交易牌照 | | - | (10,000) |
| Net cash inflow from disposal of subsidiaries | 出售附屬公司之現金流入淨額 | 25 | 270 | - |
| Acquisition of additional interest in a subsidiary | 收購附屬公司之額外權益 | 26 | (4,900) | - |
| Net cash used in investing activities | 投資活動所用的現金淨額 | | (4,939) | (14,181) |
| Cash flows from financing activities | 融資活動產生的現金流量 | | | |
| Capital contribution from non-controlling interest | 非控股權益出資 | | - | 4,900 |
| Net cash generated from financing activities | 融資活動產生之現金淨額 | | - | 4,900 |
| Net decrease in cash and cash equivalents | 現金及現金等價物減少淨額 | | (28,735) | (19,712) |
| Effect of foreign exchange rate | 外幣匯率變動之影響 | | (6) | 1 |
| Cash and cash equivalents at the beginning of the year/period | 年/期初之現金及現金等價物 | | 134,524 | 154,235 |
| Cash and cash equivalents at the end of the year/period | 年/期末之現金及現金等價物 | | 105,783 | 134,524 |
| Cash and cash equivalents as stated in the consolidated statement of financial position | 綜合財務狀況表所列之現金及現金等價物 | | 105,783 | 134,524 |

The accompanying notes form an integral part of these consolidated financial statements.

隨附附註構成該等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

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

1. GENERAL INFORMATION

Royal China International Holdings Limited (the “Company”) was incorporated in Cayman Islands on 19 January 2015 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 21/F, Wyndham Place, No. 44 Wyndham Street, Central, Hong Kong.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 8 September 2015.

The Company has changed its financial year end date from 30 September to 31 December because the Group would like to align the Company’s financial year end date with that of certain subsidiaries of the Company. As a result of this, the final results covered a period of fifteen months ended 31 December 2017. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover the period of fifteen months ended 31 December 2017 and therefore may not be comparable with amounts shown for the current year.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred hereafter as the “Group”) are principally engaged in construction and ancillary services which include design, fitting-out, decoration, alteration and addition, construction and other related businesses, aviation and traveling services and financial services.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company. All values are rounded to the nearest thousand except when otherwise stated.

1. 一般資料

皇中國際控股有限公司（「本公司」）根據開曼群島公司法第22章（一九六一年第三部，經綜合及修訂）於二零一五年一月十九日在開曼群島註冊成立為獲豁免有限公司。本公司之註冊辦事處位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，其主要營業地點位於香港中環雲咸街44號雲咸商業中心21樓。

本公司股份自二零一五年九月八日起在香港聯合交易所有限公司（「聯交所」）主板上市。

本公司已將其財政年度結算日由九月三十日改為十二月三十一日，原因為本集團冀將本公司的財政年度年結日改為與本公司若干附屬公司的一致。因此，本期間之綜合財務報表涵蓋截至二零一七年十二月三十一日止十五個月期間。綜合損益和其他全面收益表、綜合權益變動表、綜合現金流量表及相關附註所示的相應比較金額涵蓋截至二零一七年十二月三十一日止十五個月期間，因此未必與本年度所示的金額可作比較。

本公司是投資控股公司。本公司及其附屬公司（以下統稱「本集團」）主要從事建設及配套服務（其包括設計、裝修、裝飾、改動和添加、建設及其他相關業務）、航空旅遊服務以及金融服務。

綜合財務報表以港元（「港元」），亦為本公司之功能貨幣）呈列。除另有列明者外，所有數值已約整至最接近之千位數。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

(b) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of the reporting period as further explained below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

2. 主要會計政策

(a) 合規聲明

綜合財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」），此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）以及香港普遍採納之會計原則而編製。此外，綜合財務報表包括聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定之適用披露資料。

本集團採納之主要會計政策之概要載列如下。

(b) 編製基準

綜合財務報表乃根據歷史成本基準編製（惟於報告期末若干金融工具按公平值計量），詳細解釋見下文。

歷史成本一般根據交換貨品及服務代價之公平值而定。

公平值是於計量日期市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債之特點，則本集團於估計資產或負債之公平值時會考慮該等特點。於該等綜合財務報表中作計量及／或披露用途之公平值按此基準釐定，惟香港財務報告準則第2號範圍內以股份為基礎之付款交易、香港會計準則第17號範圍內之租賃交易及與公平值相似但非公平值之計量（例如香港會計準則第2號可變現淨值或香港會計準則第36號之使用價值）除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable for the asset or liability.

(c) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2. 主要會計政策(續)

(b) 編製基準(續)

此外，就財務呈報而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一、第二或第三級，詳情如下：

- 第一級輸入數據為實體於計量日期可取得之同類資產或負債活躍市場之報價(未經調整)；
- 第二級輸入數據為就資產或負債直接或間接地可觀察之輸入數據(第一級包括之報價除外)；及
- 第三級輸入數據為資產或負債之不可觀察輸入數據。

(c) 綜合基準

綜合財務報表包括由本公司及由本公司及其附屬公司控制之實體(包括結構實體)之財務報表。當本公司出現以下情況時則視為取得控制權：

- 可對投資對象行使權力；
- 參與於被投資方所帶來之各種回報之風險或權利；及
- 行使其權力以影響其回報之能力。

倘有事實及情況顯示上述三項控制權因素中有一項或以上出現變化，本集團會重新評估其是否對被投資方擁有控制權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of consolidation (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

2. 主要會計政策(續)

(c) 綜合基準(續)

倘本集團於投資對象之投票權未能佔大多數，但只要投票權足以賦予本集團實際能力可單方面掌控投資對象之相關業務時，本集團即對投資對象擁有權力。在評估本集團於投資對象之投票權是否足以賦予其權力時，本集團考慮所有相關事實及情況，其中包括：

- 本集團持有投票權之規模相對於其他選票持有人持有投票權之規模及分散性；
- 本集團、其他選票持有人或其他人士持有之潛在投票權；
- 其他合約安排產生之權利；及
- 於需要作出決定(包括先期股東大會上之投票模式)時表明本集團當前擁有或並無擁有指導相關活動之能力之任何額外事實及情況。

當本集團取得一間附屬公司之控制權時開始將該附屬公司合併入賬，並於本集團失去該附屬公司之控制權時終止綜合入賬。具體而言，於本年度內收購或出售之一間附屬公司之收入及開支，自本集團取得控制權之日起至本集團不再控制附屬公司之日計入綜合損益和其他全面收益表。

損益及其他全面收益之各個組成部分歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧損結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Basis of consolidation (Continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(d) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in other reserve in equity and attributed owners of the Company.

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group.

2. 主要會計政策(續)

(c) 綜合基準(續)

如有需要，附屬公司之財務報表作出調整，以使其會計政策與本集團之會計政策一致。

與本集團旗下成員公司間之交易之有關所有集團內部資產及負債、權益、收入、開支及現金流，會於綜合時全數撤銷。

(d) 本集團於現有附屬公司擁有權之變動

本集團於附屬公司擁有權之變動並無導致本集團失去對該附屬公司之控制權，將作為權益交易入賬。本集團之權益及非控股權益之賬面值將予調整，以反映其於該等附屬公司之有關權益變動。非控股權益之經調整金額與所付或所收代價之公平值兩者之間之差額，乃直接於權益之其他儲備確認並歸屬本公司擁有人。

倘本集團失去一間附屬公司之控制權，則其：(i)於失去控制權當日取消按賬面值確認該附屬公司之資產(包括任何商譽)及負債，(ii)於失去控制權當日取消確認前附屬公司任何非控股權益(包括彼等應佔之其他全面收益之任何組成部分)之賬面值，及(iii)確認所收取代價之公平值及任何保留權益之公平值之總額，所產生之差額於本集團應佔之損益內確認為收益或虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Investments in subsidiaries

Investments in subsidiaries are stated in the statement of financial position of the Company at cost less accumulated impairment losses, if any.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors that makes strategic decisions.

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

(g) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

2. 主要會計政策(續)

(e) 於附屬公司之投資

於附屬公司之投資按成本減去累計減值虧損(如有)於本公司之財務狀況表列賬。

(f) 分部報告

經營分部呈報方式與向主要營運決策者提供內部呈報所用方式一致。主要營運決策者負責分配資源及評估經營分部表現，已定為負責制定戰略決策之督導委員會。

就財務報告而言，將不會把個別重要經營分部合併，除非該等分部具備類似的經濟特點以及在產品及服務性質、生產工序性質、客戶類型或階層、分銷產品或提供服務所用之方法及監管環境之性質等方面類似。倘個別不重要之經營分部符合上述大部分條件，則可合併為一個報告分部。

(g) 客戶合約收益(根據附註3的 過渡條文應用香港財務報告準 則第15號)

根據香港財務報告準則第15號，當(或於)滿足履約義務時，本集團確認收入，即於特定履約義務的相關商品或服務的控制權轉讓予客戶時確認。

履約義務指不同的商品及服務(或一組商品或服務)或不同的商品及大致相同的服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3) (Continued)

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

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

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

For contracts that contain more than one performance obligations, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

2. 主要會計政策(續)

(g) 客戶合約收益(根據附註3的 過渡條文應用香港財務報告準 則第15號)(續)

控制權隨時間轉移，而倘滿足以下其中一項標準，則收益乃參照完全滿足相關履約義務的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化一資產，該資產於創建或強化之時即由客戶控制；或
- 本集團之履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收益於客戶獲得商品或服務控制權的時間點確認。

合約資產指本集團就向客戶換取本集團已轉讓的商品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

合約負債指本集團因已自客戶收取對價(或已可自客戶收取對價)，而須轉讓商品或勞務予客戶之義務。與合約有關的合約資產及合約負債以淨額列賬。

對於包含多於一項履約義務的合約，本集團以相對單獨售價基準為每項履約義務分配交易價格。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3) (Continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration (to specify), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

2. 主要會計政策 (續)

(g) 客戶合約收益 (根據附註3的 過渡條文應用香港財務報告準 則第15號) (續)

隨時間確認收入：完成滿足履約 義務進度的計量

投入方法

完全履行合約責任的進展是基於投入法計量的，即基於本集團的努力或履行合約責任相對於合約責任的總預期投入的投入來確認收益，最能描述本集團於轉移貨品或服務的控制權時的表現。

可變代價

就包含可變代價(待指定)的合約而言，本集團使用以下其中一種方法估計本集團有權收取的代價金額：(a)預期價值法或(b)最有可能的金額(視乎何種方法更能預測本集團有權收取的代價金額而定)。

可變代價的估計金額僅在以下情況下，方會計入交易價格：於計入交易價格時很大可能不會導致其後關乎可變代價的不確定因素獲得解決時出現收入大幅撥回。

於各報告期末，本集團更新估計交易價格(包括更新評估有關可變代價的估計是否受到限制)，以真實反映於報告期末存在的情況以及於報告期內該等情況發生的變化。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 3) (Continued)

The Group recognises revenue from the following major source which was recognised over the terms of the service contracts as the work is performed:

- (i) Provision of construction and ancillary services
Revenue from the provision of construction and ancillary services included design, fitting-out, decoration, alternation and addition, construction and other related business is recognised by reference to the progress towards complete satisfaction at the end of the reporting period. Progress towards complete satisfaction is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation (i.e. contract costs incurred for work performed to date) relative to the total expected inputs to the satisfaction of that performance obligation (i.e. total estimated contract cost), that best depict the Group's performance in transferring control of goods or services.
- (ii) Provision of aviation and traveling services
Services include flight scheduling, aircraft maintenance and crew management which are recognised at a point in time when the services are rendered.
- (iii) Provision of financial services
Services include dealing in securities, advising on securities, asset management and financing business.

2. 主要會計政策(續)

(g) 客戶合約收益(根據附註3的 過渡條文應用香港財務報告準 則第15號)(續)

本集團確認以下主要來源的收益，有關收益於履行工作時根據服務合約的條款確認：

- (i) 提供建設及配套服務
提供建設及配套服務(包括設計、裝修、裝飾、改動和添加、建設及其他相關業務)之收益乃參照於報告期末達致完全履行之進展而確認。完全履行的進展是基於投入法計量的，即基於本集團的努力或履行合約責任(即迄今已履行工作所錄得的合約成本)相對於合約責任的總預期投入的投入(即總估計合約成本)來確認收益，最能描述本集團於轉移貨品或服務的控制權時的表現。
- (ii) 提供航空旅遊服務
服務包括航班排期、飛機保養及機組人員管理，乃於提供服務之時間點確認。
- (iii) 提供金融服務
服務包括證券交易、就證券提供意見、資產管理及融資業務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Revenue recognition (prior to 1 January 2018)

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following basis:

- (i) Project for design, fitting-out and decoration service income is recognised based on the stage of completion of the contracts, provided that the stage of contract completion and the contract costs of the contracting work can be measured reliably. The stage of completion of a contract is established by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost;
- (ii) Design and/or decoration service income is recognised upon services rendered;
- (iii) Aircraft management service income, commission income, financial advisory service income and aircraft leasing ancillary service income are recognised upon services rendered;
- (iv) Revenue from the sale of precious metal is recognised on the transfer of risks and rewards ownership, which generally coincides with the time when the goods are delivered to customers and the title has passed; and
- (v) Interest income is recognised on a time proportion basis taking into account the principal outstanding and the interest applicable.

2. 主要會計政策(續)

(h) 收益確認(二零一八年一月一日前)

收益於經濟利益很可能流入本集團而收益能夠按以下基準可靠地計量時確認：

- (i) 設計、裝修及裝飾服務項目收入乃依據合約完成階段確認，惟合約完成階段及合約工程的合約成本能可靠地計量。合約完成階段按迄今所進行工程所產生之合約成本估估計總合約成本之比例予以確定；
- (ii) 設計及／或裝飾服務收入於提供服務時確認；
- (iii) 飛機管理服務收入、佣金收入、財務顧問服務收入及飛機租賃配套服務收入於提供服務時確認；
- (iv) 銷售貴金屬所得收益乃於擁有權之風險及回報轉移時(一般與貨品送交客戶及擁有權轉移同時發生)確認入賬；及
- (v) 利息收入按時間比例根據尚餘本金及適用利息確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Construction contracts (Prior to 1 January 2018)

Where the outcome of a construction contract in relation to provision of design, fitting-out and decoration services can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probable to be recovered. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position as a liability, as receipt in advances. Amounts billed for work performed but not yet paid by the customers are included in the consolidated statement of financial position under trade receivables.

2. 主要會計政策(續)

(i) 建築合約(二零一八年一月一日前)

倘能夠可靠地估計與提供設計、裝修及裝飾服務有關的建築合約之結果，則收益及成本將參照報告期末之合約活動完成階段確認，完成階段按迄今所進行工程所產生之合約成本佔估計總合約成本之比例計量，惟倘此方法並不能代表完成階段則除外。合約工程改動、索償及獎金付款以能可靠地計量及被認為有可能收取者為限而入賬。

倘不能可靠地估計建築合約之結果，則僅會以有可能收回之所產生之合約成本為限確認合約收益。合約成本會於產生期間內確認為開支。

當總合約成本將有可能高於總合約收益時，預期虧損會即時確認為開支。

倘迄今所產生之合約成本加已確認溢利減已確認虧損超逾進度款，則盈餘以應收客戶合約工程款項列賬。就進度款超逾迄今所產生之合約成本加已確認溢利減已確認虧損之合約而言，盈餘以應付客戶合約工程款項列賬。有關工程進行前已收之款項於綜合財務狀況表內列作負債(作為預收款)。已就所進行之工程開立賬單但客戶尚未支付之款項則會於綜合財務狀況表內列作貿易應收款項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. 主要會計政策(續)

(j) 租賃

凡租賃條款規定將擁有權的絕大部分風險及回報轉讓給承租人之租賃均分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為承租人

經營租賃付款乃於租賃期間內按直線法確認為開支，惟倘另一系統化基準更能代表自租賃資產耗用經濟利益的時間模式則除外。根據經營租賃所產生的或然租金乃於其產生的期間內確認為開支。

倘收取租賃獎勵以訂立經營租賃，該等獎勵乃確認為負債。獎勵的總利益乃按直線法確認為租金開支減少，惟倘另一系統化基準更能代表自租賃資產耗用經濟利益的時間模式則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measures in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

2. 主要會計政策(續)

(k) 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易乃按交易日之現行匯率予以確認。於各報告期末，以外幣計值之貨幣項目乃按該日之現行匯率重新換算。按公平值列賬並以外幣計值之非貨幣項目乃按其公平值釐定當日之現行匯率重新換算。按外幣歷史成本計量之非貨幣項目並無重新換算。

貨幣項目之匯兌差額乃於產生期間內於損益中確認，惟以下各項除外：

- 有關日後生產使用之在建資產之外幣借貸匯兌差額(於被視為外幣借貸之利息成本之調整時，計入該等資產之成本)；
- 為對沖若干外幣風險所訂交易之匯兌差額；及
- 應收或應付一項海外業務之貨幣項目匯兌差額(既無計劃結算且發生結算之可能性亦不大，故其為海外業務投資淨額之一部分，並初步於其他全面收益中確認及於償還貨幣項目時由權益重新分類至損益)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributable to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2. 主要會計政策 (續)

(k) 外幣 (續)

為呈列綜合財務報表，本集團海外業務的資產及負債按各報告期末之現行匯率換算為本集團的呈列貨幣(即港元)。收支項目乃按期內的平均匯率進行換算，如匯率於該期間內出現大幅波動則另作別論，在該情況下會採用交易當日的匯率。所產生的匯兌差額(如有)乃於其他全面收益確認，並於股權下以外幣匯兌儲備累計。

出售境外業務時(即出售本集團於境外業務之全部權益、或出售涉及失去包括境外業務之附屬公司之控制權、或出售包括境外業務之合營安排或聯營公司之部份權益(其保留權益成為一項金融資產))，本公司擁有人就該業務應佔之所有於股權累計之匯兌差額乃重新分類至損益。

此外，就部份出售包括境外業務之一間附屬公司惟並未導致本集團失去對該附屬公司之控制權而言，按比例分佔之累計匯兌差額乃重新計入非控股權益，而並不於損益內確認。至於所有其他部份出售(例如部份出售聯營公司或合營安排惟並未導致本集團失去重大影響力或共同控制)，按比例分佔之累計匯兌差額乃重新分類至損益。

通過收購海外經營業務而收購之可識別資產及承擔之負債之商譽及公平值調整乃作為該海外經營業務之資產及負債處理，並按各報告期末之現行匯率換算。產生之匯兌差額於其他全面收益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(I) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “loss before taxation” as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

2. 主要會計政策 (續)

(I) 稅項

所得稅開支指現時應繳稅項及遞延稅項的總和。

即期稅項

現時應繳稅項根據本年度應課稅溢利計算。應課稅溢利有別於綜合損益和其他全面收益表所呈報之「稅前虧損」，原因在於有其他年度的應課稅或應扣減的收入或開支項目及無須課稅或不可扣稅的項目。本集團的即期稅項負債按各個報告期末已頒佈或已大致頒佈的稅率計算。

遞延稅項

遞延稅項就綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基的暫時差額而確認。遞延稅項負債基本上就所有應課稅暫時差額確認。遞延稅項資產一般就所有應扣減暫時差額確認，惟遞延稅項資產只限於在有應課稅溢利可供對銷可扣減暫時差額時方予以確認。如暫時差額由商譽或初步確認一項不影響應課稅溢利或會計溢利之交易之其他資產及負債（業務合併除外）所產生，有關遞延稅項資產及負債不予確認。

遞延稅項負債須就於附屬公司及聯營公司之投資及合營企業權益所產生之應課稅暫時差額予以確認，除非本集團可控制暫時差額之撥回，而此暫時差額在可預見的將來可能不會撥回。與該等投資及權益相關之應扣減暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之益處且預計於可預見的將來可以撥回時予以確認。

遞延稅項資產之賬面值在各報告期末進行檢閱，並於不再可能有足夠應課稅溢利可用以收回所有或部分資產時作出相應扣減。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Taxation (Continued)

Deferred tax (Continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each of the reporting period.

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

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2. 主要會計政策 (續)

(I) 稅項 (續)

遞延稅項 (續)

遞延稅項資產及負債以各報告期末已執行或實質上已執行的稅率(和稅法)為基礎,按預期清償該負債或變現該資產當期的適用稅率計量。

遞延稅項負債及資產的計量反映本集團在各報告期末預計收回或清償其資產及負債賬面值的方式所導致的納稅結果。

期內之即期及遞延稅項

即期及遞延稅項於損益中確認,惟倘即期及遞延稅項有關之項目在其他全面收益或直接在權益中確認之情況下,即期及遞延稅項亦分別於其他全面收益或直接於權益中確認。就因對業務合併進行初始會計處理而產生之即期稅項或遞延稅項而言,稅務影響計入業務合併之會計處理內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Property, plant and equipment

Property, plant and equipment is stated in the consolidated statement of financial position at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

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

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | |
|--------------------------|--|
| 1 Office equipment | 20% |
| 2 Furniture and fixtures | 20% |
| 3 Motor vehicles | 25% – 30% |
| 4 Leasehold improvement | Over the shorter of the lease term and 20% |

The residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gain and loss on disposals are determined by comparing proceeds with carrying amount and are recognised in the consolidated statement of profit or loss and other comprehensive income.

2. 主要會計政策(續)

(m) 物業、廠房及設備

物業、廠房及設備乃以歷史成本減累計折舊及減值虧損後於綜合財務狀況表列賬。歷史成本包括直接因收購資產而產生之開支。

只有當與項目有關之未來經濟利益可能流入本集團，以及項目成本能可靠地計量時，其後成本才會計入賬面值或確認為獨立資產(如適當)。被替換部分的賬面值被終止確認。所有其他維修及保養費於產生該等費用的財務期間於損益中扣除。

資產折舊乃採用直線法計算，於估計可使用年期內按下列方式將其成本攤分至其剩餘價值：

| | |
|-----------|-------------|
| 1 辦公設備 | 20% |
| 2 傢俬及固定裝置 | 20% |
| 3 汽車 | 25% – 30% |
| 4 租賃物業裝修 | 按租期及20%之較短者 |

剩餘價值及可使用年期於各報告期末檢閱並作出調整(如適當)。當賬面值大於其估計可收回金額時，賬面值立即撇減至可回收金額。

出售產生之盈利及虧損透過將所得款項與賬面值作比較來釐定，並在綜合損益和其他全面收益表內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or the CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but as that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2. 主要會計政策 (續)

(n) 有形及無形資產之減值

於各個報告期末，本集團檢閱其有形及無形資產之賬面值，以決定是否有任何跡象顯示該等資產蒙受減值虧損。如有任何該等跡象，則會估計資產之可收回金額，以決定減值虧損(如有)的程度。倘無法估計個別資產之可收回金額，本集團將估計該資產所屬現金產出單元(「現金產出單元」)之可收回金額。如果可以識別一個合理和一致的分配基礎，公司資產亦應分配至單個現金產出單元，若不能分配至單個現金產出單元，則應將公司資產按能識別的、合理且一致的基礎分配至最小的現金產出單元組合。

無限定使用年期的無形資產以及尚不可供使用的無形資產至少會每年進行減值測試，並會於有跡象顯示該等資產可能減值時進行減值測試。

可收回金額是指公平值減去銷售成本後的餘額和使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量折現為現值，未針對該資產特有的風險調整估計未來現金流量。

倘若估計資產(或現金產出單元)之可收回金額低於其賬面值，則資產(或現金產出單元)之賬面值將調低至其可收回金額。減值虧損即時於損益確認。

倘若減值虧損於其後撥回，資產(或現金產出單元)之賬面值將調升至其經修訂之估計可收回金額，而增加後之賬面值不得超過倘若該資產(或現金產出單元)在過往年度並無確認減值虧損時將已確認之賬面值。減值虧損之撥回即時於損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. 主要會計政策(續)

(o) 撥備

倘若本集團因過往事件而負有法律或推定責任，履行該等責任可能會導致資源流出，且有關數額能夠可靠估計，即確認為撥備。

確認為撥備之金額乃經考慮責任所附帶的風險及不確定因素後，根據於各報告期末為履行該當前責任而須承擔代價的最佳估計而計量。倘撥備以履行該當前責任的估計現金流量計量，其賬面值則為該等現金流量的現值（倘貨幣的時間價值影響重大）。

倘用以結算撥備之部分或全部經濟利益預期將由第三方收回，則當實質上確認將收到償款且應收金額能可靠計量時，應收款項方確認為資產。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest and dividend income which are derived from the financial assets and shareholders' rights are presented as other revenue and other income.

2. 主要會計政策(續)

(p) 金融工具

金融資產及金融負債乃當集團實體成為工具合約條文之訂約方時確認。所有常規方式買賣的金融資產概於交易日予以確認及取消確認。常規方式買賣乃指遵循法規或市場慣例在約定時間內交付資產的金融資產買賣。

金融資產及金融負債按公平值初步計量，惟客戶合約收益產生之貿易應收款項(自二零一八年一月一日起初步根據香港財務報告準則第15號計量)除外。收購或發行金融資產及金融負債(按公平值計入損益之金融資產除外)直接應佔之交易成本，於初步確認時加入金融資產或金融負債之公平值或自金融資產或金融負債之公平值內扣除(如適用)。收購按公平值計入損益的金融資產直接應佔的交易成本即時在損益中確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及按有關期間攤分利息收入及利息開支之方法。實際利率乃將估計日後現金收入及付款(包括所有所支付或所收取而構成整體實際利率之費用及利率差價、交易成本及其他所有溢價或折讓)按金融資產或金融負債之預期使用年期，或較短期間(倘合適)確切地貼現至初次確認之賬面淨值之利率。

來自金融資產和股東權利的利息和股息收入呈列為其他收益和其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9)

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

2. 主要會計政策(續)

(p) 金融工具(續)

金融資產(應用香港財務報告準則第9號後)

金融資產之分類及其後計量

符合下列條件之金融資產其後按攤銷成本計量：

- 於一個業務模式內持有金融資產，而其目的是為了收取合約現金流量；及
- 合約條款引致於指定日期之現金流量僅為支付本金和未償還之本金利息。

符合下列條件之金融資產其後按公平值計入其他全面收益計量：

- 於一個業務模式內持有金融資產，而其持有金融資產的目的同時包括收取合約現金流量以及出售；及
- 合約條款引致於指定日期之現金流量僅為支付本金和未償還之本金利息。

所有其他金融資產其後按公平值計入損益之金融資產計量，例外的情況為在首次應用／首次確認金融資產之日，倘有關股本投資並非持作買賣用途，亦非收購方於香港財務報告準則第3號業務合併所適用之業務合併中確認的或然代價，則本集團或會不可撤銷地選擇於其他全面收益中呈列股本投資公平值之其後變動。

倘符合下列條件，則金融資產乃分類為持作買賣：

- 其乃主要獲收購以於短期內出售；或
- 於初步確認時，其為本集團共同管理之可識別金融工具組合的一部分，並具有短期套利的近期實際模式；或

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9) (Continued)

Classification and subsequent measurement of financial assets (Continued)

A financial asset is classified as held for trading if: (Continued)

- it is a derivative that is not designated and effective as a hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other revenue and other gains" line item.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (應用香港財務報告準則第9號後) (續)

金融資產之分類及其後計量 (續)

倘符合下列條件，則金融資產乃分類為持作買賣：(續)

- 其屬並非指定及作為對沖工具生效的衍生工具。

此外，倘可消除或大幅減少會計錯配，本集團或會不可撤銷地指定須按攤銷成本或按公平值計入其他全面收益計量的金融資產為按公平值計入損益。

攤銷成本及利息收入

其後按攤銷成本計量的金融資產乃使用實際利息法予以確認。利息收入乃對一項金融資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的金融資產除外(見下文)。就其後出現信貸減值的金融資產而言，自下一報告期起，利息收入乃對金融資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信用風險好轉，使金融資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對金融資產賬面總值應用實際利率予以確認。

按公平值計入損益之金融資產

不符合按攤銷成本計量或按公平值計入其他全面收益或指定為按公平值計入其他全面收益計量標準的金融資產，乃按公平值計入損益。

按公平值計入損益之金融資產於各報告期末按公平值計量而任何公平值收益或虧損於損益確認。在損益中確認的淨收益或虧損不包括金融資產所賺取的任何股息或利息，並包括在「其他收益及其他盈利」之單行項目中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9) (Continued)

Impairment of financial assets (upon application of HKFRS 9)

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets which are subject to impairment under HKFRS 9 (including trade receivables, contract assets, other receivables, time deposits and cash and bank balances). The amount of ECL is updated at each reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting period. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting period as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

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

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (應用香港財務報告準則第9號後) (續)

金融資產減值 (應用香港財務報告準則第9號後)

本集團就根據香港財務報告準則第9號或會減值的金融資產 (包括貿易應收款項、合約資產、其他應收款項、定期存款以及現金及銀行結餘) 的預期信貸虧損 (「預期信貸虧損」) 確認虧損撥備。預期信貸虧損金額於各報告期末更新，以反映自首次確認以來信貸風險的變化。

全期預期信貸虧損指相關工具的預計年期內所有可能的違約事件將產生的預期信貸虧損。相反，12個月預期信貸虧損 (「12個月預期信貸虧損」) 指預期於報告期後12個月內可能發生的違約事件導致的全期預期信貸虧損的一部分。評估乃根據本集團過往信貸虧損經驗進行，並就債務人特有的因素、一般經濟狀況以及對報告期末的當前狀況及未來狀況預測的評估作出調整。

對於所有其他工具，本集團計量的虧損準備等於12個月預期信貸虧損，除非自初始確認後信用風險顯著增加，本集團確認存續期預期信貸虧損。是否應確認存續期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險的顯著增加。

信貸風險顯著增加

於評估自首次確認以來信貸風險是否顯著增加時，本集團將金融工具於報告期末發生的違約風險與該金融工具於首次確認日期發生的違約風險進行比較。進行此評估時，本集團考慮合理且有理據的定量及定性資料，包括過往經驗及無需付出不必要的成本或努力而可獲得的前瞻性資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9) (Continued)

Significant increase in credit risk (Continued)

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (應用香港財務報告準則第9號後) (續)

信貸風險顯著增加 (續)

特別是，在評估信貸風險是否顯著增加時會考慮以下資料：

- 金融工具的外部 (如有) 或內部信貸評級的實際或預期顯著惡化；
- 外部市場信用風險指標的顯著惡化，如信貸利差大幅增加，債務人的信用違約掉期價格；
- 預計將導致債務人履行其債務責任的能力顯著下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；及
- 導致債務人履行其債務責任的能力顯著下降的債務人監管、經濟或技術環境的實際或預期的重大不利變化。

不論上述評估之結果如何，本集團認為，當合約付款逾期超過三十天，則自初始確認以來信用風險已顯著增加，除非本集團有合理且可支持之資料證明。

本集團定期監控用以識別信用風險有否顯著增加的標準之效益，且修訂標準 (如適當) 來確保標準能在金額逾期前識別信用風險顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9) (Continued)

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full.

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

2. 主要會計政策(續)

(p) 金融工具(續)

金融資產(應用香港財務報告準則第9號後)(續)

違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款時發生。

不論上述如何，本集團認為，倘金融資產逾期超過90天則已發生違約，除非本集團具備合理且有理據的資料證明更滯後的違約標準屬更合適。

信貸減值金融資產

當發生對金融資產的估計未來現金流量產生不利影響的一起或多起違約事件之時，該金融資產即出現信貸減值。金融資產信貸減值的證據包括以下事件的可觀察數據：

- (a) 發行人或借款人陷入嚴重財務困難；
- (b) 違反合約，例如違約或逾期事件；
- (c) 借款人的貸款人出於與借款人財務困難相關的經濟或合約原因，而向借款人授予貸款人原本不會考慮的優惠；
- (d) 借款人可能面臨破產或其他財務重組；或
- (e) 因財務困難而令該金融資產的活躍市場消失。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9) (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 1 year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (應用香港財務報告準則第9號後) (續)

撤銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時 (例如對手方被清盤或已進入破產程序時) (或就貿易應收款項而言, 有關款項逾期超過一年) (以較早發生者為準), 本集團則撤銷金融資產。經考慮法律意見後 (倘合適), 遭撤銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撤銷構成取消確認事項。任何其後收回在損益中確認。

預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約損失率 (即倘發生違約的損失程度) 及違約風險之函數。違約概率及違約損失率之評估乃基於經前瞻性資料調整之歷史數據作出。預期信貸虧損的估計反映無偏頗及概率加權數額, 其乃根據加權的相應違約風險而釐定。

一般而言, 預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額, 並按首次確認時釐定之實際利率貼現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (upon application of HKFRS 9) (Continued)

Measurement and recognition of ECL (Continued)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and contract assets are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income 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 amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (應用香港財務報告準則第9號後) (續)

預期信貸虧損之計量及確認 (續)
倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況，則金融工具按以下基準歸類：

- 金融工具性質 (即本集團貿易及其他應收款項以及合約資產各自評為獨立組別。貸款予關聯方乃按個別基準評估預期信貸虧損)；
- 逾期狀況；
- 債務人的性質、規模及行業；及
- 外部信貸評級 (倘有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入乃根據金融資產之賬面總額計算，除非金融資產發生信貸減值，在此情況，利息收入則根據金融資產之攤銷成本計算。

本集團透過調整賬面值就所有金融工具於損益中確認減值收益或虧損，惟透過虧損撥備賬確認相應調整的貿易應收款項除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (before application of HKFRS 9 on 1 January 2018)

The Group's financial assets are mainly classified into loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (二零一八年一月一日應用香港財務報告準則第9號前)

本集團之金融資產主要分類為貸款及應收款項。所有常規金融資產買賣均按交易日基準確認及取消確認。常規買賣為須於根據市場法規或慣例所確定之時間內交付資產之金融資產買賣。

實際利率法

實際利率法為計算債務工具之攤銷成本及於有關期間內分配利息收入之方法。實際利率為初步確認時將債務工具預計年期或(如適用)較短期間內之估計未來現金收款(包括所有構成實際利率不可或缺部分之已付或已收費用、交易成本及其他溢價或折讓)準確折現至賬面淨值之利率。

債務工具之利息收入按實際利率法確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of each reporting period subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables and cash and bank balances) are measured at amortised cost using the effective interest method, less any impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融資產 (二零一八年一月一日應用香港財務報告準則第9號前) (續)

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款，且並無活躍市場報價之非衍生金融資產。於各報告期末初步確認後，貸款及應收款項（包括貿易應收款項、按金及其他應收款項以及現金及銀行結餘）採用實際利率法按攤銷成本減任何減值列賬。

金融資產減值

本集團於各報告期末評估金融資產有否減值跡象。當有客觀證據顯示於金融資產初步確認後發生之一項或多項事件而導致投資的估計未來現金流量受到影響，則有關金融資產將被視為出現減值。

減值之客觀證據可能包括：

- 發行人或交易對手出現重大財政困難；或
- 違約，如未償還或拖欠支付利息或本金；或
- 借款人有可能陷入破產或財務重組；或
- 因財政困難而導致有關金融資產不出現活躍市場。

就若干類別的金融資產（如貿易應收款項）而言，資產經評估後不作出個別減值，會於其後進行整體的減值評估。應收款項組合出現減值的客觀證據可能包括本集團過往收款經驗、組合內逾期超過平均信貸期間的還款數目上升、國家或地區經濟狀況出現明顯變動導致應收款項未能償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial assets (before application of HKFRS 9 on 1 January 2018) (Continued)

Impairment of financial assets (Continued)

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the differences between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2. 主要會計政策(續)

(p) 金融工具(續)

金融資產(於二零一八年一月一日應用香港財務報告準則第9號前)(續)

金融資產減值(續)

就按攤銷成本列賬之金融資產而言，減值虧損金額按資產賬面值與按金融資產原實際利率貼現之估計未來現金流量現值間之差額計量。

就按成本列賬之金融資產而言，減值虧損金額以資產賬面值與估計未來現金流量按類似金融資產目前市場回報率貼現之現值兩者之差額計量。有關減值虧損不會於其後期間撥回。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟貿易應收款項除外，其賬面值乃透過使用撥備賬目而減少。倘貿易應收款項被視為無法收回，則於撥備賬目撇銷。其後收回過往撇銷之款項計入撥備賬目內。撥備賬目之賬面值變化於損益確認。

金融負債及股本工具

分類為債務或股本

由本集團發行之金融負債及股本工具按合約安排性質以及金融負債及股本工具之定義分類為金融負債或股本。

股本工具

股本工具為證明本集團資產之剩餘權益(經扣除其所有負債)之任何合約。本集團發行之股本工具按所收取之所得款項減直接發行成本後確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discount) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at amortised cost

Financial liabilities (including trade receivables and accrued expenses and other payables (excluding receipt in advance)) are subsequently measured at amortised cost, using the effective interest method.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss.

2. 主要會計政策 (續)

(p) 金融工具 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法為計算金融負債之攤銷成本及於有關期間內分配利息開支之方法。實際利率為初步確認時將金融負債預計年期或(如適用)較短期間內之估計未來現金付款(包括所有構成實際利率不可或缺部分之已付或已收費用、交易成本及其他溢價或折讓)準確折現至賬面淨值之利率。

利息開支按實際利率法確認。

金融負債

所有金融負債其後採用實際利率法按攤銷成本計量。

按攤銷成本計量之金融負債

金融負債(包括貿易應付款項以及應計開支及其他應付款項(不包括預收款項))其後採用實際利息法按攤銷成本計量。

衍生金融工具

衍生工具於訂立衍生工具合約當日按公平值初步確認,其後於報告期末重新計量至其公平值。由此產生的收益或虧損於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risk and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid and payable is recognised in profit or loss.

(q) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks. Restricted bank deposits are excluded from cash and cash equivalents.

2. 主要會計政策 (續)

(p) 金融工具 (續)

取消確認

本集團僅於資產收取現金流量的合約權利屆滿時，或向另一實體轉讓金融資產及資產擁有權絕大部分風險及回報時取消確認金融資產。倘本集團轉移或保留擁有權絕大部分風險及回報並繼續控制已轉讓資產，本集團確認其於資產之保留權益及就其可能須支付之金額確認相關負債。倘本集團保留已轉讓金融資產擁有權絕大部分風險及回報，本集團可繼續確認金融資產，亦可就已收取之所得款項確認已抵押借貸。

於取消確認按攤銷成本計量之金融資產時，資產賬面值與已收及應收代價之總和間之差額，會於損益確認。

本集團只有在本集團的責任獲免除、取消或已終止時，方會取消確認金融負債。獲取消確認之金融負債之賬面值與已付及應付代價間差額會於損益確認。

(q) 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及購入後一般在三個月之短期內可予兌現及可隨時轉換為已知數額現金且價值變動風險不大之短期高度流動性投資，減須應要求償還並構成本集團現金管理之組成部分之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行存款。限制性銀行存款未納入現金及現金等價物。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Employee benefits

(i) Defined contribution retirement plan

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the consolidated statement of profit or loss and other comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策 (續)

(r) 僱員福利

(i) 定額供款退休金計劃

本集團根據香港強制性公積金計劃條例，為合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員，設立一項定額供款之強積金計劃。按強積金計劃條例規定，供款額須按僱員基本薪金之若干百分比計算，並於應付時在綜合損益和其他全面收益表中列賬。強積金計劃之資產由一個獨立管理之基金持有，與本集團之資產分開。本集團於強積金計劃所作之僱主供款全歸僱員所有。

(ii) 以股份為基礎之付款

授予僱員之購股權之公平值，乃確認為僱員成本，並相應增加權益中之購股權儲備。公平值乃於授出日期利用二項式期權定價模式計量，當中考慮到授出購股權所依據之條款及條件。倘若僱員於有權無條件享有購股權前須符合歸屬條件，則估計購股權之總體公平值乃於歸屬期間內分攤，當中考慮到購股權將會歸屬之可能性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Employee benefits (Continued)

(ii) Share-based payments (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(s) Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained earnings within the equity section of the consolidated statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

(t) Trading licence

Trading licence with indefinite useful life represents a membership in The Chinese Gold and Silver Exchange Society and is carried at cost less accumulated impairment losses, if any.

2. 主要會計政策 (續)

(r) 僱員福利 (續)

(ii) 以股份為基礎之付款 (續)

於歸屬期內，會審核預期歸屬之購股權數目。於過去年度確認之累計公平值之任何調整，乃於該審核年度於損益內扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之款額會予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟因並無達致與本公司股份市值相關之歸屬條件才沒收之購股權除外。權益款額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權到期（直接撥入保留溢利時）為止。

(s) 股息

董事建議派付之末期股息在綜合財務狀況表內權益項下列作保留溢利之一項獨立分配，直至於股東大會上獲股東批准為止。待此等股息獲股東批准且宣派後，將獲確認為一項負債。

(t) 交易牌照

並無限定使用期的交易牌照代表金銀業貿易場的會員資格，按成本減累計減值虧損（如有）列賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Related parties

- (i) A person or a closed member of that person's family, is related to the Group, if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or of a parent of the Group.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) the entity and the Group are members of the same group;
 - (b) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (c) the entity and the Group are joint ventures of the same third party;
 - (d) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (f) the entity is controlled or jointly controlled by a person identified in (i);
 - (g) a person identified in (i) (a) 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); and
 - (h) 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 parent of the Group.

2. 主要會計政策 (續)

(u) 關聯方

- (i) 倘屬以下人士，則該人士或該人士之關係密切家庭成員與本集團有關聯：
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響；或
 - (c) 為本集團或本集團母公司的管理層關鍵人員。
- (ii) 倘符合下列任何條件，即實體與本集團有關聯：
 - (a) 該實體與本集團屬同一集團之成員公司；
 - (b) 一實體為另一實體的聯繫人或合營企業（或為另一實體的母公司、附屬公司或同系附屬公司）；
 - (c) 該實體與本集團屬同一第三方的合營企業；
 - (d) 一實體為第三方實體的合營企業，而另一實體為該第三方實體的聯繫人；
 - (e) 該實體為本集團或與本集團有關之實體就僱員福利而設立之離職後福利計劃；
 - (f) 該實體由(i)所定義之人士控制或共同控制；
 - (g) (i)(a)所定義之人士對該實體擁有重大影響力或該人士為該實體（或該實體之母公司）之管理層關鍵人員；及
 - (h) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供管理層關鍵人員服務。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Related parties (Continued)

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

A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

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

The accounting policies adopted in the consolidated financial statements for the year ended 31 December 2018 are consistent with those followed in the preparation of the Group's annual financial statements for the fifteen months ended 31 December 2017 except as described below.

In the current year, the Group has applied, for the first time, the following new and revised standards, amendments and interpretations (collectively referred to as the "new and revised HKFRSs") issued by the HKICPA, which are effective for the Group's financial year beginning on or after 1 January 2018. A summary of the new and revised HKFRSs applied by the Group is set out as follows:

| | |
|----------------------|---|
| HKAS 7 (Amendments) | Disclosure Initiative |
| HKAS 12 (Amendments) | Recognition of Deferred Tax Assets for Unrealised Losses |
| HKAS 28 (Amendments) | As part of the Annual Improvements to HKFRSs 2014-2016 Cycle |
| HKAS 40 (Amendments) | Transfer of Investment Property |
| HKFRS 2 (Amendments) | Classification and Measurement of Share-Based Payment Transactions |
| HKFRS 4 (Amendments) | Applying HKFRS 9 <i>Financial Instruments</i> with HKFRS 4 <i>Insurance Contracts</i> |
| HKFRS 9 | Financial Instruments |
| HKFRS 15 | Revenue from Contracts with Customers and the related Amendments |
| HK(IFRIC) – Int 22 | Foreign Currency Transactions and Advance Consideration |

2. 主要會計政策 (續)

(u) 關聯方 (續)

一名個人的關係密切家庭成員是指在與實體的交易中可能被預期對該名人士構成影響或受其影響的家庭成員。

倘一項交易中，關聯方之間存在資源或責任轉移事項，則該項交易為關聯方交易。

3. 應用新訂及經修訂香港財務報告準則

截至二零一八年十二月三十一日止年度的綜合財務報表採納的會計政策與編製本集團截至二零一七年十二月三十一日止十五個月的年度財務報表所採用者一致，惟下文所述者除外。

於本年度，本集團首次應用由香港會計師公會頒佈，並對於二零一八年一月一日或之後開始的本集團財政年度生效之以下新訂及經修訂準則、修訂及詮釋（統稱為「新訂及經修訂香港財務報告準則」）。本集團應用之新訂及經修訂香港財務報告準則之概要載列如下：

| | |
|-------------------------|-----------------------------------|
| 香港會計準則第7號 (修訂本) | 披露計劃 |
| 香港會計準則第12號 (修訂本) | 就未實現虧損確認遞延稅項資產 |
| 香港會計準則第28號 (修訂本) | 作為香港財務報告準則二零一四年至二零一六年週期之年度改進之一部份 |
| 香港會計準則第40號 (修訂本) | 轉撥投資物業 |
| 香港財務報告準則第2號 (修訂本) | 以股份為基礎之付款交易的分類及計量 |
| 香港財務報告準則第4號 (修訂本) | 對香港財務報告準則第4號保險合約應用香港財務報告準則第9號金融工具 |
| 香港財務報告準則第9號 | 金融工具 |
| 香港財務報告準則第15號 | 來自客戶合約之收益及相關修訂 |
| 香港（國際財務報告詮釋委員會）— 詮釋第22號 | 外幣交易及預付代價 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current year and prior periods and/or on the disclosures set out in the consolidated financial statements.

The above new and revised HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

(a) Impact on the consolidated financial statements

The following tables show the adjustments recognised for each individual line item. Line items that were not affected by the application of new and revised HKFRSs have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

| Consolidated statement of financial position (extract) | 綜合財務狀況表 (摘要) | 31 December 2017 二零一七年十二月三十一日 HK\$'000 千港元 | HKFRS 15 香港財務報告準則第15號 HK\$'000 千港元 | 1 January 2018 二零一八年一月一日 HK\$'000 千港元 |
|--|----------------|---|---|--|
| Current assets | 流動資產 | | | |
| Amounts due from customers for contract works | 應收客戶合約工程款項 | 5,007 | (5,007) | - |
| Contract assets | 合約資產 | - | 5,462 | 5,462 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 16,344 | (455) | 15,889 |
| Current liabilities | 流動負債 | | | |
| Amounts due to customers for contract works | 應付客戶合約工程款項 | 374 | (374) | - |
| Contract liabilities | 合約負債 | - | 17,124 | 17,124 |
| Accrued expenses and other payables | 應計開支及其他應付款項 | 26,197 | (16,750) | 9,447 |

3. 應用新訂及經修訂香港財務報告準則(續)

除下文所述，本年度應用新訂及經修訂香港財務報告準則對本集團於本年度及過往期間之財務表現及狀況及／或載於綜合財務報表之披露並無重大影響。

上述新訂及經修訂香港財務報告準則已根據各準則及修訂的相關過渡條文應用，致使下文所述的會計政策、呈報金額及／或披露有所變動。

(a) 對綜合財務報表之影響

下表列示就各單獨項目確認之調整。並無載列不受應用新訂香港財務報告準則影響之項目。因此，所披露之小計及總計不得按所列數字重新計算。有關調整根據準則於下文詳細闡述。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(b) Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

(c) HKFRS 9 Financial Instruments

In the current year, the Group has applied HKFRS 9 *Financial Instruments* and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses (“ECL”) for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised at 1 January 2018. The difference between carrying amounts at 31 December 2017 and the carrying amounts at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

3. 應用新訂及經修訂香港財務報告準則(續)

(b) 香港會計準則第7號之修訂披露計劃

本集團於本年度首次應用此修訂。此修訂規定實體提供披露事項，使財務報表的用者可評估因融資業務(包括現金流動產生之變動及非現金變動)而產生之負債變動。此外，倘該等金融資產之現金流動或將來之現金流動將計入融資活動之現金流動內，則該修訂亦要求披露該等金融資產之變動。

具體而言，此修訂規定披露以下事項：(i)融資現金流動變動；(ii)取得或失去附屬公司或其他業務控制權產生之變動；(iii)外幣匯率變動之影響；(iv)公平值變動；及(v)其他變動。

(c) 香港財務報告準則第9號金融工具

於本年度，本集團已應用香港財務報告準則第9號金融工具及其他香港財務報告準則的相關相應修訂。香港財務報告準則第9號引入以下新規定：(1)金融資產和金融負債的分類和計量；(2)金融資產的預期信貸虧損(「預期信貸虧損」)及(3)一般對沖會計。

本集團已按香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對並無於二零一八年一月一日(首次應用日期)終止確認的工具追溯應用分類及計量規定(包括預期信貸虧損模式項下之減值)，且尚未對於二零一八年一月一日已終止確認的工具應用規定。於二零一七年十二月三十一日的賬面金額與於二零一八年一月一日的賬面金額之間的差額，於期初已確認的保留盈利及權益之其他組成部份，毋須重列比較資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(c) HKFRS 9 *Financial Instruments* (Continued)

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 2.

(i) *Classification and measurement*

HKFRS 9 categories financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at fair value through profit or loss ("FVPL"). These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial assets is managed and its contractual cash flow characteristics.

Non-equity investments held by the Group are classified into one of the following measurement categories:

- Amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

3. 應用新訂及經修訂香港財務報告準則(續)

(c) 香港財務報告準則第9號金融工具(續)

由於比較資料乃按照香港會計準則第39號金融工具：確認及計量編製，因此，若干比較資料可能無法用於比較。

應用香港財務報告準則第9號產生之會計政策於附註2披露。

(i) 分類及計量

香港財務報告準則第9號將金融資產分為三大類別：以攤銷成本計量、以公平值計量且其變動計入其他全面收益及以公平值計量且其變動計入當期損益。該等分類取代香港會計準則第39號的類別，分別為持有至到期日的投資、貸款及應收款項、可供出售的金融資產及以公平值計量且其變動計入當期損益的金融資產。根據香港財務報告準則第9號，金融資產乃根據管理金融資產的業務模式以及其合約現金流量特徵進行分類。

本集團持有的非權益性投資歸入以下其中一個計量類別：

- 以攤銷成本，如果持有投資的目的為收取僅為本金及利息的支付的合約現金流量。來自投資的利息收入採用實際利率法計算；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(c) HKFRS 9 *Financial Instruments* (Continued)

- (i) *Classification and measurement (Continued)*
- FVOCI — recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss; or
 - FVPL, if the investment does not meet the criteria for being measured at amortise cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

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 election to designate the investment at 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 retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI (non-recycling), are recognised in profit or loss as other income.

3. 應用新訂及經修訂香港財務報告準則(續)

(c) 香港財務報告準則第9號金融工具(續)

- (i) 分類及計量(續)
- 以公平值計量且其變動計入其他全面收益—可劃轉，如果投資的合約現金流量僅包括本金及利息的支付，且持有投資的業務模式其目的通過收取合約現金流量及出售兩者達到。公平值變動在其他全面收益內確認，惟預期信貸虧損在損益內確認除外。當投資終止確認時，在其他全面收益內累計的金額會從權益劃轉至損益；或
 - 以公平值計量且其變動計入當期損益，如果投資不符合以攤銷成本計量或以公平值計量且其變動計入其他全面收益(可劃轉)的標準。投資的公平值變動(包括利息)在損益內確認。

權益證券投資分類為以公平值計量且其變動計入當期損益，除非權益性投資並非為交易用途而持有，以及於初始確認投資時，本集團選擇將有關投資指定為以公平值計量且其變動計入其他全面收益(不可劃轉)，以致公平值的後續變動在其他全面收益內確認。有關選擇為按逐項工具作出，但只有在有關投資從發行人的角度符合權益的定義時，方可作出。倘若作出有關選擇，在其他全面收益內累計的金額會留在公平值儲備(不可劃轉)，直至投資出售為止。於出售時，在公平值儲備(不可劃轉)內累計的金額會轉撥至保留收益，而不會透過損益劃轉。來自權益證券投資(不論分類為以公平值計量且其變動計入當期損益抑或以公平值計量且其變動計入其他全面收益(不可劃轉))的股息，均在損益內確認為其他收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(c) HKFRS 9 *Financial Instruments* (Continued)

- (i) *Classification and measurement (Continued)*
There is no reclassification or remeasurement of the financial assets, including cash and cash equivalents, trade and retention sum receivables, deposits and other receivables for the adoption of HKFRS 9.

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 January 2018 have not been impacted by the initial application of HKFRS 9.

- (ii) *Impairment under ECL model*
The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables and contract assets. Except for those which had been determined as credit impaired under HKAS 39, the remaining balances are grouped based on internal credit rating. The Group has therefore estimated the expected loss rates for the trade receivables and contract assets on the same basis.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including other receivables, time deposits and bank balances, are assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition.

3. 應用新訂及經修訂香港財務報告準則(續)

(c) 香港財務報告準則第9號金融工具(續)

- (i) *分類及計量(續)*
並無就採納香港財務報告準則第9號而重新分類或重新計量，包括現金及現金等價物、貿易應收款項及應收保留金、按金及其他應收款項。

所有金融負債的計量類別保持不變。所有金融負債於二零一八年一月一日的賬面值並未受香港財務報告準則第9號的首次應用所影響。

- (ii) *預期信貸虧損模式下之減值*
本集團應用香港財務報告準則第9號簡化法計量預期信貸虧損，其對貿易應收款項及合約資產使用全期預期信貸虧損。除根據香港會計準則第39號釐定為信貸減值的情況外，餘下結餘按內部信貸評級分組。因此，本集團已按相同基準估計貿易應收款項及合約資產的預期虧損率。

除根據香港會計準則第39號釐定為信貸減值的情況外，按攤銷成本計量之其他金融資產(包括其他應收款項、定期存款及銀行結餘)的預期信貸虧損按12個月預期信貸虧損基準評估，因為自初始確認以來，信貸風險並未顯著增加。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(d) HKFRS 15 Revenue from Contracts with Customers and the related amendments

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 Revenue, HKAS 11 Construction Contracts and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- provision of construction ancillary services
- provision of aviation and traveling services
- provision of financial services

The Group recognises revenue from the above sources which arise from contracts with customers. Information above the Group's performance obligations and the accounting policies resulting application of HKFRS 15 are disclosed in note 2 to the consolidated financial statement.

3. 應用新訂及經修訂香港財務報告準則(續)

(d) 香港財務報告準則第15號客戶合約收益及相關修訂

本集團於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

本集團從以下來自客戶合約之主要來源確認收益：

- 提供建造及配套服務
- 提供航空旅遊服務
- 提供金融服務

本集團確認來自上述來源的客戶合約收益。有關本集團履約責任及應用香港財務報告準則第15號產生的會計政策的資料於綜合財務報表附註2披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(d) HKFRS 15 Revenue from Contracts with Customers and the related amendments (Continued)

Except the reclassification, as the table shown below, of amounts due from customers for contract works and retention sum receivables under deposits, prepayments and other receivables to contract assets and amount due to customers for contract works and deposits received from customers for construction work under accrued expenses and other payables to contract liabilities and further disclosure set as related note in the consolidated financial statements, the directors believe that the application of HKFRS 15 has no impact on the amounts reported set out in the consolidated financial statements.

3. 應用新訂及經修訂香港財務報告準則(續)

(d) 香港財務報告準則第15號客戶合約收益及相關修訂(續)

除了如下表所示應收客戶合約工程款項以及按金、預付款項及其他應收款項下之應收保留金重新分類為合約資產和應付客戶合約工程款項以及應計開支及其他應付款項下之已收客戶建造工程按金重新分類為合約負債，以及綜合財務報表相關附註所載之進一步披露外，董事相信應用香港財務報告準則第15號對綜合財務報表所載金額並無影響。

| | | Carrying amounts previously reported at 31 December 2017 於二零一七年十二月三十一日 以往報告之賬面值 HK\$'000 千港元 | Reclassification 重新分類 HK\$'000 千港元 | Carrying amounts under HKFRS 15 at 1 January 2018 於二零一八年一月一日 根據香港財務報告準則第15號之賬面值 HK\$'000 千港元 |
|---|---------------------------|--|---|--|
| Current assets | | | | |
| 流動資產 | | | | |
| Amounts due from customers for contract work (note (i)) | 應收客戶合約工程款項 (附註(i)) | 5,007 | (5,007) | - |
| Deposits, prepayments and other receivables (note (i)) | 按金、預付款項及其他應收款項 (附註(i)) | 16,344 | (455) | 15,889 |
| Contract assets (note (i)) | 合約資產(附註(i)) | - | 5,462 | 5,462 |
| Contract liabilities | | | | |
| 流動負債 | | | | |
| Amounts due to customers for contract work (note (i)) | 應付客戶合約工程款項 (附註(i)) | 374 | (374) | - |
| Accrued expenses and other payables (note (iii)) | 應計開支及其他應付款項 (附註(iii)) | 26,197 | (16,750) | 9,447 |
| Contract liabilities (note (i),(iii)) | 合約負債(附註(i)、(iii)) | - | 17,124 | 17,124 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(d) HKFRS 15 Revenue from Contracts with Customers and the related amendments (Continued)

Notes:

- (i) In relation to construction contracts previously accounted under HKAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. HK\$5,007,000, HK\$374,000 and HK\$455,000 of amounts due from/to customers for contract work and retention sum receivables previously included in deposits, prepayments and other receivables were reclassified to contract assets and contract liabilities respectively.
- (ii) At 1 January 2018, receipt in advance of HK\$16,750,000 in respect of construction contracts previously included in accrued expenses and other payables were reclassified to contract liabilities.

Significant financing component

For contracts where the period between the payment by the customer and transfer of the promised property or service exceeds one year, the transaction price should be adjusted for the effects of a financing component, if significant. The Group has assessed that the financing component effect was insignificant.

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 December 2018 as a result of the adoption of HKFRS 15 on 1 January 2018

The following tables summarise the estimated impact of adoption of HKFRS 15 on the Group's consolidated financial statements for the year ended 31 December 2018, by comparing the amounts reported under HKFRS 15 in these consolidated financial statements with estimates of the hypothetical amounts that would have been recognised under HKAS 18 and HKAS 11 if those superseded standards had continued to apply to 2018 instead of HKFRS 15. These tables show only those line items impacted by the adoption of HKFRS 15:

3. 應用新訂及經修訂香港財務報告準則(續)

(d) 香港財務報告準則第15號客戶合約收益及相關修訂(續)

附註：

- (i) 就先前根據香港會計準則第11號入賬的建造合約而言，本集團繼續採用投入法估計於首次應用香港財務報告準則第15號時已達成的履約責任。分別為5,007,000港元、374,000港元及455,000港元之應收／應付合約工程款項及應收保留金（以往計入按金、預付款項及其他應收款項）乃分別重新分類為合約資產和合約負債。
- (ii) 於二零一八年一月一日，先前已計入應計開支及其他應付款項的建造合約之預收款項16,750,000港元已重新分類為合約負債。

重大融資部份

如合約規定由客戶付款至轉移承諾之物業或服務之期間超過一年，交易價需要調整以反映融資部份的影響（如為重大）。本集團評估融資部份的影響並不重大。

就截至二零一八年十二月三十一日止年度披露因於二零一八年一月一日採納香港財務報告準則第15號而列報的金額之估計影響

下表就本集團截至二零一八年十二月三十一日止年度的綜合財務報表而總結採納香港財務報告準則第15號的估計影響，方式是將此等綜合財務報表中按香港財務報告準則第15號列報的金額，與本來按香港會計準則第18號及香港會計準則第11號確認的假定金額估計數字作比較（倘該等替代準則而非香港財務報告準則第15號一直適用於二零一八年）。此等列表僅顯示該等受採納香港財務報告準則第15號影響的項目：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

(d) HKFRS 15 Revenue from Contracts with Customers and the related amendments (Continued)

Disclosure of the estimated impact on the amounts reported in respect of the year ended 31 December 2018 as a result of the adoption of HKFRS 15 on 1 January 2018 (Continued)

3. 應用新訂及經修訂香港財務報告準則(續)

(d) 香港財務報告準則第15號客戶合約收益及相關修訂(續)

就截至二零一八年十二月三十一日止年度披露因於二零一八年一月一日採納香港財務報告準則第15號而列報的金額之估計影響(續)

| Line items in the consolidated statement of financial position as at 31 December 2018 impacted by the adoption of HKFRS 15: | 於二零一八年十二月三十一日綜合財務狀況表中受採納香港財務報告準則第15號影響的項目: | Amounts reported in accordance with HKFRS 15 (A) | Hypothetical amounts under HKASs 18 and 11 (B) | Difference: |
|---|---|--|--|--|
| | | | | Estimated impact of adoption of HKFRS 15 on 2018 (A) - (B) |
| | | 按香港財務報告準則第15號列報的金額(A) | 香港會計準則第18及11號下的假定金額(B) | 於二零一八年採納香港財務報告準則第15號的估計影響(A) - (B) |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Contract assets | 合約資產 | 3,964 | - | 3,964 |
| Amounts due from customers for contract work | 應收客戶合約工程款項 | - | 1,714 | (1,714) |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 21,613 | 23,863 | (2,250) |
| Line items in the reconciliation of profit before taxation to cash generated from operations for year ended 31 December 2018 impacted by the adoption of HKFRS 15: | 截至二零一八年十二月三十一日止年度除稅前溢利與經營活動所得現金之對賬中受採納香港財務報告準則第15號影響的單行項目: | | | |
| Decrease in contract assets | 合約資產減少 | 1,043 | - | 1,043 |
| Decrease in amounts due from customers for contract work | 應收客戶合約工程款項減少 | - | 3,293 | (3,293) |
| Increase in deposits, prepayments and other receivables | 按金、預付款項及其他應收款項增加 | (5,284) | (7,534) | 2,250 |
| Increase in contract liabilities | 合約負債增加 | 499 | - | 499 |
| Increase in amounts due to customers for contract work | 應付客戶合約工程款項增加 | - | 499 | (499) |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

| | |
|-----------------------------------|--|
| HKAS 1 and HKAS 8 (Amendments) | Definition of Material ³ |
| HKAS 19 (Amendments) | Plan Amendment, Curtailment or Settlement ¹ |
| HKAS 28 (Amendments) | Long-term interests in Associates and Joint Ventures ¹ |
| HKFRS (Amendments) | Annual Improvements to HKFRSs 2015-2017 Cycle ¹ |
| HKFRS 3 (Amendments) | Definition of a Business ² |
| HKFRS 9 (Amendments) | Prepayment Features with Negative Compensation ¹ |
| HKFRS 10 and HKAS 28 (Amendments) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵ |
| HKFRS 16 | Leases ¹ |
| HKFRS 17 | Insurance Contracts ⁴ |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments ¹ |

¹ Effective for annual periods beginning on or after 1 January 2019.

² Effective for business combination for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

³ Effective for annual periods beginning on or after 1 January 2020.

⁴ Effective for annual periods beginning on or after 1 January 2021.

⁵ Effective for annual periods beginning on or after a date to be determined.

3. 應用新訂及經修訂香港財務報告準則(續)

本集團並無提早應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

| | |
|---|---|
| 香港會計準則第1號及重大性的定義 ³ 香港會計準則第8號 (修訂本) | 香港會計準則第19號 計劃修訂、縮減或結算 ¹ (修訂本) |
| 香港會計準則第28號 於聯營公司或合營公司之長期權益 ¹ (修訂本) | 香港財務報告準則二零一五年至二零一七年週期之年度改進 ¹ |
| 香港財務報告準則第3號(修訂本) | 香港財務報告準則第9號(修訂本) |
| 香港財務報告準則第10號及香港會計準則第28號(修訂本) | 香港財務報告準則第16號 |
| 香港財務報告準則第17號 | 香港(國際財務報告詮釋委員會)一詮釋第23號 |

¹ 於二零一九年一月一日或之後開始之年度期間生效。

² 對收購日期在二零二零年一月一日或之後開始的首個年度期間開始時或之後的業務合併生效。

³ 於二零二零年一月一日或之後開始之年度期間生效。

⁴ 於二零二一年一月一日或之後開始之年度期間生效。

⁵ 於有待釐定之日期或之後開始之年度期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

HKFRS 16 Leases

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

Furthermore, extensive disclosures are required by HKFRS 16.

3. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號規定售後租回交易根據香港財務報告準則第15號有關轉讓相關資產是否應作為銷售入賬的規定而釐定。香港財務報告準則第16號亦包括有關分租及租賃修改的規定。

除短期租賃及低價值資產租賃外，經營租賃與融資租賃的差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初步按成本計量，其後按成本(若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量作出調整。租賃負債初步按並非於該日支付之租賃付款現值計量。其後，租賃負債會就利息及租賃付款以及(其中包括)租賃修訂的影響作出調整。就現金流量分類而言，本集團現時將有關自用租賃土地之預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。於應用香港財務報告準則第16號之後，本集團會將有關租賃負債之租賃付款分配為本金及利息部分，並按融資現金流量呈列。

此外，香港財務報告準則第16號要求作出更詳盡的披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

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

HKFRS 16 Leases (Continued)

At 31 December 2018, the Group has non-cancellable operating lease commitments of approximately HK\$2,809,000 as disclosed in note 29 to the consolidated financial statements. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained earnings without restating comparative information.

Except disclosed above, the directors do not anticipate that the application of other new and revised HKFRSs will have a material impact on the Group's financial performance and financial positions.

3. 應用新訂及經修訂香港財務報告準則(續)

香港財務報告準則第16號租賃(續)

於二零一八年十二月三十一日，本集團擁有不可撤銷經營租賃承擔約2,809,000港元(如綜合財務報表附註29所披露)。初步評估表明該等安排將符合租賃的定義。於應用香港財務報告準則第16號以後，本集團將繼續就該等所有租賃確認使用權資產及相應負債，除非彼等合資格為低價值或短期租賃。

採用新規定或會導致上述計量、呈列及披露的變動。本集團擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初保留盈利的累計影響，而並無重列比較資料。

除上文所披露者外，董事預期應用其他新訂及經修訂香港財務報告準則將不會對本集團的財務表現及財務狀況構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

4. CRITICAL 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 Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Revenue recognition of contracts

The Group recognises contract revenue and profit of a contract during the provision of design, fitting-out and decoration services and design and decoration services by reference to the progress towards complete satisfaction at the end of the reporting period. Progress towards complete satisfaction is measured based on input method. Estimated revenue is determined with reference to the terms of the relevant contracts. Contract costs which mainly comprise sub-contracting charges and costs of materials are estimated by the management on the basis of quotations from time to time provided by the major subcontractors or suppliers involved and the experience of the management. Notwithstanding that management reviews and revises the estimates of both contract revenue and costs for the contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

Management reviews the contracts for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated total contract costs. The actual outcomes in terms of total contract costs or contract revenue may be higher or lower than estimated at the end of each of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

The carrying amounts of contract assets and current liabilities arising from contracts are disclosed in note 18 to the consolidated financial statements.

4. 關鍵會計估計和判斷

估計和判斷將基於歷史經驗及其他因素(包括對發生在相關情形下屬合理的未來事件的預期)持續評估。

本集團會就未來作出估計和假設。得出的會計估計很少與相關實際結果匹配。以下討論下一財年會產生重大風險，導致大幅調整資產及負債之賬面值的估計和假設。

(a) 確認合約收益

本集團於提供設計、裝修及裝飾服務以及設計及裝飾服務的過程中，參考報告期末達致完全履行的進展而確認合約收益及合約溢利。達致完全履行的進展乃根據投入法計量。估計收益乃參考相關合約條款釐定。合約成本(主要包括分包費用及材料成本)由管理層根據所涉及的主要分包商或有關供應商不時提供的報價及管理層的經驗估計。儘管管理層在合約進行時審視並修訂合約收益和合約成本的估計，但合約在總收益和成本方面的實際結果可能高於或低於估計，此將影響已確認的收益及溢利。

只要有跡象顯示估計合約收益低於估計的總合約成本，管理層審視合約的可預見虧損。總合約成本或合約收益的實際結果可能高於或低於報告期末的估計，此將影響未來年度確認的收益及溢利，作為對迄今為止記錄的金額的調整。

合約產生的合約資產及合約負債的賬面值於綜合財務報表附註18披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(b) Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for the trade receivables and contract assets. The provision rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 16 and 18 respectively.

4. 關鍵會計估計和判斷(續)

(b) 貿易應收款項以及合約資產之預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及合約資產的預期信貸虧損。撥備率是基於內部信貸評級，因為具有類似虧損型態的不同債務人會歸入不同組別。撥備矩陣是基於本集團的歷史違約率，並考慮無需過多成本或努力而獲得的合理且可支持的前瞻性資料。於各報告日期，可觀察的歷史違約率會重新評估，並考慮前瞻性資料的變動。此外，具有重大結餘及信貸減值的貿易應收款項及合約資產將單獨地評估預期信貸虧損。

預期信貸虧損撥備對估計變動尤為敏感。有關預期信貸虧損及本集團貿易應收款項及合約資產的資料分別於附註16及18披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Useful lives of property, plant and equipment

In accordance with HKAS 16, the Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid.

(d) Income tax

The Group is subject to income taxes in Hong Kong. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Impairment of trading licence

Trading licence with indefinite useful life are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of the asset is the greater of the fair value less costs of disposal and value in use.

4. 關鍵會計估計和判斷(續)

(c) 物業、廠房及設備之使用年限

根據香港會計準則第16號，本集團估計物業、廠房及設備之使用年限，以釐定將入賬之折舊開支金額。使用年限乃於購入資產時根據經驗、預期使用情況、資產之耗損，以及因市場需求變化或資產服務輸出所產生之技術過時而估計。本集團亦每年檢閱就使用年限所作出之假設是否繼續有效。

(d) 所得稅

本集團須繳付香港所得稅。在釐定所得稅的全球撥備時需要作出重大判斷。在日常業務中，許多交易和計算之最終稅項釐定是未能確定的。本集團基於是否需要繳納額外稅項之估計，就預期稅務審計事宜確認負債。若此等事宜之最終稅務結果與最初記錄之金額不同，有關差異將影響作出有關決定之期間內的所得稅及遞延稅項撥備。

(e) 交易牌照減值

並無限定可用年期之交易牌照於各報告期末，或於事件或情況變動表明資產賬面值超過其可回收金額時進行減值檢討。資產可回收金額為公平值減出售成本及使用價值之較大者。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

(a) Categories of financial instruments

| | | As at 於 | |
|---|------------------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Financial assets: | 金融資產： | | |
| Measured at amortised costs | 按攤銷成本計量 | 138,519 | - |
| Loan and receivables (including cash and bank balances) | 貸款及應收款項 (包括現金及銀行結餘) | - | 175,856 |

| | | As at 於 | |
|-------------------------------|--------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Financial liabilities: | 金融負債： | | |
| At amortised cost | 按攤銷成本 | 28,422 | 48,971 |

(b) Financial risk management objectives and policies

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and foreign currency risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Market risk

(i) Interest rate risk

As at 31 December 2018 and 2017, the Group did not hold any assets and liabilities which are exposed to significant interest risk.

(b) 財務風險管理目標及政策

本集團的活動面臨多種財務風險：市場風險（包括利率風險和外匯風險）、信貸風險及流動資金風險。本集團的總體風險管理計劃注重金融市場的不可預見性，尋求最大程度地降低對本集團財務表現的潛在負面影響。

市場風險

(i) 利率風險

於二零一八年及二零一七年十二月三十一日，本集團並無持有面臨重大利率風險的任何資產及負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Foreign currency risk

The Group has certain portion of bank balances and cash denominated in currencies other than the functional currency of the entities to which they related. 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.

The following table details the Group's exposure at the end of the reporting period to major currency risk:

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 外幣風險

本集團持有一定比例的採用相關實體功能貨幣以外之貨幣的銀行結餘及現金。本集團目前並無外幣對沖政策。然而，管理層會監控外匯風險，並在有需要時考慮對沖重大外幣風險。

下表載列於報告期末本集團所面臨主要貨幣風險的詳情：

| | | Liabilities 負債 As at 於 | | Assets 資產 As at 於 | |
|-------------------------------|---------------|--|--|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| British Pound ("GBP") | 英鎊 (「英鎊」) | - | - | 20 | 21 |
| Canadian Dollars ("CAD") | 加拿大元 (「加元」) | - | - | - | 1 |
| Euro ("EUR") | 歐元 (「歐元」) | - | - | 41 | 58 |
| Japanese Yen ("JPY") | 日圓 (「日圓」) | - | - | - | 88 |
| Renminbi ("RMB") | 人民幣 (「人民幣」) | - | - | 46 | 1,758 |
| Singapore Dollars ("SGD") | 新加坡元 (「新加坡元」) | - | - | - | 25 |
| United States Dollars ("USD") | 美元 (「美元」) | - | - | 2,098 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Foreign currency risk (Continued)

The foreign currency sensitivity analysis

The Group is mainly exposed to the effects of fluctuation in GBP, CAD, EUR, JPY, RMB, SGD and USD.

The following table details the Group's sensitivity to a 5% (fifteen months ended 31 December 2017: 5%) increase and decrease in HK\$ against GBP, CAD, EUR, JPY, RMB, SGD and USD. 5% (fifteen months ended 31 December 2017: 5%) is the sensitivity rate used in the current period when reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes outstanding foreign currency denominated monetary items. If HK\$ strengthen 5% against GBP, CAD, EUR, JPY, RMB, SGD and USD while a positive number below indicates an increase in profit, there would be an equal and opposite impact on the profit as those referred to in the table below:

| | | | |
|------------------|-------|----|----|
| Sensitivity rate | 敏感率 | 5% | 5% |
| Profit or loss | 溢利或虧損 | 1 | 1 |

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 外幣風險 (續)

外幣敏感度分析

本集團主要面對英鎊、加元、歐元、日圓、人民幣、新加坡元及美元波動的影響。

下表載列本集團對港元兌英鎊、加元、歐元、日圓、人民幣、新加坡元及美元增加及減少5% (截至二零一七年十二月三十一日止十五個月期間：5%) 的敏感度詳情。5% (截至二零一七年十二月三十一日止十五個月期間：5%) 為於本期間向主要管理層人員內部報告外幣風險所用敏感率及表示管理層對外匯匯率合理可能變動的評估。敏感度分析包括未償還以外幣計值的貨幣項目。倘港元兌英鎊、加元、歐元、日圓、人民幣、新加坡元及美元上升5%，而以下正數顯示溢利增加，則如下表所述將對溢利產生同等相反的影響：

Impact of GBP 英鎊的影響

| Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|---|--|
|---|--|

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

- (ii) *Foreign currency risk (Continued)*
The foreign currency sensitivity analysis (Continued)

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

- (ii) *外幣風險 (續)*
外幣敏感度分析 (續)

| | | Impact of EUR 歐元的影響 | |
|------------------|-------|---|--|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
| Sensitivity rate | 敏感率 | 5% | 5% |
| Profit or loss | 溢利或虧損 | 2 | 3 |

| | | Impact of JPY 日圓的影響 | |
|------------------|-------|---|--|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
| Sensitivity rate | 敏感率 | 5% | 5% |
| Profit or loss | 溢利或虧損 | - | 4 |

| | | Impact of RMB 人民幣的影響 | |
|------------------|-------|---|--|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
| Sensitivity rate | 敏感率 | 5% | 5% |
| Profit or loss | 溢利或虧損 | 2 | 88 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Market risk (Continued)

(ii) Foreign currency risk (Continued)

The foreign currency sensitivity analysis (Continued)

| | | Impact of SGD 新加坡元的影響 | |
|------------------|-------|---|--|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
| Sensitivity rate | 敏感率 | 5% | 5% |
| Profit or loss | 溢利或虧損 | - | 1 |

| | | Impact of USD 美元的影響 | |
|------------------|-------|---|--|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
| Sensitivity rate | 敏感率 | 5% | 5% |
| Profit or loss | 溢利或虧損 | 105 | - |

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

市場風險 (續)

(ii) 外幣風險 (續)

外幣敏感度分析 (續)

Impact of SGD 新加坡元的影響

| Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|---|--|
| 5% | 5% |
| - | 1 |

Impact of USD 美元的影響

| Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|---|--|
| 5% | 5% |
| 105 | - |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk

The credit risk of the Group mainly arises from bank balances and deposits, trade receivables, and deposit and other receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

In respect of cash deposited at banks, the credit risk is considered to be low as the counterparties are reputable banks. The existing counterparties do not have defaults in the past. Therefore, expected credit loss rate of cash at bank is assessed to be close to zero and no provision was made as of 31 December 2018.

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit loss. It considers available reasonable and supportive forwarding-looking information.

As at 31 December 2018, trade receivables and contract assets that are individually significant have been separately assessed for impairment. The Group makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience.

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險

本集團的信貸風險主要來自銀行結餘及存款、貿易應收款項，以及按金及其他應收款項。該等結餘的賬面值代表本集團就金融資產所面對的最大信貸風險。

就存於銀行的現金而言，由於交易對手為信譽良好的銀行，因此信貸風險被視為較低。現有交易對手過去沒有違約。因此，銀行現金的預期信貸虧損率評估為接近零，截至二零一八年十二月三十一日未作出撥備。

本集團採用簡化法計提香港財務報告準則第9號所規定的預期信貸虧損撥備，該準則允許對所有貿易應收款項及合約資產使用全期預期信貸虧損撥備。為計量預期信貸虧損，貿易應收款項及合約資產已根據共同之信貸風險特徵分組。本集團已進行過往分析，並確定影響信貸風險及預期信貸虧損的主要經濟變數。其考慮了可用的合理且支持性的前瞻資料。

於二零一八年十二月三十一日，個別重大的貿易應收款項及合約資產已單獨評估減值。本集團根據客戶的背景及聲譽、過往結算記錄及過往經驗，定期評估應收款項的可收回性。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

Majority of the Group's revenue is received from individual customers in relation to construction and ancillary services. The Group's trade receivables arise from construction and ancillary services. As at the end of the year, the top five debtors and the largest debtor accounted for approximately 83.4% and 70.5% (2017: 91.2% and 69.2%) of the Group's trade receivables balance. In view of the history of business dealings with the debtors and the sound collection history of the receivables due from them, management believes that there is no material credit risk inherent in the Group's outstanding receivable balance due from these debtors saved for the debtor related to the impaired trade receivable disclosed in the below. Management makes periodic assessment on the recoverability of the trade and other receivables based on historical payment records, the length of overdue period, the financial strength of the debtors and whether there are any disputes with the debtors.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 7 to 45 days from the date of billing. Normally, the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECL, 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.

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

本集團的大部分收益來自個別客戶的建設及配套服務。本集團的貿易應收款項來自建設及配套服務。截至年結，前五大債務人及最大債務人佔本集團貿易應收款項結餘約83.4%及70.5%（二零一七年：91.2%及69.2%）。鑑於與債務人進行業務往來的過往及從此等債務人收取應收款項的穩健收款過往，管理層相信本集團應收此等債務人之未償還應收款項結餘並無重大信貸風險，惟有關於下文披露之已減值貿易應收款項之債務人除外。管理層根據過往支付記錄、逾期期限、債務人的財務實力以及與債務人是否存在任何爭議，定期評估貿易及其他應收款項的可收回性。

對需要超過一定金額的信貸的所有客戶進行個別信貸評估。此等評估著重於客戶過去的到期付款記錄和當前的支付能力，並考慮客戶特定的賬戶資料以及與客戶經營所處的經濟環境有關的資料。貿易應收款項在發出賬單日期起計之7至45天內到期。本集團通常不會從客戶處獲得抵押品。

本集團以等於全期預期信貸虧損的金額計量貿易應收款項及合約資產虧損撥備，該撥備使用撥備矩陣計算。由於本集團的過往信貸虧損經驗並未顯示不同客戶群的虧損模式存在顯著差異，因此基於過期狀態的虧損撥備不會在本集團的不同客戶群中有進一步區分。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級

Description 描述

Low risk
低風險

The counterparty has a low risk of default and does not have any past-due amounts
交易對手違約風險低，且並無任何逾期金額

Doubtful
呆賬

There have been significant increases in credit risk since initial recognition through information developed internally or external resources
通過內部所得的信息或外部資源，信貸風險自首次確認以來顯著增加

Loss
虧損

There is evidence indicating the asset is credit-impaired
有證據顯示資產為信貸減值

Write-off
撇銷

There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery
有證據顯示債務人處於嚴重的財務困難，本集團實際上並無收回款項的可能

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

本集團的內部信貸風險評級評估包括以下類別：

Trade receivables and contracts assets 貿易應收款項及合約資產

Other financial assets at amortised cost 按攤銷成本計量之其他金融資產

Lifetime ECL – not credit-impaired
全期預期信貸虧損 – 並非信貸減值

12-month ECL
12個月預期信貸虧損

Lifetime ECL – not credit-impaired
全期預期信貸虧損 – 並非信貸減值

Lifetime ECL – not credit-impaired
全期預期信貸虧損 – 並非信貸減值

Lifetime ECL – credit impaired
全期預期信貸虧損 – 信貸減值

Lifetime ECL – credit-impaired
全期預期信貸虧損 – 信貸減值

Amount is written off
已經撇銷有關金額

Amount is written off
已經撇銷有關金額

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

| | Internal credit rating 內部信貸評級 | 12-month or lifetime ECL 12個月或全期預期信貸虧損 | Gross carrying amount 總賬面值 HK\$'000 千港元 |
|---|-----------------------------------|--|--|
| Financial assets at amortised costs 按攤銷成本計量之金融資產 | | | |
| Trade receivables (note 16) 貿易應收款項 (附註16) | Low risk (note (a)) 低風險(附註(a)) | Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並非信貸減值) | 2 |
| | Doubtful 呆賬 | Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並非信貸減值) | 43 |
| | Loss 虧損 | Credit-impaired 信貸減值 | 157 |
| | | | 202 |
| Other receivables (note 19) 其他應收款項 (附註19) | Low risk 低風險 | 12-month ECL 12個月預期信貸虧損 | 15 |

Note:

- (a) For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items on an individual balance basis.

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

信貸風險 (續)

下表詳列本集團金融資產的信貸風險，其須接受預期信貸虧損評估：

| | Internal credit rating 內部信貸評級 | 12-month or lifetime ECL 12個月或全期預期信貸虧損 | Gross carrying amount 總賬面值 HK\$'000 千港元 |
|---|-----------------------------------|--|--|
| Financial assets at amortised costs 按攤銷成本計量之金融資產 | | | |
| Trade receivables (note 16) 貿易應收款項 (附註16) | Low risk (note (a)) 低風險(附註(a)) | Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並非信貸減值) | 2 |
| | Doubtful 呆賬 | Lifetime ECL (not credit-impaired) 全期預期信貸虧損(並非信貸減值) | 43 |
| | Loss 虧損 | Credit-impaired 信貸減值 | 157 |
| | | | 202 |
| Other receivables (note 19) 其他應收款項 (附註19) | Low risk 低風險 | 12-month ECL 12個月預期信貸虧損 | 15 |

附註：

- (a) 就貿易應收款項而言，本集團應用香港財務報告準則第9號簡化法計量全期預期信貸虧損之虧損撥備。本集團按個別結餘基準釐定此等項目之預期信貸虧損。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The closing loss allowances for trade receivables and other receivables as at 31 December 2018 reconcile to the opening loss allowances as follows:

| | | Trade receivables 貿易應收款項 HK\$'000 千港元 | Other financial assets at amortised cost 按攤銷成本計量之其他金融資產 HK\$'000 千港元 |
|---|-------------------------------|--|---|
| At 1 January 2018-HKFRS 9 | 於二零一八年一月一日 —香港財務報告準則第9號 | — | — |
| Increase in loss allowance recognised in profit or loss during the year | 年內於損益確認之虧損撥備增加 | 202 | 15 |
| At 31 December 2018-HKFRS 9 | 於二零一八年十二月三十一日 —香港財務報告準則第9號 | 202 | 15 |

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 60-90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

The credit quality of the deposits has been assessed with reference to historical information about the counterparties default rate and financial position of the counterparties. The directors are of the opinion that the credit risk of deposits is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of deposits is assessed to be close to zero and no provision was made as of 31 December 2018.

For other receivables relating to accounts that are long overdue with significant amounts, known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. The Group recognised the allowance for expected credit losses by assessing the credit risk characteristics of debtor, discount rate and the likelihood of recovery and considering the prevailing economic conditions.

信貸風險(續)

於二零一八年十二月三十一日，貿易應收款項及其他應收款項的期末虧損撥備與期初虧損撥備的對賬如下：

| | | Trade receivables 貿易應收款項 HK\$'000 千港元 | Other financial assets at amortised cost 按攤銷成本計量之其他金融資產 HK\$'000 千港元 |
|---|-------------------------------|--|---|
| At 1 January 2018-HKFRS 9 | 於二零一八年一月一日 —香港財務報告準則第9號 | — | — |
| Increase in loss allowance recognised in profit or loss during the year | 年內於損益確認之虧損撥備增加 | 202 | 15 |
| At 31 December 2018-HKFRS 9 | 於二零一八年十二月三十一日 —香港財務報告準則第9號 | 202 | 15 |

當在合理範圍內預期將無法收回款項時，貿易應收款項予以撇銷。在合理範圍內預期將無法收回款項之跡象包括(除其他事項外)債務人未能與本集團訂立還款計劃，以及在逾期超過60-90天之期間後仍未能作出合約付款。

貿易應收款項的減值虧損於經營溢利內呈列為減值虧損淨額。之前已撇銷的金額的其後收回將記入同一單行項目。

按金的信貸質素已參考有關交易對手違約率及交易對手財務狀況的過往資料進行評估。董事認為，由於應收有關人士款項的收款記錄穩健，按金的信貸風險較低。因此，按金的預期信貸虧損率評估接近於零，而於二零一八年十二月三十一日並無作出撥備。

對於長期逾期而金額重大、已知無償債能力或於對收款活動不予回應的賬戶的其他應收款項，將對有關款項單獨地進行減值撥備評估。本集團通過評估債務人的信貸風險特徵、貼現率及收回款項的可能性並考慮當時的經濟狀況，確認預期信貸虧損撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk

The Group's liquidity risk management includes maintaining flexibility by keeping sufficient cash and cash equivalents generated from operations. The Company regularly reviews its major funding positions to ensure that it has adequate financial resources in meeting its financial obligations.

The following table details the Group's remaining contractual maturity for its non-derivatives financial liabilities which are included in the maturity analysis provided internally to the key management personnel for the purpose of managing liquidity risk. For non-derivative financial liabilities, the table reflects the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

| | | Weighted average effective interest rate | Within 1 year | Over 1 year | Total undiscounted cash flows | Total carrying amount |
|---|----------------------|--|------------------------|-------------------------|-------------------------------------|-----------------------------|
| | | | | | 未貼現 現金流量 總額 | 賬面值 總額 |
| | | 加權平均 實際利率 % | 一年內 HK\$'000 千港元 | 一年以上 HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | | | | | |
| Non-derivative financial liabilities | 非衍生金融負債 | | | | | |
| Trade payables | 貿易應付款項 | - | 16,021 | - | 16,021 | 16,021 |
| Accrued expenses and other payables | 應計開支及其他應付款項 | - | 12,401 | - | 12,401 | 12,401 |
| | | - | 28,422 | - | 28,422 | 28,422 |

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險

本集團管理流動資金風險時會保持靈活性，其方式是維持營運產生的充足現金及現金及現金等價物。本公司定期審核其主要資金狀況，確保其有充足財力履行財務義務。

下表詳列本集團非衍生金融負債的餘下合約到期日，並已納入為管理流動資金風險而從內部提供予管理層關鍵人員的到期分析中。就非衍生金融負債而言，該表可反映於本集團可被要求償還負債的最早日期的金融負債之未折現現金流量。該表包括利息及本金現金流量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(b) Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

| | Weighted average effective interest rate | Within 1 year | Over 1 year | Total | Total |
|---|--|----------------------|-------------|-------------------------|-----------------|
| | | | | undiscounted cash flows | carrying amount |
| | 加權平均實際利率 | 一年內 | 一年以上 | 未貼現現金流量總額 | 賬面值總額 |
| | % | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | % | 千港元 | 千港元 | 千港元 | 千港元 |
| As at 31 December 2017 | | 於二零一七年十二月三十一日 | | | |
| Non-derivative financial liabilities | | 非衍生金融負債 | | | |
| Trade payables | - | 22,774 | - | 22,774 | 22,774 |
| Accrued expenses and other payables | - | 26,197 | - | 26,197 | 26,197 |
| | - | 48,971 | - | 48,971 | 48,971 |

5. 金融工具及資本風險管理 (續)

(b) 財務風險管理目標及政策 (續)

流動資金風險 (續)

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair values of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid and ask prices respectively; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(c) 金融工具之公平值

金融資產及金融負債之公平值按以下方式釐定：

- 具備標準條款及條件並於活躍流通市場買賣之金融資產及金融負債之公平值分別參考所報市場買入價及賣出價釐定；及
- 其他金融資產及金融負債之公平值乃基於折現現金流分析根據獲普遍採納的定價模式釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(c) Fair value of financial instruments (Continued)

The carrying amount of other financial assets and liabilities carried at amortised cost, approximate their respective fair values due to the relatively short-term nature of those financial instrument.

For financial reporting purpose, fair value measurements are categorised into Level 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the input to the fair value measurements in its entirety.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

No analysis is disclosed since the Group has no financial instruments that are measured subsequent to initial recognition at fair value at the end of the reporting period.

There were no transfers between Level 1 and 2 and no transfers into or out of Level 3 during the year.

5. 金融工具及資本風險管理 (續)

(c) 金融工具之公平值 (續)

由於該等金融工具之相對短期性質使然，故按攤銷成本列賬之其他金融資產及負債賬面值與其各自公平值相若。

就財務報告而言，公平值計量根據公平值計量輸入數據之可觀察程度及公平值計量輸入數據之整體重要性劃分為第一、第二及第三級。

董事認為於綜合財務報表入賬之金融資產及金融負債之賬面值與其公平值相若。

下表提供於初步確認後按公平值計量之金融工具之分析，乃按公平值之可觀察程度分為第一級至第三級：

- 第一級公平值計量指按相同資產或負債於活躍市場之報價(未經調整)所得出者；
- 第二級公平值計量指按資產或負債之直接(即價格)或間接(即從價格所得出者)可觀察數據(第一級計量所用報價除外)而得出者；及
- 第三級公平值計量指按包括並非以可觀察市場數據(不可觀察數據)為基礎之資產或負債數據之估值技術而得出者。

由於本集團於初步確認後，並無金融工具於報告期末以公平值計量，故並無披露分析。

於本年度概無第一級及第二級之間之轉換，亦無轉入或轉出第三級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

5. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(d) Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to fund its construction business, provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There was no change in the Group's approach to capital management during the year.

6. REVENUE AND SEGMENT INFORMATION

The executive directors of the Company, being the chief operating decision-makers, review the Group's internal reporting in order to assess performance and allocate resources. Information reported to the chief operating decision marker, for the purpose of resources allocation and performance assessment, focuses on the types of goods or services delivered or provided.

5. 金融工具及資本風險管理 (續)

(d) 資本風險管理

本集團資本管理之首要目標是保障本集團持續經營的能力，從而為建造業務提供資金，為股東提供回報，為其他利益相關者提供利益，及維持最優資本結構，以降低資本成本。

本集團積極及定期審核及管理資本結構，以在與借貸水平更高可能帶來的較高股東回報與穩健的資本狀況提供的優勢及安全之間取得平衡，並根據經濟狀況的變化對資本結構作出調整。

於本年度，本集團的資本管理方式保持不變。

6. 收益及分部資料

本公司執行董事作為主要的營運決策者審閱本集團的內部報告，以評估表現及分配資源。為了資源分配及表現評估而向主要營運決策者報告的資料著重於所交付或提供的商品或服務的類型。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

The Group has three reportable segments under HKFRS 8 as follows:

- (a) Construction and ancillary services – design, fitting-out, decoration, alteration and addition, construction and other related businesses.
- (b) Aviation and traveling services – aircraft management service, service of aircraft sales and aircraft leasing ancillary service.
- (c) Financial services – precious metal trading business and financial advisory service.

Segment revenue and results

| | | Construction and ancillary services 建設 及配套服務 HK\$'000 千港元 | Aviation and traveling services 航空旅遊 服務 HK\$'000 千港元 | Financial services 金融服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|------------------------------------|--------------------------|--|---|--|--------------------------------|
| Year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | | |
| Segment revenue | 分部收益 | 150,832 | 36,482 | - | 187,314 |
| Segment results | 分部業績 | 22,077 | 3,432 | (2,834) | 22,675 |
| Unallocated corporate income | 未分配企業收入 | | | | 258 |
| Unallocated corporate expense | 未分配企業開支 | | | | (37,081) |
| Loss before taxation | 除稅前虧損 | | | | (14,148) |
| Taxation | 稅項 | | | | (2,478) |
| Loss for the year | 年內虧損 | | | | (16,626) |

6. 收益及分部資料(續)

本集團於香港財務報告準則第8號項下有三個須予報告分部如下：

- (a) 建設及配套服務—設計、裝修、裝飾、改動和添加、建設及其他相關業務。
- (b) 航空旅遊服務—飛機管理服務、飛機銷售服務及飛機租賃配套服務。
- (c) 金融服務—貴金屬買賣業務及財務顧問服務。

分部收益及業績

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

6. 收益及分部資料(續)

分部收益及業績(續)

| | | Construction and ancillary services 建設 及配套服務 HK\$'000 千港元 | Aviation and traveling services 航空旅遊 服務 HK\$'000 千港元 | Financial services 金融服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---------------------------------|--|---|--|--------------------------------|
| Fifteen months ended 31 December 2017 | 截至二零一七年十二月 三十一日止十五個月 | | | | |
| Segment revenue | 分部收益 | 128,270 | 28,010 | 1,117 | 157,397 |
| Segment results | 分部業績 | 20,416 | 8,152 | (3,832) | 24,736 |
| Unallocated corporate income | 未分配企業收入 | | | | 620 |
| Unallocated corporate expense | 未分配企業開支 | | | | (31,646) |
| Loss before taxation | 除稅前虧損 | | | | (6,290) |
| Taxation | 稅項 | | | | (2,982) |
| Loss for the period | 期內虧損 | | | | (9,272) |

Segment results represent the profit earned by or loss from each segment without allocation of unallocated corporate income and unallocated corporate expense. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and performance assessment.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year/period.

分部業績代表在未分配企業收入及未分配企業開支前，各分部所賺取的溢利或錄得的虧損。此為向主要營運決策者匯報以作出資源分配及表現評估的方式。

上文所報告之收益代表來自外界客戶之收益。年／期內並無分部之間的銷售。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities

6. 收益及分部資料(續)

分部資產及負債

| | | Construction and ancillary services 建設 及配套服務 HK\$'000 千港元 | Aviation and traveling services 航空旅遊服務 HK\$'000 千港元 | Financial services 金融服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--------------------------------|---------------------------|--|---|--|--------------------------------|
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | | | | |
| Assets | 資產 | | | | |
| Segment assets | 分部資產 | 49,083 | 6,694 | 27,026 | 82,803 |
| Unallocated assets | 未分配資產 | | | | 77,202 |
| Consolidated total assets | 綜合資產總值 | | | | 160,005 |
| Liabilities | 負債 | | | | |
| Segment liabilities | 分部負債 | 8,722 | 19,060 | 51 | 27,833 |
| Unallocated liabilities | 未分配負債 | | | | 1,462 |
| Consolidated total liabilities | 綜合負債總額 | | | | 29,295 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

6. 收益及分部資料(續)

分部資產及負債(續)

| | | Construction and ancillary services 建設 及配套服務 HK\$'000 千港元 | Aviation and traveling services 航空旅遊服務 HK\$'000 千港元 | Financial services 金融服務 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--------------------------------|---------------------------|--|---|--|--------------------------------|
| As at 31 December 2017 | 於二零一七年十二月 三十一日 | | | | |
| Assets | 資產 | | | | |
| Segment assets | 分部資產 | 56,342 | 30,527 | 22,851 | 109,720 |
| Unallocated assets | 未分配資產 | | | | 91,867 |
| Consolidated total assets | 綜合資產總值 | | | | 201,587 |
| Liabilities | 負債 | | | | |
| Segment liabilities | 分部負債 | 26,434 | 17,889 | 1,440 | 45,763 |
| Unallocated liabilities | 未分配負債 | | | | 3,582 |
| Consolidated total liabilities | 綜合負債總額 | | | | 49,345 |

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than other unallocated corporate assets (mainly comprising cash and cash equivalents and deposits and prepayments); and
- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising other payables and accruals).

就監察分部表現以及在分部之間分配資源而言：

- 所有資產均分配予營運分部，惟其他未分配企業資產除外（主要是現金及現金等價物以及按金及預付款項）；及
- 所有負債均分配予營運分部，惟其他未分配企業負債除外（主要是其他應付款項及應計開支）。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Other segment information

6. 收益及分部資料 (續)

其他分部資料

| | | Construction and ancillary services | Aviation and traveling services | Financial services | Unallocated | Total |
|--|---------------------------------|--|--|-------------------------|------------------------|-----------------------|
| | | 建設 及配套服務 HK\$'000 千港元 | 航空旅遊服務 HK\$'000 千港元 | 金融服務 HK\$'000 千港元 | 未分配 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Year ended 31 December 2018 | 截至二零一八年十二月 三十一日止年度 | | | | | |
| Capital expenditure | 資本開支 | - | - | 376 | 354 | 730 |
| Depreciation | 折舊 | 869 | 133 | 56 | 1,879 | 2,937 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及 設備之收益 | (150) | - | - | - | (150) |
| | | | | | | |
| | | Construction and ancillary services | Aviation and traveling services | Financial services | Unallocated | Total |
| | | 建設 及配套服務 HK\$'000 千港元 | 航空旅遊服務 HK\$'000 千港元 | 金融服務 HK\$'000 千港元 | 未分配 HK\$'000 千港元 | 總計 HK\$'000 千港元 |
| Fifteen months ended 31 December 2017 | 截至二零一七年十二月 三十一日止十五個月 | | | | | |
| Capital expenditure | 資本開支 | 1,473 | 796 | 125 | 2,549 | 4,943 |
| Depreciation | 折舊 | 1,459 | 83 | 15 | 1,062 | 2,619 |
| Impairment loss recognised on trade receivables | 貿易應收款項之 已確認減值虧損 | 1,091 | - | - | - | 1,091 |
| Loss on disposal of property, plant and equipment | 出售物業、廠房及 設備之虧損 | 168 | - | - | - | 168 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue from major services

The Group's revenue from its major services during the year/period is as follows:

6. 收益及分部資料(續)

主要服務收益

本集團於年/期內的主要服務收益如下：

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|---|-----------------|--|---|
| Design and/or decoration service income | 設計及/或裝飾服務收入 | 16,271 | 33,546 |
| Design, fitting-out and decoration service income | 設計、裝修及裝飾服務收入 | 134,561 | 94,724 |
| Aircraft management service income | 飛機管理服務收入 | 36,482 | 20,041 |
| Commission income from acting as an agent for purchasing business jet | 擔任購買公務機代理人的佣金收入 | - | 7,735 |
| Aircraft leasing ancillary service income | 飛機租賃配套服務收入 | - | 234 |
| Financial advisory service income | 財務顧問服務收入 | - | 500 |
| Sales of precious metal | 貴金屬銷售 | - | 617 |
| | | 187,314 | 157,397 |

The reconciliation of revenue from contracts with customers is as follows:

客戶合約收益之對賬如下：

| | | Year end 31 December 2018 截至二零一八年 十二月三十一 止年度 HK\$'000 千港元 |
|---|--------------|---|
| Recognised over time: | 隨著時間的推移而確認： | |
| Design and/or decoration service income | 設計及/或裝飾服務收入 | 16,271 |
| Design, fitting-out and decoration service income | 設計、裝修及裝飾服務收入 | 134,561 |
| | | 150,832 |
| Recognised at a point in time: | 於某時間點確認： | |
| Aircraft management service income | 飛機管理服務收入 | 36,482 |
| | | 187,314 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its construction contracts such that the Group does not disclose information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the construction contracts as all contract works have an original expected duration of one year or less.

Geographical information

The Group's operations are located in Hong Kong, People's Republic of China (the "PRC") and Macau.

The Group's geographical segments are classified according to the location of customers. There are three customer-based geographical segments. Segment revenue from external customers by the location of customers during the year/period is as follows:

Revenue from external customers

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|-----------|----|---|--|
| Hong Kong | 香港 | 182,428 | 111,336 |
| PRC | 中國 | 4,886 | 44,561 |
| Macau | 澳門 | - | 1,500 |
| | | 187,314 | 157,397 |

6. 收益及分部資料(續)

產生自與報告日期現存客戶所訂合約的收益，預期於日後確認

本集團已將香港財務報告準則第15號第121段的實際權宜手段用於建設合約，故此，本集團概不披露有關本集團(在其履行建設合約的餘下履約責任時)將有權獲取的收益之資料，因所有合約工程均有一年或以下的原有預期期限。

按地理位置提供之資料

本集團營運地點位於香港、中華人民共和國(「中國」)及澳門。

本集團根據客戶位置劃分地理分部。有三個以客戶為基礎的地理分部。於年/期內來自外部客戶的分部收益(按客戶位置劃分)如下：

來自外部客戶的收益

| | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|--|---|--|
|--|---|--|

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

6. REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information (Continued)

The Group's geographical segments are also classified by the location of assets, information about its non-current assets by geographical location are detailed below:

Non-current assets

| | | As at | |
|-----------|----|-------------|-------------|
| | | 於 | |
| | | 31 December | 31 December |
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | 十二月三十一日 | 十二月三十一日 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Hong Kong | 香港 | 13,688 | 15,895 |

Information about major customers

Revenue from customers of the corresponding year/period contributing over 10% of the total revenue of the Group is as follows:

| | | Fifteen | |
|-------------|------|--------------|-------------|
| | | months ended | |
| | | Year ended | 31 December |
| | | 2018 | 2017 |
| | | 截至 | 截至 |
| | | 二零一八年 | 二零一七年 |
| | | 十二月三十一日 | 十二月三十一日 |
| | | 止年度 | 止十五個月 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Customer A* | 客戶A* | 45,887 | - |
| Customer B | 客戶B | 63,384 | 18,535 |
| Customer C* | 客戶C* | - | 22,607 |
| Customer D* | 客戶D* | - | 21,520 |
| Customer E* | 客戶E* | - | 16,721 |
| Customer F | 客戶F | 36,482 | 20,041 |

* The corresponding revenue did not contribute over 10% of the total revenue of the Group for the respective year/period.

6. 收益及分部資料(續)

按地理位置提供之資料(續)

本集團亦根據資產所在位置劃分地理分部，本集團非流動資產的相關資料(按地理位置劃分)詳情如下：

非流動資產

有關主要客戶的資料

於相應年度/期間佔本集團總收益逾10%的客戶收益如下：

* 相應收益佔本集團相關年度/期間之總收益不超過10%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

7. OTHER REVENUE AND OTHER GAINS

7. 其他收益及其他盈利

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|--|-------------------|---|--|
| Other revenue | 其他收益 | | |
| Bank interest income | 銀行利息收入 | 271 | 623 |
| Other operating income | 其他經營收入 | 851 | 823 |
| Sundry income | 雜項收入 | 46 | - |
| | | 1,168 | 1,446 |
| Other gains | 其他盈利 | | |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及 設備之收益 | 150 | - |
| Net exchange gains | 匯兌收益淨額 | 75 | 77 |
| Total | 總額 | 1,393 | 1,523 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

8. LOSS BEFORE TAXATION

8. 除稅前虧損

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|---|-----------------------|--|---|
| Loss before taxation has been arrived at after charging/(crediting): | 除稅前虧損乃扣除／(計入)下列各項後達致： | | |
| Directors' emoluments (note 10) | 董事酬金(附註10) | 9,654 | 11,081 |
| Salaries, wages and other benefits (excluding directors' emoluments) | 薪金、工資及其他福利(不包括董事酬金) | 20,332 | 13,251 |
| Pension scheme contributions (excluding directors' emoluments) | 退休金計劃供款(不包括董事酬金) | 537 | 412 |
| | | 20,869 | 13,663 |
| Auditors' remuneration | 核數師酬金 | | |
| Audit services | 審計服務 | 880 | 850 |
| Non-audit services | 非審計服務 | 155 | 63 |
| Impairment loss recognised on trade receivables | 貿易應收款項之已確認減值虧損 | - | 1,091 |
| Allowance for expected credit losses | 預期信貸虧損撥備 | 217 | - |
| (Gain)/loss on disposal of property, plant and equipment | 出售物業、廠房及設備之(收益)／虧損 | (150) | 168 |
| Depreciation of property, plant and equipment (note 14) | 物業、廠房及設備折舊(附註14) | 2,937 | 2,619 |
| Minimum lease payments under operating leases in respect of office premises | 有關辦公場所之運營租賃之最低租賃款項 | 9,957 | 9,684 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

9. TAXATION

9. 稅項

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|---|------------------------|--|---|
| Current tax: | 即期稅項： | | |
| Hong Kong | 香港 | | |
| Provision for the year/period | 年／期內撥備 | 2,424 | 3,062 |
| Under/(over)-provision in previous period/year | 以前期間／年度撥備 不足／(超額撥備) | 54 | (80) |
| Current tax expense | 即期稅項開支 | 2,478 | 2,982 |

The provision for Hong Kong Profits Tax for the year ended 31 December 2018 is calculated at 8.25% (fifteen months ended 31 December 2017: 16.5%) of the first HK\$2,000,000 and 16.5% (fifteen months ended 31 December 2017: 16.5%) of the remaining estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 75% of the tax payable for the year of assessment 2018-19 subject to a maximum reduction of HK\$20,000 for each business (fifteen months ended 31 December 2017: a maximum reduction of HK\$30,000 was granted for the year of assessment 2017-18 and was taken into account in calculating the provision for the year ended 31 December 2018).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI during the year ended 31 December 2018.

The subsidiary of the Group established in the PRC is subject to PRC Enterprise Income Tax on its taxable income at an income tax rate of 25%.

No provision for the PRC Enterprise Income Tax has been made as the subsidiary operated in the PRC had no assessable profits for the year ended 31 December 2018 (fifteen months ended 31 December 2017: nil).

經計及香港特別行政區政府推出的二零一八至一九年評稅年度應付稅項75%扣減(惟各業務的最高扣稅額為20,000港元(截至二零一七年十二月三十一日止十五個月；二零一七至一八年評稅年度所批准的最高扣稅額為30,000港元，並在計算截至二零一八年十二月三十一日止年度的撥備時計及))後，截至二零一八年十二月三十一日止年度香港利得稅首2,000,000港元按8.25%(截至二零一七年十二月三十一日止十五個月：16.5%)計提撥備及餘下估計應課稅年內溢利則按16.5%(截至二零一七年十二月三十一日止十五個月：16.5%)計提撥備。

根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團於截至二零一八年十二月三十一日止年度在開曼群島及英屬處女群島無須繳納任何所得稅。

本集團在中國成立之附屬公司須按其應課稅溢利及25%所得稅率繳納中國企業所得稅。

由於在中國營運的附屬公司於截至二零一八年十二月三十一日止年度並無應課稅溢利，因此並無就中國企業所得稅作出撥備(截至二零一七年十二月三十一日止十五個月期間：無)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

9. TAXATION (Continued)

No deferred tax has been provided for as there were no material differences.

The income tax expense for the year/period can be reconciled to the loss before taxation per consolidated statement of profit or loss and other comprehensive income as follows:

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|--|-------------------------|--|---|
| Loss before taxation | 除稅前虧損 | (14,148) | (6,290) |
| Tax expense at rates applicable to profits in the jurisdiction concerned | 按適用於相關司法管轄區溢利之利率計算的稅項開支 | (2,498) | (1,044) |
| Tax effect of income not taxable for tax purpose | 無須課稅收入的稅務影響 | (205) | (1,431) |
| Tax effect of expenses not deductible for tax purpose | 不可扣稅開支的稅務影響 | 2,241 | 1,070 |
| Tax effect of temporary differences | 暫時差額的稅務影響 | 165 | (98) |
| Tax effect of tax losses not recognised | 未確認之稅項虧損的稅務影響 | 2,721 | 4,807 |
| Tax loss utilised | 已動用之稅項虧損 | - | (242) |
| Under/(over)-provision in previous period/year | 上期間/年度撥備不足/(超額撥備) | 54 | (80) |
| Income tax expense for the year/period | 年/期內所得稅開支 | 2,478 | 2,982 |

As at 31 December 2018, the Group has estimated tax losses arising of approximately HK\$22,584,000 (fifteen months ended 31 December 2017: approximately HK\$6,933,000). Tax losses arising in Hong Kong are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

9. 稅項(續)

由於並無重大差異，因此並無計提遞延稅項撥備。

年/期內所得稅開支可根據綜合損益和其他全面收益表調節為除稅前虧損，詳情如下：

| | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|--|--|---|
| Loss before taxation | (14,148) | (6,290) |
| Tax expense at rates applicable to profits in the jurisdiction concerned | (2,498) | (1,044) |
| Tax effect of income not taxable for tax purpose | (205) | (1,431) |
| Tax effect of expenses not deductible for tax purpose | 2,241 | 1,070 |
| Tax effect of temporary differences | 165 | (98) |
| Tax effect of tax losses not recognised | 2,721 | 4,807 |
| Tax loss utilised | - | (242) |
| Under/(over)-provision in previous period/year | 54 | (80) |
| Income tax expense for the year/period | 2,478 | 2,982 |

於二零一八年十二月三十一日，本集團有產生之估計稅項虧損約22,584,000港元(截至二零一七年十二月三十一日止十五個月期間：約6,933,000港元)。於香港產生之稅項虧損可無限期地用於抵銷產生有關虧損之公司的未來應課稅溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

10. DIRECTORS' EMOLUMENTS

Details of the emoluments paid or payable to the directors during the year ended 31 December 2018 and the fifteen months ended 31 December 2017 are as follows:

For the year ended 31 December 2018

| | Fees | Salaries, allowances, bonuses and benefit in kind | Pension scheme contributions | Total remuneration |
|--|-----------------------|---|------------------------------|-------------------------|
| | 袍金 HK\$'000 千港元 | 薪金、津貼、花紅及實物福利 HK\$'000 千港元 | 退休金計劃供款 HK\$'000 千港元 | 酬金總額 HK\$'000 千港元 |
| Executive directors | | | | |
| Mr. LEONG Hing Loong Rudoff (Chairman) | - | 2,730 | 18 | 2,748 |
| Ms. CHEW Christina Mooi Chong (Chief Executive Officer) (resigned on 10 April 2018 and re-appointed on 27 August 2018) | - | 1,748 | 12 | 1,760 |
| Mr. SHIH Steven Chun Ning (appointed on 27 August 2018) | - | 293 | 6 | 299 |
| Mr. DENG Kui (resigned on 26 September 2018) | - | 3,072 | 14 | 3,086 |
| Mr. LIU Yong Sheng (resigned on 10 April 2018) | - | 605 | - | 605 |
| Mr. ZHOU Hucheng (resigned on 10 April 2018) | - | 325 | - | 325 |
| Independent non-executive directors | | | | |
| Mr. LEE Frank King-ting (appointed on 27 August 2018 and resigned on 31 December 2018) | 83 | - | - | 83 |
| Mr. HO Hin Yip (appointed on 27 August 2018) | 83 | - | - | 83 |
| Mr. CHAN Kwong Ming Johnny (appointed on 27 August 2018) | 83 | - | - | 83 |
| Mr. LIU Gang (resigned on 26 September 2018) | 134 | 60 | - | 194 |
| Mr. YU Haizong (resigned on 26 September 2018) | 134 | 60 | - | 194 |
| Ms. AN Yiqing (resigned on 26 September 2018) | 134 | 60 | - | 194 |
| | 651 | 8,953 | 50 | 9,654 |

10. 董事酬金

截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月，已付或應付董事的酬金詳情如下：

截至二零一八年十二月三十一日止年度

| | Fees | Salaries, allowances, bonuses and benefit in kind | Pension scheme contributions | Total remuneration |
|--|-----------------------|---|------------------------------|-------------------------|
| | 袍金 HK\$'000 千港元 | 薪金、津貼、花紅及實物福利 HK\$'000 千港元 | 退休金計劃供款 HK\$'000 千港元 | 酬金總額 HK\$'000 千港元 |
| Executive directors | | | | |
| Mr. LEONG Hing Loong Rudoff (Chairman) | - | 2,730 | 18 | 2,748 |
| Ms. CHEW Christina Mooi Chong (Chief Executive Officer) (resigned on 10 April 2018 and re-appointed on 27 August 2018) | - | 1,748 | 12 | 1,760 |
| Mr. SHIH Steven Chun Ning (appointed on 27 August 2018) | - | 293 | 6 | 299 |
| Mr. DENG Kui (resigned on 26 September 2018) | - | 3,072 | 14 | 3,086 |
| Mr. LIU Yong Sheng (resigned on 10 April 2018) | - | 605 | - | 605 |
| Mr. ZHOU Hucheng (resigned on 10 April 2018) | - | 325 | - | 325 |
| Independent non-executive directors | | | | |
| Mr. LEE Frank King-ting (appointed on 27 August 2018 and resigned on 31 December 2018) | 83 | - | - | 83 |
| Mr. HO Hin Yip (appointed on 27 August 2018) | 83 | - | - | 83 |
| Mr. CHAN Kwong Ming Johnny (appointed on 27 August 2018) | 83 | - | - | 83 |
| Mr. LIU Gang (resigned on 26 September 2018) | 134 | 60 | - | 194 |
| Mr. YU Haizong (resigned on 26 September 2018) | 134 | 60 | - | 194 |
| Ms. AN Yiqing (resigned on 26 September 2018) | 134 | 60 | - | 194 |
| | 651 | 8,953 | 50 | 9,654 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

10. DIRECTORS' EMOLUMENTS (Continued)

For the fifteen months ended 31 December 2017

10. 董事酬金(續)

截至二零一七年十二月三十一日止十五個月

| | Fees | Salaries, allowances, bonuses and benefit in kind | Pension scheme contributions | Total remuneration |
|---|----------|---|------------------------------|--------------------|
| | 袍金 | 薪金、津貼、花紅及實物福利 | 退休金計劃供款 | 酬金總額 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 |
| Executive directors 執行董事 | | | | |
| Mr. DENG Kui (Chairman) (appointed on 6 July 2017) | - | 1,470 | 9 | 1,479 |
| Mr. LIU Yong Sheng (Chief Executive Officer) (appointed on 28 March 2017) | - | 1,758 | - | 1,758 |
| Mr. ZHOU Hucheng (appointed on 28 March 2017) | - | 917 | - | 917 |
| Mr. LEONG Hing Loong Rudolf | - | 2,984 | 23 | 3,007 |
| Ms. CHEW Christina Mooi Chong | - | 3,017 | 23 | 3,040 |
| Mr. YANG Yong (appointed on 10 February 2017 and resigned on 28 March 2017) | - | - | - | - |
| Mr. ZHAO Dianqing (appointed on 10 February 2017 and resigned on 28 March 2017) | - | - | - | - |
| Mr. SHIH Steven Chun Ning (resigned on 10 February 2017) | - | 290 | 8 | 298 |
| Independent non-executive directors 獨立非執行董事 | | | | |
| Mr. LIU Gang (appointed on 10 February 2017) | 107 | - | - | 107 |
| Mr. YU Haizong (appointed on 10 February 2017) | 107 | - | - | 107 |
| Ms. AN Yiqing (appointed on 10 February 2017) | 107 | - | - | 107 |
| Mr. TANG Hamilton Ty (resigned on 10 February 2017) | 87 | - | - | 87 |
| Mr. LEE Frank King-ting (resigned on 10 February 2017) | 87 | - | - | 87 |
| Mr. HO Hin Yip (resigned on 10 February 2017) | 87 | - | - | 87 |
| | 582 | 10,436 | 63 | 11,081 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

10. DIRECTORS' EMOLUMENTS (Continued)

During the year ended 31 December 2018 and fifteen months ended 31 December 2017, no emolument was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There were no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 December 2018 and fifteen months ended 31 December 2017.

11. EMPLOYEES EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

Five highest paid individuals

The five highest paid employees of the Group for the year ended 31 December 2018 included three (fifteen months ended 31 December 2017: four) directors, details of whose remuneration are disclosed above. The remuneration of the five highest paid individuals is analysed as follows:

10. 董事酬金(續)

於截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月，本集團概無向董事支付任何酬金，作為於董事加入本集團時或吸引董事加入本集團的獎勵，或作為失去職務的補償。

於截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月，並無董事根據任何安排放棄或同意放棄任何酬金。

11. 僱員酬金及五名最高薪人士

五名最高薪人士

本集團截至二零一八年十二月三十一日止年度之五名最高薪人士包括三名(截至二零一七年十二月三十一日止十五個月：四名)董事，彼等之薪酬詳情乃於上文披露。五名最高薪人士之薪酬分析如下：

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|---------------|-----|--|---|
| Directors | 董事 | 7,594 | 9,284 |
| Non-directors | 非董事 | 2,936 | 1,063 |
| | | 10,530 | 10,347 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

11. EMPLOYEES EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

Five highest paid individuals (Continued)

Details of the remuneration of the above non-directors, highest paid employees during the year ended 31 December 2018 and fifteen months ended 31 December 2017 are as follows:

11. 僱員酬金及五名最高薪人士 (續)

五名最高薪人士 (續)

截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月，上述非董事最高薪僱員之酬金詳情如下：

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|----------------------------------|----------|---|---|
| Salaries, allowances and bonuses | 薪金、津貼及花紅 | 2,912 | 1,048 |
| Pension scheme contributions | 退休金計劃供款 | 24 | 15 |
| | | 2,936 | 1,063 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

11. EMPLOYEES EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued) Five highest paid individuals (Continued)

The number of these non-directors, highest paid employees where remuneration fell within the following, and is as follows:

| | | Number of individuals 人數 | |
|--------------------------------|-----------------------------|--|---|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | - | - |
| HK\$1,000,001 to HK\$2,000,000 | 1,000,001港元至 2,000,000港元 | 2 | 1 |
| | | 2 | 1 |

Senior Management of the Group

The remuneration of the senior management (other than directors) of the Group is within the following band:

| | | Number of individuals 人數 | |
|--------------------------------|-----------------------------|--|---|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | - | - |
| HK\$1,000,001 to HK\$2,000,000 | 1,000,001港元至 2,000,000港元 | 2 | 1 |
| | | 2 | 1 |

11. 僱員酬金及五名最高薪人士 (續) 五名最高薪人士(續)

酬金屬下列範圍的相關非董事最高薪僱員之人數如下：

| | | Number of individuals 人數 | |
|--------------------------------|-----------------------------|--|---|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | - | - |
| HK\$1,000,001 to HK\$2,000,000 | 1,000,001港元至 2,000,000港元 | 2 | 1 |
| | | 2 | 1 |

本集團之高級管理層

本集團高級管理層(不包括董事)之薪酬屬於下列範圍：

| | | Number of individuals 人數 | |
|--------------------------------|-----------------------------|--|---|
| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 |
| Nil to HK\$1,000,000 | 零至1,000,000港元 | - | - |
| HK\$1,000,001 to HK\$2,000,000 | 1,000,001港元至 2,000,000港元 | 2 | 1 |
| | | 2 | 1 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

11. EMPLOYEES EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS (Continued) Senior Management of the Group (Continued)

During the year ended 31 December 2018 and fifteen months ended 31 December 2017, no emolument was paid by the Group to non-directors, highest paid employees and senior management as an inducement to join or upon joining the Group or as compensation for loss of office. None of the non-directors, highest paid employees and senior management waived or agreed to waive any emolument during the year ended 31 December 2018 and the fifteen months ended 31 December 2017.

12. DIVIDENDS

The directors do not propose any payment of final dividend for the year ended 31 December 2018 (fifteen months ended 31 December 2017: Nil).

13. LOSS PER SHARE

The calculation of the basic loss per share for the year ended 31 December 2018 is based on the loss for the year attributable to owners of the Company of approximately HK\$17,373,000 (fifteen months ended 31 December 2017: loss of HK\$10,193,000) and the weighted average number of ordinary shares in issue of 500,000,000 (fifteen months ended 31 December 2017: 500,000,000).

Diluted loss per share for the year ended 31 December 2018 and the fifteen months ended 31 December 2017 were the same as the basic loss per share as there were no potential dilutive ordinary shares outstanding during the year/period.

11. 僱員酬金及五名最高薪人士 (續)

本集團之高級管理層 (續)

於截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月，本集團概無向並非董事之最高薪僱員及高級管理層支付任何酬金，作為於彼等加入本集團時或吸引彼等加入本集團的獎勵，或作為失去職務的補償。於截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月，並無並非董事之最高薪僱員及高級管理層放棄或同意放棄任何酬金。

12. 股息

董事不建議派付截至二零一八年十二月三十一日止年度的任何末期股息(截至二零一七年十二月三十一日止十五個月：無)。

13. 每股虧損

截至二零一八年十二月三十一日止年度之每股基本虧損乃基於本公司擁有人應佔年內虧損約17,373,000港元(截至二零一七年十二月三十一日止十五個月：虧損10,193,000港元)及已發行普通股之加權平均數500,000,000股(截至二零一七年十二月三十一日止十五個月：500,000,000股)計算。

截至二零一八年十二月三十一日止年度及截至二零一七年十二月三十一日止十五個月之每股攤薄虧損與每股基本虧損相同，原因為於有關年度／期間並無已發行潛在攤薄普通股。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

| | | Office equipment | Furniture and fixtures | Motor vehicles | Leasehold improvement | Total |
|--|---------------------------------|---------------------|------------------------------|-------------------|--------------------------|---------------|
| | | 辦公設備 | 傢俬及 固定裝置 | 機動車 | 租賃 物業裝修 | 總額 |
| | | 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： | | | | | |
| As at 1 October 2016 | 於二零一六年十月一日 | 2,187 | 55 | 8,989 | - | 11,231 |
| Additions | 添置 | 400 | - | 1,994 | 2,549 | 4,943 |
| Disposal | 出售 | - | - | (509) | - | (509) |
| As at 31 December 2017 and 1 January 2018 | 於二零一七年 十二月三十一日及 二零一八年一月一日 | 2,587 | 55 | 10,474 | 2,549 | 15,665 |
| Additions | 添置 | 152 | - | - | 578 | 730 |
| Disposal of subsidiaries (note 25) | 出售附屬公司(附註25) | (408) | (19) | - | - | (427) |
| Disposal | 出售 | - | - | (906) | - | (906) |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 2,331 | 36 | 9,568 | 3,127 | 15,062 |
| Accumulated depreciation: | 累計折舊： | | | | | |
| As at 1 October 2016 | 於二零一六年十月一日 | 2,023 | 55 | 5,275 | - | 7,353 |
| Charge for the period | 期內支出 | 137 | - | 1,420 | 1,062 | 2,619 |
| Written back on disposal | 於出售時撥回 | - | - | (202) | - | (202) |
| As at 31 December 2017 and 1 January 2018 | 於二零一七年 十二月三十一日及 二零一八年一月一日 | 2,160 | 55 | 6,493 | 1,062 | 9,770 |
| Charge for the year | 年內支出 | 132 | - | 1,330 | 1,475 | 2,937 |
| Disposal of subsidiaries (note 25) | 出售附屬公司(附註25) | (408) | (19) | - | - | (427) |
| Written back on disposal | 於出售時撥回 | - | - | (906) | - | (906) |
| As at 31 December 2018 | 於二零一八年 十二月三十一日 | 1,884 | 36 | 6,917 | 2,537 | 11,374 |
| Net book value: | 賬面淨值： | | | | | |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 447 | - | 2,651 | 590 | 3,688 |
| At 31 December 2017 | 於二零一七年 十二月三十一日 | 427 | - | 3,981 | 1,487 | 5,895 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

15. TRADING LICENCE

15. 交易牌照

| | | As at 於 | |
|--|-------------------------------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Cost of membership for a seat at The Chinese Gold and Silver Exchange Society ("CGSE") (note (a)) | 金銀業貿易場(「貿易場」) 會員資格的成本 (附註(a)) | 10,000 | 10,000 |

Note:

- (a) During the fifteen months ended 31 December 2017, the Group has acquired ordinary membership of the CGSE from an independent third party at a consideration of HK\$10,000,000.

The above trading licence has indefinite useful life and was stated at cost less any impairment losses.

附註：

- (a) 於截至二零一七年十二月三十一日止十五個月期間，本集團以10,000,000港元的代價向一名獨立第三方收購貿易場之普通會員資格。

以上交易牌照並無限定可用年期及按成本減任何減值虧損列賬。

16. TRADE RECEIVABLES

16. 貿易應收款項

| | | As at 於 | |
|---|------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Trade receivables | 貿易應收款項 | 14,982 | 28,602 |
| Less: Allowance for expected credit losses | 減：預期信貸虧損撥備 | (202) | - |
| | | 14,780 | 28,602 |

The Group's credit term with its customers is, in general, 7 to 45 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management.

本集團給予其客戶的信用期一般為7至45天。本集團嚴格控制其未償還應收款項。高級管理層定期審閱逾期結餘。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

16. TRADE RECEIVABLES (Continued)

The ageing analysis of the trade receivables, net of allowance for expected credit losses, based on the invoice date, is as follows:

| | | As at 於 | |
|--------------------|----------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Current to 30 days | 即期至30天 | 7,338 | 12,738 |
| 31 – 60 days | 31 – 60天 | 1,563 | 11,773 |
| 61 – 90 days | 61 – 90天 | 4,476 | 1,425 |
| Over 90 days | 90天以上 | 1,403 | 2,666 |
| | | 14,780 | 28,602 |

Movement in the allowance for expected credit losses/impairment loss on trade receivables, is as follow:

| | | As at 於 | |
|---|----------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Balance at the beginning of the year/period | 年/期初結餘 | - | - |
| Allowance for expected credit losses recognised | 已確認之預期信貸虧損撥備 | 202 | - |
| Impairment loss recognised on trade receivables | 貿易應收款項之已確認減值虧損 | - | 1,091 |
| Amount written off as uncollectible | 因無法收回而撇銷之款項 | - | (1,091) |
| Balance at the end of the year/period | 年/期末結餘 | 202 | - |

Impaired trade receivables

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the reporting period. Accordingly, the directors believe that there is no further credit provision required in excess of the provision for impairment on trade receivables.

16. 貿易應收款項(續)

按發票日期呈列的貿易應收款項(扣除預期信貸虧損撥備)的賬齡分析如下:

| | | As at 於 | |
|--------------------|----------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Current to 30 days | 即期至30天 | 7,338 | 12,738 |
| 31 – 60 days | 31 – 60天 | 1,563 | 11,773 |
| 61 – 90 days | 61 – 90天 | 4,476 | 1,425 |
| Over 90 days | 90天以上 | 1,403 | 2,666 |
| | | 14,780 | 28,602 |

貿易應收款項之預期信貸虧損/減值虧損撥備變動如下:

| | | As at 於 | |
|---|----------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Balance at the beginning of the year/period | 年/期初結餘 | - | - |
| Allowance for expected credit losses recognised | 已確認之預期信貸虧損撥備 | 202 | - |
| Impairment loss recognised on trade receivables | 貿易應收款項之已確認減值虧損 | - | 1,091 |
| Amount written off as uncollectible | 因無法收回而撇銷之款項 | - | (1,091) |
| Balance at the end of the year/period | 年/期末結餘 | 202 | - |

減值貿易應收款項

釐定貿易應收款項的可收回性時,本集團考慮自首次授出信貸之日起至報告期末止貿易應收款項的信貸質素的任何變動。因此,董事認為無須就超出貿易應收款項減值撥備進一步作出信貸撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

16. TRADE RECEIVABLES (Continued)

Impaired trade receivables (Continued)

The Group's policy for impairment loss recognised on trade receivables is based on an evaluation of collectability and ageing analysis of the receivables which requires the use of judgment and estimates. Provisions are applied to the receivables when there are events or changes in circumstances indicate that the balances may not be collectible. The management closely reviews the trade receivables balances and any overdue balances on an ongoing basis and assessments are made by the management on the collectability of overdue balances.

Details of allowance for expected credit losses assessment under expected credit loss model of trade receivables for the year ended 31 December 2018 set out in note 5(b).

Past due but not impaired

Included in the Group's trade receivables balances are debts with carrying amounts of approximately HK\$17,120,000 as at 31 December 2017 which were past due at the end of the reporting period.

Age of receivables that are past due but not impaired

| | |
|----------------------------|---------|
| Less than 1 month past due | 逾期少於一個月 |
| 1 to 3 months past due | 逾期一至三個月 |
| Over 3 months past due | 逾期超過三個月 |

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. The management believes that no impairment allowance is necessary in respect of these balances as there have not been a significant change in credit risk and the balances are still considered fully recoverable. The Group does not hold any collateral over those balances.

16. 貿易應收款項(續)

減值貿易應收款項(續)

本集團貿易應收款項之已確認減值虧損政策乃基於須運用判斷及估計對應收款項作出的可收回性評估及賬齡分析制定。倘出現相關事項或情況有變而顯示不一定可收回結餘時，則須就應收款項作出撥備。管理層持續密切審視貿易應收款項結餘及任何逾期結餘，並就逾期結餘的可收回性作出評估。

截至二零一八年十二月三十一日止年度貿易應收款項根據預期信貸虧損模式進行預期信貸虧損評估之撥備詳情載於附註5(b)。

已逾期但並無減值

本集團之貿易應收款項結餘包括於二零一七年十二月三十一日賬面值約17,120,000港元而於報告期末已逾期的債務。

已逾期但並無減值之應收款項之賬齡

As at
於
31 December
2017
二零一七年
十二月三十一日
HK\$'000
千港元

| | | |
|----------------------------|---------|--------|
| Less than 1 month past due | 逾期少於一個月 | 10,919 |
| 1 to 3 months past due | 逾期一至三個月 | 4,288 |
| Over 3 months past due | 逾期超過三個月 | 1,913 |
| | | 17,120 |

已逾期但並無減值的應收款項與若干與本集團有良好往來記錄的獨立客戶有關。由於信貸風險沒有重大變動以及相關結餘仍視為可以全額收回，因此管理層認為無須就相關結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

17. AMOUNTS DUE FROM/TO CUSTOMERS FOR CONTRACT WORK

17. 應收／應付客戶合約工程款項

| | | As at 於 | |
|---|----------------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Amounts due from customers for contract work | 應收客戶合約工程款項 | | |
| Contracts costs incurred plus recognised profits less recognised losses | 所產生之合約成本加已確認溢利減已確認虧損 | -* | 8,933 |
| Less: Progress billings received and receivables | 減：已收和應收之進度款 | -* | (3,926) |
| | | -* | 5,007 |

| | | As at 於 | |
|--|------------------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Amounts due to customers for contract work | 應付客戶合約工程款項 | | |
| Progress billings received and receivables | 已收和應收之進度款 | -* | 22,980 |
| Less: Contract costs incurred plus recognised profits less recognised losses | 減：所產生之合約成本加已確認溢利減已確認虧損 | -* | (22,606) |
| | | -* | 374 |

All gross amounts due from/to customers for contract work are expected to be recovered/settled within one year.

所有應收／應付客戶合約工程款項總額預計在一年內收回／結算。

* Due to the adoption of HKFRS 15, effective on 1 January 2018, the balance of amounts due from/to customers for contract work were reclassified to contract assets and contract liabilities (note 3(d) and 18).

* 由於採納香港財務報告準則第15號(於二零一八年一月一日生效)，應收／應付客戶合約工程款項之結餘已重新分類至合約資產及合約負債(附註3(d)及18)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

18. CONTRACT ASSETS/LIABILITIES

18. 合約資產／負債

| | | As at | |
|-----------------------|-------|--------------|-------------|
| | | 31 December | 31 December |
| | | 2018 | 2017 |
| | | 二零一八年 | 二零一七年 |
| | | 十二月三十一日 | 十二月三十一日 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Contract assets: | 合約資產： | | |
| Construction services | 建設服務 | 1,714 | - |
| Retention receivables | 應收保留金 | 2,250 | - |
| | | 3,964 | - |
| Contract liabilities: | 合約負債： | | |
| Construction services | 建設服務 | 873 | - |

The Group has initially applied HKFRS 15 using the cumulative effect method and adjusted the opening balances as at 1 January 2018 (note 3(d)).

The contract assets primarily relate to the Group's rights of consideration for work completed but not yet billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. The contract liabilities primarily relate to the advanced consideration received from customers, for which revenue is recognised based on the progress of the provision of related services.

The balance of contract assets and contract liabilities are expected to be recovered/settled within one year.

The terms of some construction contracts stipulate that the customers withhold a portion of total contract sum (usually 5%) and will be settled in accordance with the terms of the respective contracts. The terms and conditions in relation to the release of retention vary from contract to contract.

本集團已經以累計影響法首次應用香港財務報告準則第15號並已調整於二零一八年一月一日之期初結餘(附註3(d))。

合約資產主要與本集團就於報告日期已完成但尚未發出發票的工程而收取代價之權利有關。當權利成為無條件時，合約資產轉移至貿易應收款項。合約負債主要與從客戶收取的預付代價有關，其收益乃根據提供相關服務的進度確認。

合約資產及合約負債之結餘預計在一年內收回／結算。

部份建設合約的條款訂明客戶可扣起合約總金額的一部分(通常為5%)，而有關款項將根據相關合約的條款進行結算。有關發放保留金的條款和條件因合約而異。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

18. CONTRACT ASSETS/LIABILITIES (Continued)

Movement in the contract assets balances during the year ended 31 December 2018 is as follows:

Contract assets:

| | | HK\$'000 千港元 |
|--|-------------------------------------|-----------------|
| As at 31 December 2017 | 於二零一七年十二月三十一日 | - |
| Reclassification from amounts due from customers for contract work upon the adoption of HKFRS 15 | 於採納香港財務報告準則第15號後從應收客戶合約工程款項重新分類 | 5,007 |
| Reclassification from deposits, prepayments and other receivables upon the adoption of HKFRS 15 | 於採納香港財務報告準則第15號後從按金、預付款項及其他應收款項重新分類 | 455 |
| As at 1 January 2018 | 於二零一八年一月一日 | 5,462 |
| Rights of consideration for works completed but not yet billed | 就已完成但尚未發出發票的工程而收取代價之權利 | 1,714 |
| Transfers from the contract assets recognised to trade receivables | 從已確認合約資產轉撥至貿易應收款項 | (5,007) |
| Retention receivables released | 已發放之應收保留金 | (455) |
| Retention receivables recognised | 已確認之應收保留金 | 2,250 |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 3,964 |

The expected timing of recovery or settlement for contract assets as at 31 December 2018 is as follows:

| | | HK\$'000 千港元 |
|-----------------|-----|-----------------|
| Within one year | 一年內 | 3,964 |

Typical payment terms which impact on the amount of contract assets recognised are as follows:

Construction contract works

The Group's contract works include payment schedules which require stage payments over the construction period once milestones are reached. These payment schedules prevent the build-up of significant contract assets. A deposit is typically payable up front and this has resulted in a contract liability at early stages of the project. This amount is included in contract assets until the end of the retention period as the Group's entitlement to this final payment is conditional on the Group's work satisfactorily passing inspection.

18. 合約資產／負債(續)

截至二零一八年十二月三十一日止年度，合約資產結餘的變動如下：

合約資產：

| | HK\$'000 千港元 |
|--|-----------------|
| As at 31 December 2017 | - |
| Reclassification from amounts due from customers for contract work upon the adoption of HKFRS 15 | 5,007 |
| Reclassification from deposits, prepayments and other receivables upon the adoption of HKFRS 15 | 455 |
| As at 1 January 2018 | 5,462 |
| Rights of consideration for works completed but not yet billed | 1,714 |
| Transfers from the contract assets recognised to trade receivables | (5,007) |
| Retention receivables released | (455) |
| Retention receivables recognised | 2,250 |
| As at 31 December 2018 | 3,964 |

截至二零一八年十二月三十一日，收回或結算合約資產的預計時間安排如下：

| | HK\$'000 千港元 |
|-----------------|-----------------|
| Within one year | 3,964 |

對經確認合約資產金額構成影響的一般支付條款如下：

建設合約工程

本集團合約工程包括建設期間要求分階段付款的付款日程(一旦進程達標)。此等付款日程防止積聚重大合約資產。按金一般須予先繳，此已在項目初期產生合約負債。因本集團獲得此最終款項的權利於本集團工程完滿通過檢測後方可作實，故此金額計入合約資產，直至保留期結束為止。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

18. CONTRACT ASSETS/LIABILITIES (Continued)

Movement in the contract liabilities balances during the year ended 31 December 2018 is as follows:

Contract liabilities:

| | | HK\$'000 千港元 |
|--|----------------------------------|-----------------|
| As at 31 December 2017 | 於二零一七年十二月三十一日 | - |
| Reclassification from amounts due to customers for contract work upon the adoption of HKFRS 15 | 於採納香港財務報告準則第15號後從應付客戶合約工程款項重新分類 | 374 |
| Reclassification from accrued expenses and other payables upon the adoption of HKFRS 15 | 於採納香港財務報告準則第15號後從應計開支及其他應付款項重新分類 | 16,750 |
| As at 1 January 2018 | 於二零一八年一月一日 | 17,124 |
| Consideration received from customers over the amounts of revenue recognised | 已收客戶代價超過已確認收益金額 | 10,967 |
| Revenue recognised during the year | 年內已確認收益 | (10,468) |
| Deposits received from customers for construction work released | 已發放之從客戶收取建設工程按金 | (16,750) |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 873 |

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

Construction contract works

When the Group receives a deposit before the contract work 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 deposit. It is common practice on the Group's construction contracts to require a deposit before work commences.

18. 合約資產／負債(續)

截至二零一八年十二月三十一日止年度，合約負債結餘的變動如下：

合約負債：

| | HK\$'000 千港元 |
|--|-----------------|
| As at 31 December 2017 | - |
| Reclassification from amounts due to customers for contract work upon the adoption of HKFRS 15 | 374 |
| Reclassification from accrued expenses and other payables upon the adoption of HKFRS 15 | 16,750 |
| As at 1 January 2018 | 17,124 |
| Consideration received from customers over the amounts of revenue recognised | 10,967 |
| Revenue recognised during the year | (10,468) |
| Deposits received from customers for construction work released | (16,750) |
| As at 31 December 2018 | 873 |

對經確認合約負債金額構成影響的一般支付條款如下：

建設合約工程

本集團在合約工程動工前收取按金時，此舉將在合約初期產生合約負債，直至就項目確認的收益超過按金金額為止。此舉為本集團建設合約的普遍慣例，以在動工前要求按金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

19. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

19. 按金、預付款項及其他應收款項

| | | As at 於 | |
|--|------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Deposits | 按金 | 9,945 | 12,252 |
| Prepayments | 預付款項 | 3,657 | 3,614 |
| Interest receivables | 應收利息 | - | 23 |
| Other receivables | 其他應收款項 | 8,026 | - |
| Retention receivables | 應收保留金 | -* | 455 |
| | | 21,628 | 16,344 |
| Less: Allowance for expected credit losses | 減：預期信貸虧損撥備 | (15) | - |
| | | 21,613 | 16,344 |

* Due to the adoption of HKFRS15, effective on 1 January 2018, the balance of retention receivables were reclassified to contract asset (note 3(d) and 18).

* 由於採納香港財務報告準則第15號（於二零一八年一月一日生效），應收保留金之結餘已重新分類至合約資產（附註3(d)及附註18）。

As at 31 December 2018, included in the Group's deposits mainly comprise reserve fund paid to BAA who is a related party of HBA until 20 April 2018 for aircraft management amounting to approximately HK\$2,340,000 (31 December 2017: HK\$4,680,000) and deposits paid to subcontractor for construction work amounting to approximately HK\$5,000,000 (31 December 2017: HK\$5,000,000) respectively.

於二零一八年十二月三十一日，本集團之按金主要包括分別向亞聯（直至二零一八年四月二十日為喜航公務機之關聯方）支付有關飛機管理之儲備基金約2,340,000港元（二零一七年十二月三十一日：4,680,000港元）及向建設工程分包商支付之按金約5,000,000港元（二零一七年十二月三十一日：5,000,000港元）。

The movement in the allowance for expected credit losses in respect of the Group's other receivables is summarised as follows:

有關本集團其他應收款項之預期信貸虧損撥備之變動概列如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|
| As at the beginning for the year | 於年初 | - |
| Allowance for expected credit losses recognised | 已確認預期信貸虧損撥備 | 15 |
| As at the end of the year | 於年結 | 15 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

20. CASH AND BANK BALANCES

Cash and bank balances comprise cash at banks and cash on hand held by the Group. Bank balances earn interests at floating rate based on daily bank deposit rates and is placed with creditworthy banks with no recent history of default.

20. 現金及銀行結餘

現金及銀行結餘包括銀行現金及本集團手頭持有的現金。銀行結餘根據每日銀行存款利率以浮動利率賺取利息，並存放於近期無違約歷史的信譽良好銀行。

| | | As at 於 | |
|--|------------------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Cash and bank balances | 現金及銀行結餘 | 39,283 | 54,495 |
| Bank deposits (note) | 銀行存款(附註) | 66,500 | 80,029 |
| Cash and bank balances in the consolidated statement of financial position | 綜合財務狀況表內之現金及銀行結餘 | 105,783 | 134,524 |

Note:

Deposits with bank carried interest at market rate which was approximately 1.2% to 2.3% (fifteen months ended 31 December 2017: 0.6% to 1.2%) per annum for the year ended 31 December 2018.

Included in cash and bank balances in the consolidated statement of financial position are mainly the following amounts denominated in currency other than the functional currency of the entity to which they relate:

附註：

於銀行之存款按市場利率(於截至二零一八年十二月三十一日止年度約為每年1.2%至2.3%(截至二零一七年十二月三十一日止十五個月: 0.6%至1.2%))計息。

計入綜合財務狀況表的現金及銀行結餘主要包括下列以相關實體之功能貨幣以外之貨幣計值之款項：

| | | As at 於 | |
|------------|---------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| EUR | 歐元 | 41 | 58 |
| GBP | 英鎊 | 20 | 21 |
| RMB (note) | 人民幣(附註) | 46 | 1,758 |
| CAD | 加元 | - | 1 |
| JPY | 日元 | - | 88 |
| SGD | 新加坡元 | - | 25 |
| USD | 美元 | 2,098 | - |
| | | 2,205 | 1,951 |

Note:

The amounts in RMB are not freely convertible into other currencies and subject to the foreign exchange control.

附註：

人民幣款項不可自由地兌換為其他貨幣並受到外匯管制。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

21. TRADE PAYABLES

21. 貿易應付款項

| | | As at 於 | |
|----------------|--------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Trade payables | 貿易應付款項 | 16,021 | 22,774 |

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

貿易應付款項基於發票日期之賬齡分析如下：

| | | As at 於 | |
|--------------------|----------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Current to 30 days | 即期至30天 | 955 | 12,502 |
| 31 – 60 days | 31 – 60天 | 2,703 | 7,384 |
| 61 – 90 days | 61 – 90天 | 788 | 1,764 |
| Over 90 days | 90天以上 | 11,575 | 1,124 |
| | | 16,021 | 22,774 |

The credit period on purchases of certain goods and services is within 7 to 90 days.

購買若干貨品及服務之信貸期為7至90天以內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

22. ACCRUED EXPENSES AND OTHER PAYABLES

22. 應計開支及其他應付款項

| | | As at 於 | |
|---------------------|--------|--|--|
| | | 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
| Other payables | 其他應付款項 | 7,362 | 178 |
| Accrued expenses | 應計開支 | 5,039 | 5,545 |
| Receipt in advances | 預收款項 | -* | 20,474 |
| | | 12,401 | 26,197 |

As at 31 December 2017, included in the Group's receipt in advances mainly comprise deposits received from customers for construction work amounting to approximately HK\$16,750,000.

於二零一七年十二月三十一日，計入本集團預收款項主要包括從客戶收取建設工程按金約16,750,000港元。

* Due to adoption of HKFRS 15, effective on 1 January 2018, the balance of deposits received from customers for construction work was reclassified to contract liabilities (note 3(d) and 18).

* 由於採納香港財務報告準則第15號（於二零一八年一月一日生效），從客戶收取建設工程按金之結餘已重新分類至合約負債（附註3(d)及附註18）。

23. SHARE CAPITAL

23. 股本

| | | Number of Shares 股份數目 | Nominal value 面值 HK\$'000 千港元 |
|--|--|-----------------------------|---|
| Authorised: <i>Ordinary shares of HK\$0.01 each</i> | 法定： 每股面值0.01港元之 普通股 | | |
| As at 1 October 2016, 31 December 2017 and 31 December 2018 | 於二零一六年十月一日、 二零一七年十二月 三十一日及二零一八年 十二月三十一日 | 1,000,000,000 | 10,000 |
| Issued and fully paid: <i>Ordinary shares of HK\$0.01 each</i> | 已發行及繳足： 每股面值0.01港元之普通股 | | |
| As at 1 October 2016, 31 December 2017 and 31 December 2018 | 於二零一六年十月一日、 二零一七年十二月 三十一日及二零一八年 十二月三十一日 | 500,000,000 | 5,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

24. SHARE OPTION SCHEME

Pursuant to the share option scheme adopted on 13 August 2015 (“Share Option Scheme”), the Company may grant share options to any directors, employees, consultants, customers, suppliers of goods or services to any member of the Group or any entity in which the Group holds any equity interests who, in the sole discretion of the board, have contributed or will contribute to the growth and development of the Group so as to provide incentives or rewards for their contribution to the success of the Group’s operation.

The maximum number of shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of shares in issue from time to time. The total number of shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of shares in issue as at the date of listing of the shares unless the Company obtains the approval of the shareholders in general meeting for refreshment.

The total number of shares issued and to be issued upon exercise of options (whether exercised or outstanding) granted in any 12-month period to (i) each eligible participant must not exceed 1.0% of the total number of shares in issue; and (ii) a substantial shareholder of the Company or an independent non-executive director must not exceed 0.1% of the total number of shares in issue and not exceed HK\$5.0 million in aggregate value.

The exercise price must be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date of grant; (ii) the average closing prices of the shares as stated in the Stock Exchange’s daily quotation sheets for the five trading days immediately preceding the date of grant; and (iii) the nominal value of a share.

24. 購股權計劃

根據於二零一五年八月十三日採納之購股權計劃（「購股權計劃」），本公司可向董事會全權酌情認為已或將對本集團之增長及發展作出貢獻之本集團任何成員公司或本集團持有任何股權的任何實體的任何董事、僱員、顧問、客戶、產品或服務供應商授出購股權，以就彼等為本集團營運成功作出貢獻提供獎勵或回報。

因根據購股權計劃及本公司任何其他購股權計劃已授出而有待行使的全部尚未行使購股權獲行使而可予配發及發行的最高股份數目，合共不得超過不時已發行股份總數的30%。根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份總數，不得超過於股份上市日期已發行股份總數的10%，除非本公司已於股東大會上獲股東批准更新。

於任何12個月期間內因所授出購股權（不論已行使或尚未行使）獲行使而發行及將發行之股份總數：(i)倘向各合資格參與人授出，則不得超過已發行股份總數之1.0%；及(ii)倘向本公司主要股東或獨立非執行董事授出，則不得超過已發行股份總數之0.1%及總值不超過五百萬港元。

行使價必須至少為(i)股份於授出日期在聯交所每日報價表所列之收市價；(ii)股份於緊接授出日期前五個交易日在聯交所每日報價表所列之平均收市價；及(iii)股份面值之最高者。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

24. SHARE OPTION SCHEME (Continued)

The Share Option Scheme has a life of 10 years and will expire on 12 August 2025 unless otherwise terminated in accordance with the terms of the Share Option Scheme.

From 8 September 2015 (date of Listing) to 31 December 2018, no share option was granted by the Company under the Share Option Scheme.

Details of the Share Option Scheme are disclosed in the section headed “Directors’ Report” on pages 22 to 24.

25. DISPOSAL LCL Limited

The Group disposed of LCL Limited during the year ended 31 December 2018. On 20 April 2018, Smart Builder Holdings Limited (“SBHL”) and an independent third party entered into a sale and purchase agreement, pursuant to which SBHL agreed to transfer the entire issued share capital of LCL Limited at the consideration of HK\$100 to the independent third party. Since LCL Limited was inactive, the disposal of it will not affect the Group’s financial performance and business. The net assets disposed of HK\$112 which included cash balance. As a result, there is a loss on disposal of a subsidiary HK\$12 and net cash outflow from disposal of a subsidiary HK\$12.

24. 購股權計劃(續)

購股權計劃之年期為10年，並將於二零二五年八月十二日到期屆滿，除非另行按購股權計劃之條款終止。

於二零一五年九月八日(上市日期)至二零一八年十二月三十一日，本公司並無根據購股權計劃授出任何購股權。

購股權計劃之詳情於第22至24頁「董事會報告」一節披露。

25. 出售 LCL Limited

本集團已於截至二零一八年十二月三十一日止年度出售LCL Limited。於二零一八年四月二十日，Smart Builder Holdings Limited (「SBHL」) 與一名獨立第三方訂立買賣協議，據此SBHL同意按代價100港元將LCL Limited的全部已發行股本轉讓予該獨立第三方。由於LCL Limited已停止運營，故出售LCL Limited將不會影響本集團的財務表現及業務。所出售資產淨值為112港元，其中包括現金結餘。因此，出售附屬公司的虧損為12港元及出售附屬公司現金流出淨額為12港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

25. DISPOSAL (Continued)

LCL Decoration Limited

The Group disposed of LCL Decoration Limited during the year ended 31 December 2018. On 30 April 2018, SBHL and an independent third party entered into a sale and purchase agreement, pursuant to which SBHL agreed to transfer the entire issued share capital of LCL Decoration Limited at the consideration of HK\$91,000 to the independent third party. Since LCL Decoration Limited was inactive, the disposal of it will not affect the Group's financial performance and business.

25. 出售(續)

LCL Decoration Limited

本集團已於截至二零一八年十二月三十一日止年度出售LCL Decoration Limited。於二零一八年四月三十日，SBHL與一名獨立第三方訂立買賣協議，據此SBHL同意按代價91,000港元將LCL Decoration Limited的全部已發行股本轉讓予該獨立第三方。由於LCL Decoration Limited已停止運營，故出售LCL Decoration Limited將不會影響本集團的財務表現及業務。

(i) Consideration receivable

| | | 2018 HK\$'000 千港元 |
|---|-----------------|-------------------------|
| Total consideration received in cash and cash equivalents | 以現金及現金等價物收取之總代價 | 91 |

(i) 應收代價

(ii) Analysis of asset and liability over which control was lost

| | | 2018 HK\$'000 千港元 |
|------------------------|-------------|-------------------------|
| Current assets | 流動資產 | |
| Cash | 現金 | - |
| Tax recoverable | 可收回稅項 | 92 |
| Net assets disposed of | 已出售之資產淨值 | 92 |

(ii) 對失去相關控制權之資產及負債之分析

(iii) Result on disposal of a subsidiary

| | | 2018 HK\$'000 千港元 |
|----------------------------------|-------------|-------------------------|
| Consideration received | 已收代價 | 91 |
| Net assets disposed of | 已出售之資產淨值 | (92) |
| Loss on disposal of a subsidiary | 出售一間附屬公司之虧損 | (1) |

(iii) 出售一間附屬公司之結果

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

25. DISPOSAL (Continued)

LCL Decoration Limited (Continued)

(iv) Net cash inflow from disposal of a subsidiary

| | | |
|--|------------------|----|
| Total consideration received | 已收取之總代價 | 91 |
| Less: Cash and cash equivalents balances disposal of | 減：已出售之現金及現金等價物結餘 | - |
| Net cash inflow from disposal of a subsidiary | 出售一間附屬公司之現金流入淨額 | 91 |

25. 出售(續)

LCL Decoration Limited (續)

(iv) 出售一間附屬公司之現金流入淨額

| | | |
|--|------------------|-------------------------|
| | | 2018 HK\$'000 千港元 |
| Total consideration received | 已收取之總代價 | 91 |
| Less: Cash and cash equivalents balances disposal of | 減：已出售之現金及現金等價物結餘 | - |
| Net cash inflow from disposal of a subsidiary | 出售一間附屬公司之現金流入淨額 | 91 |

LCL Construction Limited

The Group disposed of LCL Construction Limited during the year ended 31 December 2018. On 31 May 2018, SBHL and an independent third party entered into a sale and purchase agreement, pursuant to which SBHL agreed to transfer the entire issued share capital of LCL Construction Limited at the consideration of HK\$180,000 to the independent third party. Since LCL Construction Limited was inactive, the disposal of it will not affect the Group's financial performance and business.

(i) Consideration receivable

| | | |
|---|-----------------|-----|
| Total consideration received in cash and cash equivalents | 以現金及現金等價物收取之總代價 | 180 |
|---|-----------------|-----|

(ii) Analysis of asset and liability over which control was lost

| | | |
|-------------------------------|--------------|-----|
| Non-current asset | 非流動資產 | |
| Property, plant and equipment | 物業、廠房及設備 | - |
| Current assets | 流動資產 | |
| Cash | 現金 | 1 |
| Tax recoverable | 可收回稅項 | 178 |
| Net assets disposed of | 已出售之資產淨值 | 179 |

LCL Construction Limited

本集團已於截至二零一八年十二月三十一日止年度出售LCL Construction Limited。於二零一八年五月三十一日，SBHL與一名獨立第三方訂立買賣協議，據此SBHL同意按代價180,000港元將LCL Construction Limited的全部已發行股本轉讓予該獨立第三方。由於LCL Construction Limited已停止運營，故出售LCL Construction Limited將不會影響本集團的財務表現及業務。

(i) 應收代價

| | | |
|---|-----------------|-----|
| Total consideration received in cash and cash equivalents | 以現金及現金等價物收取之總代價 | 180 |
|---|-----------------|-----|

(ii) 對失去相關控制權之資產及負債之分析

| | | |
|-------------------------------|--------------|-------------------------|
| | | 2018 HK\$'000 千港元 |
| Non-current asset | 非流動資產 | |
| Property, plant and equipment | 物業、廠房及設備 | - |
| Current assets | 流動資產 | |
| Cash | 現金 | 1 |
| Tax recoverable | 可收回稅項 | 178 |
| Net assets disposed of | 已出售之資產淨值 | 179 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

25. DISPOSAL (Continued)

LCL Construction Limited (Continued) (iii) Result on disposal of a subsidiary

| | | |
|----------------------------------|-------------|-------|
| Consideration received | 已收代價 | 180 |
| Net assets disposed of | 已出售之資產淨值 | (179) |
| Gain on disposal of a subsidiary | 出售一間附屬公司之虧損 | 1 |

(iv) Net cash inflow from disposal of a subsidiary

| | | |
|--|------------------|-----|
| Total consideration received | 已收取之總代價 | 180 |
| Less: Cash and cash equivalents balances disposal of | 減：已出售之現金及現金等價物結餘 | (1) |
| Net cash inflow from disposal of a subsidiary | 出售一間附屬公司之現金流入淨額 | 179 |

26. CHANGE IN OWNERSHIP OF SUBSIDIARY

On 12 July 2017, Smart Empire, an indirect wholly-owned subsidiary of the Company, BAA and HBA, an indirect wholly-owned subsidiary of the Company, entered into a subscription agreement, pursuant to which Smart Empire and BAA shall subscribe for, and HBA shall allot and issue, 5,099,999 shares and 4,900,000 shares, respectively, at the aggregate subscription price of HK\$5,099,999 and HK\$4,900,000, respectively. Upon completion of the share subscription, the Group's equity interests in HBA were reduced from 100% to 51%, resulting in an increase in non-controlling interests of approximately HK\$4,170,000 and an increase in other reserve of approximately HK\$730,000.

On 13 April 2018, Smart Empire, BAA and HBA entered into an acquisition agreement, pursuant to which Smart Empire agreed to acquire 49% of equity interest in HBA from BAA, for a cash consideration of HK\$4,900,000. Upon completion of the share acquisition, the Group's equity interests in HBA were increased from 51% to 100%, resulting in a decrease in non-controlling interests of approximately HK\$5,838,000 and an increase in other reserve of approximately HK\$938,000.

25. 出售(續)

LCL Construction Limited (續) (iii) 出售一間附屬公司之結果

2018
HK\$'000
千港元

(iv) 出售一間附屬公司之現金流入淨額

2018
HK\$'000
千港元

26. 附屬公司擁有權變動

於二零一七年七月十二日，智國環球（為本公司之間接全資附屬公司）、亞聯及喜航公務機（為本公司之間接全資附屬公司）訂立認購協議，據此，智國環球及亞聯分別以5,099,999港元及4,900,000港元之總認購價認購，而喜航公務機將分別向智國環球及亞聯配發及發行5,099,999股及4,900,000股股份。於認購事項完成後，本集團於喜航公務機的股本權益已由100%減至51%，令非控股權益增加約4,170,000港元及其他儲備增加約730,000港元。

於二零一八年四月十三日，智國環球、亞聯及喜航公務機訂立收購協議，據此，智國環球同意向亞聯收購喜航公務機49%的權益，現金代價為4,900,000港元。於股份收購事項完成後，本集團於喜航公務機的股權已由51%增加至100%，令非控股權益減少約5,838,000港元及其他儲備增加約938,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

27. PARTICULARS OF SUBSIDIARIES

(a) Particulars of the principal subsidiaries as at 31 December 2018 are as follows:

27. 附屬公司詳情

(a) 於二零一八年十二月三十一日主要附屬公司之詳情如下：

| Name of Company 公司名稱 | Place of incorporation 註冊成立地點 | Class of share/ registered capital held 所持股份 類別/註冊資本 | Issued and fully paid share capital/ registered or paid-up capital 已發行及 繳足股本/ 註冊或繳足資本 | Proportion of ownership interest and voting rights held by the Company Directly Indirectly 本公司所持所有權權益 及表決權之比例 | | Principal activities and place of operation 主要業務及營運地點 |
|--------------------------------------|----------------------------------|--|---|---|-----------------------|--|
| | | | | Directly 直接 % | Indirectly 間接 % | |
| SBHL | BVI 英屬處女群島 | Ordinary 普通股 | 1 Share of US\$1 each 1股每股1美元股份 | 100 | - | Investment holding, Hong Kong 投資控股, 香港 |
| LCL Design Limited | Hong Kong 香港 | Ordinary 普通股 | 200,000 shares of HK\$1 each 200,000股 每股1港元股份 | - | 100 | Provision of design, fitting-out and decoration services, Hong Kong 提供設計、裝修及裝飾服務, 香港 |
| LCL Interior Limited | Hong Kong 香港 | Ordinary 普通股 | 200,000 shares of HK\$1 each 200,000股 每股1港元股份 | - | 100 | Provision of design, fitting-out and decoration services, Hong Kong 提供設計、裝修及裝飾服務, 香港 |
| LCL China Limited | Hong Kong 香港 | Ordinary 普通股 | 10,000 shares of HK\$1 each 10,000股 每股1港元股份 | - | 100 | Provision of design, fitting-out and decoration services, Hong Kong 提供設計、裝修及裝飾服務, 香港 |
| LCL Architects Limited 林周梁建築師有限公司 | Hong Kong 香港 | Ordinary 普通股 | 3 shares of HK\$1 each 3股每股1港元股份 | - | 100 | Provision of design, fitting-out and decoration services, Hong Kong 提供設計、裝修及裝飾服務, 香港 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

27. PARTICULARS OF SUBSIDIARIES (Continued)

(a) Particulars of the principal subsidiaries as at 31 December 2018 are as follows: (Continued)

27. 附屬公司詳情 (續)

(a) 於二零一八年十二月三十一日主要附屬公司之詳情如下：(續)

| Name of Company 公司名稱 | Place of incorporation 註冊成立地點 | Class of share/ registered capital held 所持股份 類別/註冊資本 | Issued and fully paid share capital/ registered or paid-up capital 已發行及 繳足股本/ 註冊或繳足資本 | Proportion of ownership interest and voting rights held by the Company 本公司所持所有權權益 及表決權之比例 | | Principal activities and place of operation 主要業務及營運地點 |
|--|----------------------------------|--|--|--|--------------------------|--|
| | | | | Directly 本公司直接 % | Indirectly 本公司間接 % | |
| Thousand Profit International Limited (note (i)) 千益國際有限公司 (附註(i)) | BVI 英屬處女群島 | Ordinary 普通股 | 1 share of US\$1 each 1股每股1美元股份 | 100 | - | Investment holding, Hong Kong 投資控股, 香港 |
| Himalaya Business Aviation Limited (note (i)) 喜馬拉雅公務航空有限 公司(附註(i)) | Hong Kong 香港 | Ordinary 普通股 | 10,000,000 shares of HK\$1 each 10,000,000股 每股1港元股份 | - | 100 | Provision of aircraft management services, Hong Kong 提供飛機管理服務, 香港 |
| Royal China Decoration Engineering Limited (note (i)) 皇中裝飾工程有限公司 (附註(i)) | Hong Kong 香港 | Ordinary 普通股 | 10,000 shares of HK\$1 each 10,000股 每股1港元股份 | - | 100 | Provision of construction and ancillary services, Hong Kong 提供建設及配套服務, 香港 |
| Royal China Bullion Investment Limited (note (i)) 皇中黃金投資有限公司 (附註(i)) | Hong Kong 香港 | Ordinary 普通股 | 6,000,000 shares of HK\$1 each 6,000,000股 每股1港元股份 | - | 100 | Trading of precious metal, Hong Kong 貴金屬買賣, 香港 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

27. PARTICULARS OF SUBSIDIARIES (Continued)

(a) Particulars of the principal subsidiaries as at 31 December 2018 are as follows: (Continued)

| Name of Company 公司名稱 | Place of incorporation 註冊成立地點 | Class of share/ registered capital held 所持股份 類別/註冊資本 | Issued and fully paid share capital/ registered or paid-up capital 已發行及 繳足股本/ 註冊或繳足資本 | Proportion of ownership interest and voting rights held by the Company 本公司所持所有權權益及表決權之比例 | | Principal activities and place of operation 主要業務及營運地點 |
|--|----------------------------------|--|---|---|--------------------------|--|
| | | | | Directly 本公司直接 % | Indirectly 本公司間接 % | |
| 深圳喜馬拉雅航空服務有限公司(附註(i)) | the PRC 中國 | Registered capital 註冊資本 | Registered capital RMB1,000,000 註冊資本人民幣 1,000,000元 | - | 100 | Provision of aircraft management services, the PRC 提供飛機管理服務, 中國 |
| Royal China International Asset Management Limited (note (i)) 皇中國際資產管理有限公司(附註(i)) | Hong Kong 香港 | Ordinary 普通股 | 10,000,000 shares of HK\$1 each 10,000,000股 每股1港元股份 | - | 100 | Provision of financial services, Hong Kong 提供金融服務, 香港 |
| Royal China International Aircraft Leasing Limited (note (i)) 皇中國際飛機租賃有限公司(附註(i)) | Hong Kong 香港 | Ordinary 普通股 | 1 shares of HK\$1 each 1股每股1港元股份 | - | 100 | Provision of aircraft leasing and ancillary services, Hong Kong 提供飛機租賃及配套服務, 香港 |

Note:

(i) These companies were incorporated during the fifteen months ended 31 December 2017.

附註:

(i) 此等公司乃於截至二零一七年十二月三十一日止十五個月內註冊成立。

27. 附屬公司詳情(續)

(a) 於二零一八年十二月三十一日主要附屬公司之詳情如下:(續)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

27. PARTICULARS OF SUBSIDIARIES (Continued)

- (b) Details of non-wholly owned subsidiary that has material non-controlling interests:

The table below shows details of the non-wholly owned subsidiary of the Group that have material non-controlling interests:

| Name 名稱 | Place of incorporation and principal place of business 註冊成立地點及主要營業地點 | Proportion of ownership interests and voting rights held by non-controlling interests 非控股權益所持有之所有權權益及投票權之比例 | | Profit allocated to non-controlling interests 分配予非控股權益之溢利 | | Accumulated non-controlling interests 累計非控股權益 | |
|---|---|--|------------|--|--|--|--|
| | | As at 於 | As at 於 | Year ended 31 December 2018 截至二零一八年十二月三十一日止年度 | Fifteen months ended 31 December 2017 截至二零一七年十二月三十一日止十五個月 | As at 31 December 2018 截至二零一八年十二月三十一日 | As at 31 December 2017 截至二零一七年十二月三十一日 |
| | | % | % | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Himalaya Business Aviation Limited 喜馬拉雅公務航空有限公司 | Hong Kong 香港 | - | 49 | 747 | 958 | - | 5,127 |

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

有關各有重大非控股權益之非全資附屬公司之財務資料概要載列如下。以下財務資料概要指於集團內公司間撇銷前之金額。

27. 附屬公司詳情 (續)

- (b) 有重大非控股權益之非全資附屬公司之詳情：

下表顯示擁有重大非控股權益之本集團非全資附屬公司之詳情：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

27. PARTICULARS OF SUBSIDIARIES (Continued)

- (b) Details of non-wholly owned subsidiary that has material non-controlling interests: (Continued)

Himalaya Business Aviation Limited

27. 附屬公司詳情(續)

- (b) 有重大非控股權益之非全資附屬公司之詳情：(續)

喜馬拉雅公務航空有限公司

| | | As at 於 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|--|------------|--|
| Current assets | 流動資產 | 29,686 |
| Non-current assets | 非流動資產 | 1,863 |
| Current liabilities | 流動負債 | (21,085) |
| Non-current liabilities | 非流動負債 | - |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 5,337 |
| Non-controlling interests | 非控股權益 | 5,127 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

27. PARTICULARS OF SUBSIDIARIES (Continued)

(b) Details of non-wholly owned subsidiary that has material non-controlling interests: (Continued)

Himalaya Business Aviation Limited (Continued)

27. 附屬公司詳情 (續)

(b) 有重大非控股權益之非全資附屬公司之詳情：(續)

喜馬拉雅公務航空有限公司 (續)

| | | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|--|----------------|---|
| Revenue | 收入 | 20,041 |
| Profit for the period | 期內溢利 | 465 |
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | (493) |
| Profit attributable to non-controlling interests | 非控股權益應佔溢利 | 958 |
| Profit for the period | 期內溢利 | 465 |
| Other comprehensive income attributable to owners of the Company | 本公司擁有人應佔其他全面收益 | - |
| Other comprehensive income attributable to non-controlling interests | 非控股權益應佔其他全面收益 | - |
| Other comprehensive income for the period | 期內其他全面收益 | - |
| Total comprehensive loss attributable to owners of the Company | 本公司擁有人應佔全面虧損總額 | (493) |
| Total comprehensive income attributable to non-controlling interests | 非控股權益應佔全面收益總額 | 958 |
| Total comprehensive income for the period | 期內全面收益總額 | 465 |
| Dividends paid to non-controlling interests | 已付非控股權益之股息 | - |
| Net cash outflow from operating activities | 經營業務之現金流出淨額 | (19,128) |
| Net cash outflow from investing activities | 投資活動之現金流出淨額 | (796) |
| Net cash inflow from financing activities | 融資活動之現金流入淨額 | 25,131 |
| Net cash inflow | 現金流入淨額 | 5,207 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

28. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY

(a) Statement of Financial Position of the Company

28. 本公司之財務狀況表及儲備變動

(a) 本公司之財務狀況表

| | | 31 December 2018 二零一八年 十二月三十一日 Notes 附註 | 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元 |
|---|--------------------|--|---|
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 246 | 1,487 |
| Interests in subsidiaries | 於附屬公司之權益 | - | - |
| | | 246 | 1,487 |
| Current assets | 流動資產 | | |
| Prepayments and other receivables | 預付款項及其他應收款項 | 1,910 | 1,925 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 68,549 | 15,624 |
| Cash and bank balances | 現金及銀行結餘 | 64,212 | 82,070 |
| | | 134,671 | 99,619 |
| Current liabilities | 流動負債 | | |
| Accrued expenses | 應計開支 | 1,163 | 2,590 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 55,164 | 8,424 |
| | | 56,327 | 11,014 |
| Net current assets | 流動資產淨值 | 78,344 | 88,605 |
| Total assets less current liabilities | 總資產減流動負債 | 78,590 | 90,092 |
| Net assets | 資產淨值 | 78,590 | 90,092 |
| Equity | 權益 | | |
| Share capital | 股本 | 23 | 5,000 |
| Reserves | 儲備 | 28(b) | 73,590 |
| | | 78,590 | 90,092 |
| Total equity attributable to owners of the Company | 本公司擁有人應佔總權益 | 78,590 | 90,092 |

Approved and authorised for issue by the board of directors on 26 March 2019.

On behalf of the board

於二零一九年三月二十六日獲董事會批准及授權刊發。

代表董事會

LEONG Hing Loong Rudoff
梁興隆
Director
董事

CHEW Christina Mooi Chong
周梅莊
Director
董事

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

28. STATEMENT OF FINANCIAL POSITION AND RESERVES MOVEMENT OF THE COMPANY (Continued)

(b) Reserves movement of the Company

| | | Share premium 股份溢價 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總額 HK\$'000 千港元 |
|--|-------------------------|--|---|--------------------------------|
| As at 1 October 2016 | 於二零一六年十月一日 | 109,834 | (1,496) | 108,338 |
| Loss and total comprehensive loss for the period | 期內虧損及全面虧損總額 | - | (23,246) | (23,246) |
| As at 31 December 2017 and 1 January 2018 | 於二零一七年十二月三十一日及二零一八年一月一日 | 109,834 | (24,742) | 85,092 |
| Loss and total comprehensive loss for the year | 年內虧損及全面虧損總額 | - | (11,502) | (11,502) |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 109,834 | (36,244) | 73,590 |

29. OPERATING LEASE COMMITMENTS

The Group as lessee

The Group entered into commercial leases on certain office buildings and directors' quarters. These leases have an average life of 2 years. None of the leases include contingent rentals.

At the end of reporting period, the Group had total future minimum lease payment under non-cancellable operating lease falling due as follows:

29. 經營租賃承擔

本集團作為承租人

本集團就若干辦公樓宇及董事住處訂立了商業租賃。該等租賃平均為期兩年。租賃概不包含或然租金。

於報告期末，本集團根據不可撤銷之經營租賃在日後應付之最低租賃款額如下：

| | | As at 於 31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元 | 31 December 2017 二零一七年 十二月三十一日 HK\$'000 千港元 |
|--|---------------------|--|--|
| Within one year | 一年內 | 2,809 | 10,912 |
| In the second to fifth years inclusive | 第二年至第五年 (包括首尾兩年) | - | 2,438 |
| | | 2,809 | 13,350 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS

Disclosed elsewhere in the consolidated financial statements, the Group had entered into the following material transactions with related parties during the year/period:

(a) Transactions with related parties

| | | | |
|---|-----------------------------|--------|--------|
| Rental expense paid to Well East Limited (note(a)) | 支付予東惠有限公司之租金開支(附註(a)) | 53 | 66 |
| Rental expense paid to Pacific East Limited (note (b)) | 支付予廣太有限公司之租金開支(附註(b)) | 1,459 | 1,824 |
| Rental expense of the directors' quarters paid to World Pioneer Asia Limited (note (c)) | 支付予冠毅亞洲有限公司之董事宿舍租金開支(附註(c)) | 1,486 | 1,857 |
| Aircraft management expenses paid to BAA Jet Management Limited (note (d)) | 支付予亞聯公務機有限公司之飛機託管開支(附註(d)) | 16,340 | 13,009 |
| Commission income received from Royal China Group International Holdings Limited (note (e)) | 自皇中集團國際控股有限公司收取之佣金收入(附註(e)) | - | 7,735 |
| Service income received from Lucky Huge Investment Limited (note (e)) | 自鴻運投資有限公司收取之服務收入(附註(e)) | - | 234 |

Notes:

- (a) Mr. LEONG and Ms. CHEW are the common directors and shareholders of the Company and Well East Limited.
- (b) Mr. LEONG is the common director and shareholder of the Company and Pacific East Limited.
- (c) Mr. LEONG and Ms. CHEW are the common directors and shareholders of the Company and World Pioneer Asia Limited.
- (d) The transaction constitutes continuing connected transaction under Chapter 14A of the Listing Rules. Please also refer to "Continuing Connected Transactions" under "Report of the Directors".
- (e) National Business Holdings Group Co. Limited is the common shareholder of the Company and Royal China Group International Holdings Limited and Lucky Huge Investment Limited until 20 July 2018.

30. 重要關聯方交易

除綜合財務報表另有披露者外，本集團於年／期內與關聯方訂立以下重大交易：

(a) 與關聯方訂立之交易

| Year ended 31 December 2018 截至 二零一八年 十二月三十一 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一 止十五個月 HK\$'000 千港元 |
|--|---|
| 53 | 66 |
| 1,459 | 1,824 |
| 1,486 | 1,857 |
| 16,340 | 13,009 |
| - | 7,735 |
| - | 234 |

附註：

- (a) 梁先生及周女士均為本公司及東惠有限公司之共同董事及股東。
- (b) 梁先生為本公司及廣太有限公司之共同董事及股東。
- (c) 梁先生及周女士均為本公司及冠毅亞洲有限公司之共同董事及股東。
- (d) 有關交易構成上市規則第十四A章項下之持續關連交易。亦請參閱「董事會報告」內「持續關連交易」一節。
- (e) 國能商業集團有限公司直至二零一八年七月二十日為本公司與皇中集團國際控股有限公司及鴻運投資有限公司的共同股東。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

30. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Key management personnel compensation

Remuneration for key management personnel, including amounts paid to the directors and certain of the highest paid employees, as disclosed in notes 10 and 11 are as follows:

30. 重要關聯方交易(續)

(b) 主要管理人員薪酬

主要管理人員酬金，包括付予董事及若干最高薪僱員之款項(如附註10及11所披露)載列如下：

| | | Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元 | Fifteen months ended 31 December 2017 截至 二零一七年 十二月三十一日 止十五個月 HK\$'000 千港元 |
|--|------------------|---|--|
| Fees | 袍金 | - | - |
| Other emoluments, salaries and other benefits | 其他酬金、薪金及 其他福利 | 11,680 | 11,484 |
| Pension scheme contributions | 退休金計劃供款 | 79 | 78 |
| | | 11,759 | 11,562 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018
截至二零一八年十二月三十一日止年度

31. EVENTS AFTER THE REPORTING PERIOD

On 23 January 2019, Thousand Profit International Limited (“Thousand Profit”), a wholly owned subsidiary of the Company entered into the sale and purchase agreement with an independent third party pursuant to which Thousand Profit and the independent third party agreed to acquire the entire issued share capital of Smart Empire Global Limited (“Smart Empire”) for an aggregate consideration of approximately HK\$13,579,000. The completion of the sales and purchase agreement has been taken place on 28 January 2019 (the “Completion”). Upon the Completion, Smart Empire had ceased to be an indirect wholly-owned subsidiary of the Company and the Company had ceased to have any interests in Smart Empire and the results of Smart Empire and its subsidiaries had been no longer be consolidated with results of the Group. For details of the sales and purchase agreement, please refer to the announcement of the Company dated 23 January 2019.

On 28 February 2019, Sincere Sword International Limited (“Sincere Sword”), an indirect wholly-owned subsidiary of the Company and a borrower entered into the loan agreement pursuant to which Sincere Sword has agreed to grant the loan in the amount of HK\$40,000,000 to the borrower for a term of twelve months from the effective date. For details of the loan agreement, please refer to the announcement of the Company dated 28 February 2019.

32. COMPARATIVE FIGURES

The Group has initially applied HKFRS 15 and HKFRS 9 at 1 January 2018. Under the transition methods, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2 to consolidated financial statement.

33. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

31. 報告期後事項

於二零一九年一月二十三日，千益國際有限公司（「千益」）（為本公司之全資附屬公司）與一名獨立第三方訂立買賣協議，據此千益同意出售而該獨立第三方同意收購智國環球有限公司（「智國環球」）之全部已發行股本，總代價約為13,579,000港元。買賣協議已於二零一九年一月二十八日完成（「完成」）。於完成後，智國環球已不再為本公司的間接全資附屬公司，而本公司已不再擁有智國環球的任何權益，而智國環球及其附屬公司的業績已不再併入本集團的業績。有關買賣協議之詳情，請參閱本公司日期為二零一九年一月二十三日的公告。

於二零一九年二月二十八日，誠劍國際有限公司（「誠劍」）（為本公司之間接全資附屬公司）與一名借款人訂立貸款協議，據此，誠劍同意向該借款人授出金額為40,000,000港元之該貸款，貸款期為自生效日期起計十二個月。有關貸款協議之詳情，請參閱本公司日期為二零一九年二月二十八日之公告。

32. 比較數字

本集團於二零一八年一月一日首次應用香港財務報告準則第15號及香港財務報告準則第9號。根據過渡法，比較資料並無重列。有關會計政策變動的進一步詳情於綜合財務報表附註2披露。

33. 批准綜合財務報表

本綜合財務報表於二零一九年三月二十六日經董事會批准及授權刊發。

FINANCIAL SUMMARY

財務概要

A summary of the published results and of the assets, liabilities and equity of the Group for the year ended 31 December 2018, fifteen months ended 31 December 2017 and the three years ended 30 September is as follows.

本集團於截至二零一八年十二月三十一日止年度、截至二零一七年十二月三十一日止十五個月及截至二零一六年九月三十日止三個年度的已刊發業績及資產、負債以及權益概述如下。

| Results | 業績 | Year ended 31 December 2018 | Fifteen months ended 31 December 2017 | Year ended 30 September | | |
|--|-------------------------|-----------------------------|---------------------------------------|-------------------------|-----------------|-----------------|
| | | 截至十二月三十一日止年度二零一八年 | 截至十二月三十一日止十五個月二零一七年 | 二零一六年 | 二零一五年 | 二零一四年 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Revenue | 收益 | 187,314 | 157,397 | 116,021 | 159,527 | 113,786 |
| (Loss)/profit before income tax | 除所得稅前 (虧損)/溢利 | (14,148) | (6,290) | 28,279 | 25,053 | 28,107 |
| Taxation | 稅項 | (2,478) | (2,982) | (4,098) | (4,103) | (4,756) |
| (Loss)/profit for the year/period | 年/期內 (虧損)/溢利 | (16,626) | (9,272) | 24,181 | 20,950 | 23,351 |
| Attributable to: | 應佔份額： | | | | | |
| Owners of the Company | 本公司擁有人 | (17,373) | (10,193) | 24,181 | 21,255 | 23,200 |
| Non-controlling interests | 非控股權益 | 747 | 921 | - | (305) | 151 |
| (Loss)/profit for the year/period | 年/期內 (虧損)/溢利 | (16,626) | (9,272) | 24,181 | 20,950 | 23,351 |

FINANCIAL SUMMARY

財務概要

| | | As at 31 December 2018 於 十二月 三十一日 二零一八年 HK\$'000 千港元 | As at 31 December 2017 於 十二月 三十一日 二零一七年 HK\$'000 千港元 | As at 30 September 2016 於 二零一六年 九月三十日 HK\$'000 千港元 | As at 30 September 2015 於 二零一五年 九月三十日 HK\$'000 千港元 | As at 30 September 2014 於 二零一四年 九月三十日 HK\$'000 千港元 |
|--|--------------|---|---|---|---|---|
| Assets | 資產 | | | | | |
| Non-current assets | 非流動資產 | 13,688 | 15,895 | 3,878 | 1,775 | 2,830 |
| Current assets | 流動資產 | 146,317 | 185,692 | 169,195 | 162,434 | 81,207 |
| Total assets | 資產總值 | 160,005 | 201,587 | 173,073 | 164,209 | 84,037 |
| Liabilities | 負債 | | | | | |
| Current liabilities | 流動負債 | 29,295 | 49,345 | 16,460 | 31,777 | 33,539 |
| Total liabilities | 負債總額 | 29,295 | 49,345 | 16,460 | 31,777 | 33,539 |
| Net assets | 資產淨值 | 130,710 | 152,242 | 156,613 | 132,432 | 50,498 |
| Capital and reserves | 資本及儲備 | | | | | |
| Share capital | 股本 | 5,000 | 5,000 | 5,000 | 5,000 | 621 |
| Reserves | 儲備 | 125,710 | 142,151 | 151,613 | 127,432 | 47,423 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 130,710 | 147,151 | 156,613 | 132,432 | 48,044 |
| Non-controlling interests | 非控股權益 | - | 5,091 | - | - | 2,454 |
| Total equity | 總權益 | 130,710 | 152,242 | 156,613 | 132,432 | 50,498 |

Note:

The summary of the consolidated results of the Group for the year ended 30 September 2014 and of the assets, liabilities and equity as at 30 September 2014 have been extracted from the Company's prospectus dated 21 August 2015.

The summary above does not form part of the audited consolidated financial statements.

附註：

本集團與截至二零一四年九月三十日止兩個年度各年的綜合業績及於二零一四年九月三十日的資產、負債及權益概要乃摘錄自本公司日期為二零一五年八月二十一日之招股章程。

上述概要並不構成經審核綜合財務報表的一部分。



Royal China International Holdings Limited
 皇 中 國 際 控 股 有 限 公 司