



譽宴集團

BANQUET Group

**U BANQUET GROUP
HOLDING LIMITED**
譽宴集團控股有限公司

(於開曼群島註冊成立的有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code : 1483



Annual Report
2019年報

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Corporate Information

公司資料

DIRECTORS

Executive Directors:

Mr. Sang Kangqiao (*Chairman*)

Mr. Cui Peng

Mr. Xu WENZE

Independent Non-executive Directors:

Mr. Lam Ka Tak

Mr. Xu Zhihao

Mr. Wong Sincere

AUDIT COMMITTEE

Mr. Lam Ka Tak (*Chairman*)

Mr. Wong Sincere

Mr. Xu Zhihao

REMUNERATION COMMITTEE

Mr. Wong Sincere (*Chairman*)

Mr. Sang Kangqiao

Mr. Lam Ka Tak

NOMINATION COMMITTEE

Mr. Sang Kangqiao (*Chairman*)

Mr. Xu Zhihao

Mr. Wong Sincere

COMPANY SECRETARY

Mr. Yu Kin Man Duncan

董事

執行董事：

桑康喬先生 (主席)

崔鵬先生

許文澤先生

獨立非執行董事：

林嘉德先生

徐志浩先生

黃誠思先生

審核委員會

林嘉德先生 (主席)

黃誠思先生

徐志浩先生

薪酬委員會

黃誠思先生 (主席)

桑康喬先生

林嘉德先生

提名委員會

桑康喬先生 (主席)

徐志浩先生

黃誠思先生

公司秘書

余健文先生

AUTHORISED REPRESENTATIVES

Mr. Cui Peng
Mr. Yu Kin Man Duncan

REGISTERED OFFICE

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 1201, Cityplaza One
1111 King's Road
Taikoo Shing, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street
P.O. Box 1350, Grand Cayman
KY1-1108
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrars Limited
Suites 3301-04, 33/F
Two Chinachem Exchange Square
338 King's Road
North Point
Hong Kong

授權代表

崔鵬先生
余健文先生

註冊辦事處

Vistra (Cayman) Limited
P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

香港總部及主要營業地點

香港港島東太古城
英皇道1111號
太古城中心一座12樓01室

開曼群島主要股份過戶登記處

Appleby Trust (Cayman) Ltd.
Clifton House, 75 Fort Street
P.O. Box 1350, Grand Cayman
KY1-1108
Cayman Islands

香港股份過戶登記分處

聯合證券登記有限公司
香港
北角
英皇道338號
華懋交易廣場二期
33樓3301-04室



Corporate Information 公司資料

PRINCIPAL BANKERS

Hang Seng Bank
Bank of China

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and Registered PIE Auditor

STOCK CODE

1483

COMPANY'S WEBSITE

www.u-banquetgroup.com

主要往來銀行

恒生銀行
中國銀行

核數師

羅兵咸永道會計師事務所
執業會計師及註冊公眾利益實體核數師

股份代號

1483

公司網站

www.u-banquetgroup.com

Summary of Financial Information

財務資料概要

| RESULTS | 業績 | Year ended 31 December 截至十二月三十一日止年度 | | | | |
|------------------------|---------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
| Revenue | 收益 | 461,909 | 410,858 | 368,832 | 363,806 | 401,071 |
| Loss before income tax | 除所得稅前虧損 | (56,038) | (23,279) | (55,307) | (51,859) | (5,773) |
| Income tax expense | 所得稅開支 | (3,783) | (1,966) | (879) | (1,987) | (205) |
| Loss for the year | 各年度虧損 | (59,821) | (25,245) | (56,186) | (53,846) | (5,978) |

| ASSETS AND LIABILITIES | 資產及負債 | As at 31 December 於十二月三十一日 | | | | |
|--|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 |
| Current assets | 流動資產 | 293,457 | 167,854 | 260,363 | 334,748 | 60,887 |
| Non-current assets | 非流動資產 | 384,901 | 403,645 | 191,541 | 105,493 | 118,541 |
| Total assets | 總資產 | 678,358 | 571,499 | 451,904 | 440,241 | 179,428 |
| Current liabilities | 流動負債 | 279,998 | 357,561 | 283,743 | 393,536 | 79,969 |
| Non-current liabilities | 非流動負債 | 71,470 | 50,870 | 37,200 | 14,019 | 12,874 |
| Total liabilities | 總負債 | 351,468 | 408,431 | 320,943 | 407,555 | 92,843 |
| Net assets | 資產淨額 | 326,890 | 163,068 | 130,961 | 32,686 | 86,585 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 260,474 | 104,986 | 130,961 | 32,686 | 86,585 |
| Non-controlling interests | 非控股權益 | 66,416 | 58,082 | - | - | - |
| | | 326,890 | 163,068 | 130,961 | 32,686 | 86,585 |



Chairman's
Statement
主席報告





Chairman's Statement

主席報告



TO OUR SHAREHOLDERS

On behalf of the board ("Board") of directors ("Directors") of U Banquet Group Holding Limited (the "Company"), I am pleased to present the annual results of the Company and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2019.

BUSINESS REVIEW

Restaurant Operations

The Group has been operating four restaurants under the brands, namely "U Banquet" (including "U Banquet • The StarView"), as at 31 December 2019. During the year 2019, the general economy and the business environment of catering industry in Hong Kong remained under pressure. China-US trade war as well as the social incidents since June 2019 affecting the Group restaurants operation. The performance of restaurant operation for both wedding banquet and dining services did not reach the management expectation, the Group had closed five restaurants and sold two restaurants.

各位股東

本人謹代表譽宴集團控股有限公司（「本公司」）董事（「董事」）會（「董事會」）欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度的全年業績。

業務回顧

酒樓營運

於二零一九年十二月三十一日，本集團以「譽宴」（包括「譽宴·星海」）品牌經營四家酒樓。於二零一九年，香港的整體經濟及餐飲業的經營環境仍壓力重重，中美貿易戰及自二零一九年六月以來的社會事件影響了本集團的酒樓營運。婚宴及用膳服務的酒樓營運表現未達到管理層預期，本集團已關閉五家酒樓及出售兩家酒樓。

Chairman's Statement 主席報告



We position ourselves entirely different from traditional, single service-focused Chinese restaurants in Hong Kong. For our dining services, our target customers are having high demand on fresh and high standard of Cantonese dishes, quality servicing standards in hygienic and modernly designed restaurant venues to accommodate family and friend gatherings and corporate functions. For wedding banquet services, we provide streamlined wedding planning and preparation process by offering one-stop wedding solutions and the choices of creatively-designed venues to cater our customers with high expectations on their wedding banquet. The management resolved to improve the operating efficiency and control expenditures of the Group. The Group reviewed the work allocation of the staff from time to time to enhance labour efficiency. The Group also entered into long-term tenancy agreements to maintain the operating lease payments at reasonable level.

我們的定位完全不同於香港主營傳統單一服務的中式酒樓。就我們的用膳服務而言，我們的目標客戶為對於在衛生及現代設計風格且適合家庭及朋友聚會以及公司活動的酒樓場所享用新鮮及高標準粵菜、優質服務標準有高需求的客戶。就婚宴服務而言，我們透過提供一站式婚禮意見方案及創意設計場所，打造流線型婚禮策劃及籌備過程，以達到我們的客戶對婚宴的高期望。管理層銳意提升本集團營運效率及控制開支。本集團不時檢查員工的工作分配，以提升員工效率。本集團亦簽訂長期租賃協議，以使營運租賃款項維持於合理的水平。

Chairman's Statement 主席報告

Environmental Maintenance Business

The Group's environmental maintenance business is based on Chengdu, the PRC and expands to other region including Xinjiang Autonomous Region, Hebei Province, Yunnan Province and Inner Mongolia Autonomous Region. During the year of 2019, it has already generated significant service income and segment profit for our Group.

FINANCIAL RESULTS

For the year ended 31 December 2019, the Group recorded a turnover of HK\$461,909,000, representing an increase of 12.4% from HK\$410,858,000 as compared to last year. It is mainly due to the revenue contribution of new segment from environmental maintenance business accounted for approximately HK\$226,331,000 for the year 2019, representing an increase of 608.7% from HK\$31,938,000 as compared to last year. With the effect of increase of operating cost and impairment loss during the year 2019, loss for the year increased from HK\$25,245,000 for the year 2018 to HK\$59,821,000 for the year 2019. Basic loss per share was HK\$12 cents (2018: HK\$5 cents).

PROSPECTS

Apart from continuing to enhance its core business, the Group will explore business opportunities to strengthen its revenue base. Apart from this, the Group will also explore business opportunities to strengthen its revenue base, such as acquiring other environmental maintenance business and/or potential properties in Hong Kong and/or China which is expected to generate a stable and constant stream of service and rental income to the Group.

環境維護業務

本集團環境維護業務立足中國成都，並擴展至其他地區，包括新疆自治區、河北省、雲南省及內蒙古自治區。於二零一九年，該業務已為本集團帶來可觀的服務收入及分部溢利。

財務業績

截至二零一九年十二月三十一日止年度，本集團錄得營業額461,909,000港元，較去年的410,858,000港元增加12.4%。該增長乃主要由於二零一九年來自環境維護業務的新分部收益貢獻約226,331,000港元所致，較去年的31,938,000港元增加608.7%。由於二零一九年經營成本及減值虧損增加，年度虧損由二零一八年的25,245,000港元增至二零一九年的59,821,000港元。每股基本虧損為12港仙（二零一八年：5港仙）。

展望

除繼續提升其核心業務外，本集團將探索業務機遇，以鞏固其收益基礎。除此之外，本集團亦將探索業務機遇，以鞏固其收益基礎，例如收購預期將為本集團帶來穩定及固定服務及租金收入流的香港及／或中國其他環境維護業務及／或潛在物業。

Chairman's Statement 主席報告

The Company believes that the environmental maintenance industry in the PRC will enjoy a sustainable growth in the future and thus enhance the business development and financial prospect of the Group.

APPRECIATION

Finally, I wish to take this opportunity to thank our shareholders, customers and business partners for their ongoing support and trust. Also, I would like to express my appreciation to my fellow Directors and the staff of the Group for their solid contribution and unwavering dedication to the Group. Based on our success, we remain optimistic about the prospects of the Group's future business development. We intend to execute our well-established business strategies to enhance the Group's value and to bring a desirable return to our shareholders.

Sang Kangqiao
Chairman

Hong Kong, 31 March 2020

本公司認為中國的環境維護行業日後將實現可持續發展，因而提升了本集團的業務發展及財務前景。

致謝

最後，本人謹藉此機會感謝股東、客戶及業務夥伴的一貫支持及信任。此外，本人亦向董事同仁及本集團員工為本集團作出的巨大貢獻及堅定奉獻致以謝意。鑒於集團的成功營運，我們對本集團的日後業務發展前景仍滿懷樂觀。我們擬實行既定的業務策略，增強本集團價值，為股東帶來滿意回報。

主席
桑康喬

香港，二零二零年三月三十一日

The background features a stylized landscape with a large red sun, a white bird in flight, and rolling hills in shades of yellow and green. There are also decorative elements of green and yellow leaves in the corners and a green speech bubble containing the text.

Management Discussion
and Analysis
管理層討論及分析



Management Discussion and Analysis

管理層討論及分析

BUSINESS AND OPERATIONAL REVIEW

For the year ended 31 December 2019, the Group was principally engaged in four operating segments (i) Chinese restaurant and wedding business, (ii) environmental maintenance business in the PRC, (iii) property leasing business, and (iv) securities trading business.

Restaurant Operation

As at 31 December 2019, the Group operated a total of four restaurants which were all under “U Banquet (譽宴)” brand (including “U Banquet • The StarView (譽宴•星海)”). During the year 2019, the Group had closed five restaurants in Causeway Bay, Wong Tai Sin and North Point, sold two restaurants in Causeway Bay and Kwun Tong and opened a restaurant in Sha Tin.

We position ourselves entirely different from traditional, single service-focused Chinese restaurants in Hong Kong. For our dining services, our target customers are having high demand on fresh and high standard of Cantonese dishes, quality servicing standards in hygienic and modernly designed restaurant venues to accommodate family and friend gatherings and corporate functions. For wedding banquet services, we provide streamlined wedding planning and preparation process by offering one-stop wedding solutions and the choices of creatively-designed venues to cater our customers with high expectations on their wedding banquet. The management resolved to improve the operating efficiency and control expenditures of the Group. The Group reviewed the work allocation of the staff from time to time to enhance labour efficiency. The Group also entered into long-term tenancy agreements to maintain the operating lease payments at reasonable level.

We believe that high product quality, service reliability and management of operations are key success factors in business growth and sustainability. We have a reliable management team to oversee daily restaurant operations and wedding banquet services, to maintain quality control standards, to monitor workforce performance and to implement expansion strategies. Our senior management and management at restaurant-level consist of members with solid experience in the Chinese restaurant and wedding service industry and they are familiar with different aspects of operations of these industries.

業務及營運概覽

截至二零一九年十二月三十一日止年度，本集團主要運營四個經營分部(i)中式酒樓及婚禮業務、(ii)於中國的環境維護業務、(iii)物業租賃業務及(iv)證券買賣業務。

酒樓營運

於二零一九年十二月三十一日，本集團總共經營四家酒樓，品牌均為「譽宴」（包括「譽宴•星海」）。於二零一九年，本集團關閉五家位於銅鑼灣、黃大仙及北角的酒樓，出售兩家於銅鑼灣及觀塘的酒樓及於沙田開設一家酒樓。

我們的定位完全不同於香港主營傳統單一服務的中式酒樓。就我們的用膳服務而言，我們的目標客戶為對於在衛生及現代設計風格且適合家庭及朋友聚會以及公司活動的酒樓場所享用新鮮及高標準粵菜、優質服務標準有高需求的客戶。就婚宴服務而言，我們透過提供一站式婚禮意見方案及創意設計場所，打造流線型婚禮策劃及籌備過程，以達到我們的客戶對婚宴的高期望。管理層銳意提升本集團營運效率及控制開支。本集團不時檢查員工的工作分配，以提升員工效率。本集團亦簽訂長期租賃協議，以使營運租賃款項維持於合理的水平。

我們認為，高質素產品、可靠的服務及營運管理為業務實現增長及可持續發展的主要成功因素。我們有可靠的管理團隊監督日常的酒樓營運及婚宴服務、維持質素控制標準、監督全體員工表現及落實擴張策略。我們的高級管理層及各酒樓的管理層於中式酒樓及婚禮服務行業擁有豐富經驗，並熟悉該等行業業務運營的各個方面。

Environmental maintenance business

The Group started engaging in environmental maintenance business in the PRC after the completion of acquisition of BYL on 22 October 2018. The scope of services mainly include (i) janitorial services on streets, in green belts zones, gullies and other public areas, such as street cleaning, mechanical cleaning and dust removal; (ii) waste management, such as disposal and recycling of solid waste, bulky garbage, construction waste and food waste; and (iii) facility maintenance management, such as provision of cleaning and maintenance services (including minor repair and maintenance) for public facilities, containers and refuse collection points. The Group deploys sufficient cleaning staff and supervisors, specialised vehicles and cleaning equipment in carrying out such specialised cleaning services such as dust removal with the use of mist cannon trucks to reduce haze pollution.

The Group's environmental maintenance business is based in Chengdu, the PRC, and reaches nationwide. Except the business in Chengdu, the PRC, the Group wins the bidding and operates environmental maintenance projects in areas including Xinjiang Autonomous Region, Hebei Province, Yunnan Province and Inner Mongolia Autonomous Region. All environmental maintenance projects are contracts with the government divisions via tendering.

Property Leasing Business

During the year 2019, the Group recorded rental income in the amount of HK\$3,134,000 for the leasing of a Beijing office (2018: HK\$4,228,000).

Securities Trading Business

During the year 2019, the Group recorded no dividend income from held for trading investment (2018: HK\$19,000).

環境維護業務

自本集團於二零一八年十月二十二日完成寶潤來收購事項後，本集團開始於中國從事環境維護業務。服務範圍主要包括(i)街道、綠化帶、溝渠及其他公共區域的保潔服務，如街道清潔、機械化清掃及除塵；(ii)垃圾管理，如處置及回收固體垃圾、大型垃圾、建築垃圾及廚餘垃圾；及(iii)公共設施、盛器及垃圾收集站設施的維護管理，如提供清潔及維護服務（包括小型維修及維護）。進行專門清潔服務時，本集團部署足夠的清潔工及監工、專門車輛及清潔設備如使用霧炮車以減少霧霾污染的除塵。

本集團環境維護業務立足中國成都，遍及全國，除中國成都業務外，本集團現已中標並運營業務有新疆自治區、河北省、雲南省、內蒙古自治區等多地環境維護專案。所有環境維護項目均來自競標獲得的政府部門合約。

物業租賃業務

於二零一九年，本集團就出租一處北京辦公室而錄得租金收入金額為3,134,000港元（二零一八年：4,228,000港元）。

證券買賣業務

於二零一九年，本集團並無自持作買賣投資錄得股息收入（二零一八年：19,000港元）。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW

Revenue

The table below sets forth the revenue breakdown of the Group's for the years ended 31 December 2019 and 31 December 2018:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------------|----------------------------------|----------------------------------|
| Chinese restaurant and wedding business: Revenue from Chinese restaurant operations | 中式酒樓及婚禮業務： 中式酒樓經營業務的收益 | 232,444 | 374,673 |
| Property leasing business: Rental income | 物業租賃業務： 租金收入 | 3,134 | 4,228 |
| Securities trading business: Dividend income | 證券買賣業務： 股息收入 | - | 19 |
| Environmental maintenance business: Services income for provision of environmental maintenance | 環境維護業務： 提供環境維護的服務收入 | 226,331 | 31,938 |
| Total revenue | 總收益 | 461,909 | 410,858 |

Chinese restaurant and wedding business accounted for around 50.3% of total revenue during the year (2018: 91.2%), while environmental maintenance business account for around 49.0% of total revenue during the year (2018: 7.8%).

During the year 2019, the Group reported a total revenue of approximately HK\$461,909,000 (2018: approximately HK\$410,858,000), representing an increase of approximately 12.4% as compared to the year of 2018. The increase was primarily due to the increase of revenue from environmental maintenance business, acquired in October 2018, which contributed revenue of approximately HK\$31,938,000 for the year ended 31 December 2018 and HK\$226,331,000 for the year ended 31 December 2019, representing a year-on-year increase of approximately 608.7%. Revenue from the Chinese restaurant business was approximately HK\$232,444,000, representing approximately 50.3% by total revenue. The revenue of Chinese restaurants decreased by HK\$142,229,000, decreased of 38.0% as compared to the year of 2018. It is mainly due to the closure of five restaurants and the disposal of two restaurants during the year 2019.

財務回顧

收益

下表載列本集團於截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度之收益明細：

中式酒樓及婚禮業務於年內約佔總收益50.3% (二零一八年：91.2%)，而環境維護業務於年內約佔總收益49.0% (二零一八年：7.8%)。

於二零一九年，本集團錄得總收益約461,909,000港元(二零一八年：約410,858,000港元)，較二零一八年增加約12.4%，該增加主要由於二零一八年十月收購的環境維護業務收益增加所致，貢獻的收益為截至二零一八年十二月三十一日止年度的約31,938,000港元及截至二零一九年十二月三十一日止年度的226,331,000港元，同比增加約608.7%。來自中式酒樓業務的收益約為232,444,000港元，佔總收益約50.3%。中式酒樓收益較二零一八年減少142,229,000港元或減少38.0%，乃主要由於二零一九年關閉五家酒樓及出售兩家酒樓。

Management Discussion and Analysis 管理層討論及分析

Operating Performance by Restaurant

The table below sets forth the seat turnover rate, average spending per customer and average daily revenue generated by each of the Group's restaurants for the two years ended 31 December 2019 and 31 December 2018:

酒樓之營運表現

下表載列本集團各酒樓於截至二零一九年十二月三十一日及二零一八年十二月三十一日止兩個年度各年產生之座席翻轉率、每位客戶平均消費及平均每日收益：

| | Year ended 31 December 截至十二月三十一日 止年度 | | Year ended 31 December 截至十二月三十一日 止年度 | | | | Year ended 31 December 截至十二月三十一日 止年度 | | |
|--|--|---------------|--|------------|----------------------------------|------------|--|---------------|------------|
| | 2019 二零一九年 | 2018 二零一八年 | Average spending per customer 每位客戶平均消費 | | Average daily revenue 平均每日收益 | | 2019 二零一九年 | 2018 二零一八年 | |
| | Seat turnover rate (Note 1) 座席翻轉率 (附註1) | | Dining customer 用膳客戶 | | Wedding banquet customer 婚宴客戶 | | Average daily revenue 平均每日收益 | | |
| | Times 倍數 | Times 倍數 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | HK\$ 港元 | |
| U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) | 譽宴 (旺角) (1) 及譽宴 (旺角) (2) | 2.84 | 3.36 | 94 | 632 | 100 | 621 | 162,299 | 203,102 |
| U Banquet • The StarView (Kwun Tong) (Note 6) | 譽宴•星海 (觀塘) (附註6) | 4.16 | 4.24 | 100 | 614 | 101 | 619 | 138,281 | 143,968 |
| U Banquet (Causeway Bay)/U Banquet • The StarView (Causeway Bay) (Note 2) (Note 6) | 譽宴 (銅鑼灣) / 譽宴•星海 (銅鑼灣) (附註2) (附註6) | 0.80 | 2.18 | 143 | 720 | 108 | 641 | 50,452 | 98,553 |
| U • Kitchen (North Point) and U • Pot (North Point) (Note 7) | 譽廚 (北角) 及譽鍋 (北角) (附註7) | 2.44 | 2.66 | 92 | 528 | 95 | 533 | 123,048 | 138,511 |
| U • Kitchen (Wong Tai Sin) and U • Pot (Wong Tai Sin) (Note 3) | 譽廚 (黃大仙) 及譽鍋 (黃大仙) (附註3) | 1.48 | 3.01 | 66 | N/A 不適用 | 81 | 541 | 68,281 | 170,922 |
| U Banquet (Sino Plaza) (Note 4) | 譽宴 (信和廣場) (附註4) | 2.38 | 2.41 | 169 | 540 | 137 | 589 | 89,326 | 78,487 |
| U Banquet • The StarView (The One) | 譽宴•星海 (The One) | 1.18 | 1.27 | 249 | 809 | 270 | 785 | 177,598 | 192,952 |
| U Banquet • The StarView (Sha Tin) (Note 5) | 譽宴•星海 (沙田) (附註5) | 0.67 | N/A 不適用 | 207 | 737 | N/A 不適用 | N/A 不適用 | 42,847 | N/A 不適用 |

Management Discussion and Analysis 管理層討論及分析

Note:

1. The seat turnover rate was calculated by dividing the total number of diners (including wedding banquet diners) by the total number of seats available for regular dining service in the relevant restaurant then divided by the total number of operation days for the relevant period.
2. U Banquet (Causeway Bay) was renamed U Banquet • The StarView (Causeway Bay) in mid-May 2019, the restaurant mainly focuses on banquet business.
3. U • Kitchen (Wong Tai Sin) and U • Pot (Wong Tai Sin)'s business were closed on 2 January 2019.
4. U Banquet (Sino Plaza)'s business was closed on 1 April 2019.
5. U Banquet • The StarView (Sha Tin) is mainly focuses on banquet business and opened in mid-May 2019.
6. These two restaurants were sold to an independent third party on 7 November 2019.
7. U • Kitchen (North Point) and U • Pot (North Point)'s business were closed on 15 September 2019.

附註：

1. 座席翻檯率乃按相關酒樓的用膳總人數(包括婚宴用膳人數)除以常規用膳服務可用的座席總數然後除以相關期間的營業總日數計算。
2. 譽宴(銅鑼灣)已於二零一九年五月中旬更名為譽宴•星海(銅鑼灣)，酒樓主要著重於宴會業務。
3. 譽廚(黃大仙)及譽鍋(黃大仙)的業務已於二零一九年一月二日關閉。
4. 譽宴(信和廣場)的業務已於二零一九年四月一日關閉。
5. 譽宴•星海(沙田)主要著重於宴會業務，於二零一九年五月中旬開張。
6. 該兩家酒樓於二零一九年十一月七日出售予獨立第三方。
7. 譽廚(北角)及譽鍋(北角)的業務已於二零一九年九月十五日關閉。

Analysis of Chinese restaurant operations for the Two Years Ended 31 December 2019 and 31 December 2018

Revenue from all Chinese restaurant operations decreased by approximately 38.0% from approximately HK\$374.7 million for the year ended 31 December 2018 to approximately HK\$232.4 million for the year ended 31 December 2019. It was mainly due to the closure of five restaurants and the disposal of two restaurants during the year 2019. The revenue from these five restaurants decreased by approximately HK\$131.6 million as compared to the year 2018.

中式酒樓業務截至二零一九年十二月三十一日及二零一八年十二月三十一日止兩個年度之分析

全部中式酒樓營運之收益自截至二零一八年十二月三十一日止年度約374.7百萬港元減少約38.0%至截至二零一九年十二月三十一日止年度約232.4百萬港元。其主要由於二零一九年關閉五家酒樓及出售兩家酒樓。該五家酒樓的收益較二零一八年減少約131.6百萬港元。

Management Discussion and Analysis 管理層討論及分析

The seat turnover rate of all comparable restaurants decreased for the year ended 31 December 2019 as compared to that in 2018 as the total numbers of wedding banquet customers and dining customers have decreased for all these restaurants. The directors believed that the decrease in the seat turnover rate was a result of 1) the accelerated downtrend of the Hong Kong economy resulting from various uncertainties in the current environment, including the sharp decline in inbound visitors starting from June 2019, and gloominess of the situation of the US-China trade tension; and 2) the weakened consumer sentiment caused by the social unrest in Hong Kong which occurred since June 2019. The seat turnover rate of U Banquet • The StarView (The One) and newly opened U Banquet • The StarView (Sha Tin) were comparatively lower than other restaurants while the average spending per customer for both wedding banquets and dining were higher than other restaurants. The wedding banquet revenue from U Banquet • The StarView (The One) & (Sha Tin) contributed to approximately 75% of the total revenue of the restaurants, whilst the average wedding banquet revenue generation ratio is approximately 19% for the rest of the restaurants in 2019.

Environmental maintenance business

The Group started engaging in the environmental maintenance business in the PRC after the completion of acquisition of BYL on 22 October 2018. During the year 2019, it has generated approximately HK\$226,331,000 (2018: HK\$31,938,000) service income and HK\$28,564,000 (2018: HK\$4,654,000) segment profit to the Group after deducting relevant expense in amortisation of intangible asset of HK\$19,594,000 (2018: HK\$3,190,000).

Cost of Revenue

The cost of revenue is mainly comprised of cost of materials consumed for Chinese restaurant business and environmental maintenance business. Cost of revenue for the year ended 31 December 2019 amounted to approximately HK\$89,813,000 (2018: HK\$107,257,000), representing a decrease of approximately 16.3% as compared to last year. The decrease was in line with the decrease of revenue from Chinese restaurant business as certain restaurants were closed and sold during the year ended 31 December 2019 despite an increase in cost of revenue arising from the environmental maintenance business from HK\$2,992,000 in 2018 to HK\$32,051,000 in 2019.

截至二零一九年十二月三十一日止年度，因所有可比較酒樓的婚宴客戶及用膳客戶的總數均有減少，所有可比較酒樓之座席翻檯率較二零一八年減少。董事認為，座席翻檯率減少乃由於1)當前環境中的多種不確定因素（包括自二零一九年六月起入境遊客急劇減少及中美貿易摩擦的陰霾）導致香港經濟呈加速下滑趨勢；及2)自二零一九年六月起發生的香港社會動蕩導致消費意欲疲弱。譽宴·星海(The One)及新開的譽宴·星海(沙田)之座席翻檯率相對低於其他酒樓，而婚宴客戶及用膳客戶的平均消費均高於其他酒樓。二零一九年，譽宴·星海(The One)及譽宴·星海(沙田)的婚宴收益貢獻酒樓總收益的約75%，而餘下酒樓的平均婚宴收益產生率為約19%。

環境維護業務

自本集團於二零一八年十月二十二日完成收購寶潤來後，本集團開始於中國從事環境維護業務。於二零一九年，於扣除無形資產攤銷相關開支19,594,000港元（二零一八年：3,190,000港元）後，該業務為本集團產生約226,331,000港元（二零一八年：31,938,000港元）的服務收入及28,564,000港元（二零一八年：4,654,000港元）的分部溢利。

收益成本

收益成本主要包括中式酒樓業務及環境維護業務消耗的用料成本。截至二零一九年十二月三十一日止年度之收益成本約為89,813,000港元（二零一八年：107,257,000港元），較去年減少約16.3%。該減少與因截至二零一九年十二月三十一日止年度關閉及出售多家酒樓所導致的中式酒樓業務收益減少一致，儘管來自環境維護業務的收益成本由二零一八年的2,992,000港元增至二零一九年的32,051,000港元。

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Employee Benefits Expenses

The Group had 1,383 employees as at 31 December 2019 (31 December 2018: 1,128 employees). The increase in the number of employees was mainly due to the expansion of the environmental maintenance business in 2019. Employee benefits expenses for the year ended 31 December 2019 amounted to approximately HK\$193,821,000 (2018: HK\$135,138,000), representing an increase of approximately 43.4% compared to last year. The Group would regularly review the work allocation of the staff to improve and maintain a high quality of service.

Operating Lease Payments

Operating lease payments for the year ended 31 December 2019 amounted to approximately HK\$19,444,000, representing a decrease of approximately 74.7% as compared to last year. Such significant decrease was mainly attributable to the initial adoption of Hong Kong Financial Reporting Standard 16 ("HKFRS 16") as at 1 January 2019. Under the Group's accounting policies in compliance with HKFRS 16, only the lease payments under short-term leases (namely, leases with term of 12 months or less) or leases of low-value assets and variable rents that do not depend on index or rate are included in operating lease payments. For other lease payments (namely, long-term leases), they are reflected on the consolidated balance sheet as right-of-use assets and lease liabilities. As most of our premises are leases that are classified as long term leases, the adoption of HKFRS 16 resulted in a significant decrease in operating lease payments and a related significant increase in depreciation expenses from the right-of-use assets and interest expenses from lease liabilities.

僱員福利開支

本集團於二零一九年十二月三十一日擁有1,383名僱員(二零一八年十二月三十一日: 1,128名僱員)。僱員人數增加乃主要由於二零一九年環境維護業務規模擴大所引致。截至二零一九年十二月三十一日止年度,僱員福利開支約為193,821,000港元(二零一八年: 135,138,000港元),較去年增加約43.4%。本集團將定期檢討員工的工作分配以提高及維持高質素服務。

經營租賃付款

截至二零一九年十二月三十一日止年度,經營租賃付款約為19,444,000港元,較去年減少約74.7%。有關顯著減幅主要由於於二零一九年一月一日首次採納香港財務報告準則第16號(「香港財務報告準則第16號」)。根據本集團按香港財務報告準則第16號所規定之會計政策,僅短期租賃(即租賃期十二個月或以下)或低價值資產租賃項下的租賃付款及並不視乎指數或比率而定的可變租金計入經營租賃付款。其他租賃付款(即長期租賃)已於綜合資產負債表內反映為使用權資產及租賃負債。由於我們大部分物業的租賃被分類為長期租賃,採納香港財務報告準則第16號導致經營租賃付款大幅減少,同時使用權資產折舊費用及租賃負債利息開支均有相關大幅增加。

Management Discussion and Analysis 管理層討論及分析

| | | Year ended 31 December 截至十二月三十一日 止年度 | |
|---|--------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Depreciation charges of property, plant and equipment | 物業、廠房及設備折舊費用 | 20,833 | 15,524 |
| Depreciation charges of right-of-use assets | 使用權資產折舊費用 | 40,066 | – |
| Total depreciation | 折舊總額 | 60,899 | 15,524 |
| Depreciation charge of right-of-use asset | 使用權資產折舊費用 | 40,066 | – |
| Interest expense on lease liabilities | 租賃負債利息開支 | 3,827 | – |
| Operation lease payments | 經營租賃付款 | 19,444 | 77,005 |
| Total | 總計 | 63,337 | 77,005 |

Utilities Expenses

Utilities expenses for the year ended 31 December 2019 amounted to approximately HK\$25,155,000, representing a decrease of approximately 25.8% as compared to last year. The decrease was in line with the decrease of revenue from Chinese restaurant business as certain restaurants were closed and sold during the year ended 31 December 2019.

Impairment of Property, Plant and Equipment and right-of-use assets

Considering the unfavourable sales performance of the remaining Chinese restaurants, the management of the Group has consequently determined to impair the property, plant and equipment (including the right-of-use assets) pertaining to the Chinese restaurant business amounting to approximately HK\$23,172,000 for the year ended 31 December 2019 (2018: one restaurant HK\$2,831,000).

公共設施開支

截至二零一九年十二月三十一日止年度，公共設施開支約為25,155,000港元，較去年減少約25.8%。公共設施開支減少與中式酒樓業務收益因截至二零一九年十二月三十一日止年度關閉及出售多家酒樓有所減少一致。

物業、廠房及設備以及使用權資產減值

考慮餘下中式酒樓錄得不理想的銷售表現，本集團管理層因此決定於截至二零一九年十二月三十一日止年度就有關該中式酒樓業務的物業、廠房及設備（包括使用權資產）計提減值約23,172,000港元（二零一八年：2,831,000港元（一家酒樓））。

Management Discussion and Analysis 管理層討論及分析

Amortisation expenses in intangible assets

As a result of the acquisition of the BYL Group in 2018, the Group has carrying amount of intangible assets of approximately HK\$57,402,000 as at 31 December 2019. The intangible assets consist of customer backlogs and customer relationship amounting to approximately HK\$28,893,000 and approximately HK\$28,509,000 respectively as at 31 December 2019. Customer backlogs represent the total estimated customer contract sum secured at the acquisition date which will be amortised over a period of 3 years. Customer relationship represents the long-time business relationship and history with its key customers in Chengdu and is to be amortised over a period of 10 years.

During the year ended 31 December 2019, amortisation of intangible assets amounts to approximately HK\$19,594,000 (2018: HK\$3,190,000).

Fair value loss of investment properties and impairment of goodwill

As a result of the acquisition of New Fortune Group which holds an investment property and engages in property leasing business, the Group recognised goodwill of approximately HK\$20,920,000 as at completion on 30 June 2017. The Group tests annually or whenever events or changes in circumstances result in indicator of impairment of goodwill arising from business combinations.

After considering the valuation of investment property as at 31 December 2019 performed by an independent professional valuer, the Group recognised a fair value loss on investment properties amounted to approximately HK\$11,184,000 (2018: fair value gain of HK\$4,565,000). The Group considered the revaluation downward of the investment properties was an impairment indicator. Accordingly, an impairment of goodwill in the amount of approximately HK\$2,104,000 (2018: Nil) was recognised during the year ended 31 December 2019.

Other Expenses

Other expenses mainly represent expenses incurred for the Group's operation, consisting of service fee to workers, kitchen consumables, laundry, cleaning, repair and maintenance, advertising and promotion, legal and professional, etc. For the year ended 31 December 2019, other expenses amounted to approximately HK\$66,421,000, representing an increase of approximately 2.1% as compared to last year. The increase mainly arose from the full year operation of environmental maintenance business during the year ended 31 December 2019.

無形資產攤銷開支

於二零一八年收購寶潤來集團後，本集團於二零一九年十二月三十一日產生無形資產賬面值約為57,402,000港元。於二零一九年十二月三十一日，無形資產由未完成客戶合約及客戶關係組成，分別約為28,893,000港元及約為28,509,000港元。未完成客戶合約指於收購日期已簽署的客戶合約預估總額，且將在3年內攤銷。客戶關係指與成都主要客戶的長期業務關係及歷史，並將在10年內攤銷。

於截至二零一九年十二月三十一日止年度，無形資產攤銷金額約為19,594,000港元（二零一八年：3,190,000港元）。

投資物業之公平值虧損及商譽減值

由於收購持有投資物業及從事物業租賃業務之裕祥集團，本集團於二零一七年六月三十日完成時確認商譽約20,920,000港元。本集團每年或當事件或情況改變而導致業務合併產生的商譽出現減值跡象時進行測試。

經考慮獨立專業估值師於二零一九年十二月三十一日進行的投資物業估值後，本集團確認投資物業公平值虧損約11,184,000港元（二零一八年：公平值收益4,565,000港元）。本集團認為投資物業重估下調為減值跡象。因此，截至二零一九年十二月三十一日止年度確認商譽減值約2,104,000港元（二零一八年：無）。

其他開支

其他開支主要指本集團的營運開支，包括付予工人的服務費、廚具、洗衣、清潔、維修及維護、廣告及推廣、法律及專業費用等。截至二零一九年十二月三十一日止年度，其他開支約為66,421,000港元，較去年增加約2.1%。該增加主要由於環境維護業務於截至二零一九年十二月三十一日止年度全年營運所致。

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Loss Before Tax and Loss For The Year

With the effect of increasing operating cost, impairment loss of property, plant and equipment and right-of-use assets, amortisation expenses in intangible assets and fair value loss of investment properties mentioned above, the Group's loss before tax and loss for the year increased significantly from approximately HK\$23,279,000 and HK\$25,245,000, respectively for the year ended 31 December 2018 to approximately HK\$56,038,000 and HK\$59,821,000, respectively for the year ended 31 December 2019.

Liquidity, Financial Resources and Capital Resources

Capital Structure

The Group's objectives for managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Group monitors its capital on the basis of the gearing ratio. The Group's strategy, which was unchanged during the year ended 31 December 2019, was to lower the gearing ratio to an acceptable level.

Cash Position and Pledged Bank Deposit

As at 31 December 2019, the Group's cash and cash equivalents were approximately HK\$230,498,000, representing an increase of 95.9% as compared to approximately HK\$117,635,000 as at 31 December 2018. The increase mainly arose from the net proceeds of approximately HK\$177,000,000 for the subscription of new shares under general mandate. The Company received the proceeds before the completion of subscription.

There were no pledged bank deposits as at 31 December 2019 (2018: Nil).

除稅前虧損及年度虧損

因經營成本、上述的物業、廠房及設備以及使用權資產的減值虧損、無形資產攤銷開支及投資物業公平值虧損的增加，本集團的除稅前虧損及年度虧損自截至二零一八年十二月三十一日止年度的約23,279,000港元及25,245,000港元分別大幅增加至截至二零一九年十二月三十一日止年度的約56,038,000港元及59,821,000港元。

流動資金、財務資源及資本來源

資本架構

本集團資本管理目標是確保其能持續經營，為股東帶來回報，同時兼顧其他權益持有人利益，並維持最優資本架構以減少資金成本。為維持或調整資本架構，本集團可調整付予股東的股息金額、退還資本予股東、發行新股份或出售資產以減少負債。與業內其他同行一樣，本集團以資產負債比率為基準監察其資本。本集團的策略於截至二零一九年十二月三十一日止年度保持不變，即為將資產負債比率降至可接納的水平。

現金狀況及已抵押銀行存款

於二零一九年十二月三十一日，本集團的現金及現金等價物約為230,498,000港元，較於二零一八年十二月三十一日約117,635,000港元增加95.9%。該增加主要是由於根據一般授權認購新股份產生的所得款項淨額約177,000,000港元。本公司於認購事項完成前收取所得款項。

於二零一九年十二月三十一日並無已抵押銀行存款（二零一八年：無）。

Management Discussion and Analysis 管理層討論及分析

Loans from a director of certain subsidiaries

On 9 May 2017, the Group entered into a loan facility agreement with a director of certain subsidiaries of which the director has agreed to make available to the Group, from time to time an unsecured loan facility amounted to HK\$60,000,000 with an interest rate of 4.5% per annum for a term of 2.5 years. The loan facility agreement was renewed on 9 November 2019 for a further period up to 8 April 2020, all other terms and conditions remained the same as the original loan facility agreement. As at 31 December 2019, a total of HK\$41,000,000 (2018: HK\$19,000,000) of this loan was drawn down. Subsequent to the balance sheet date, in March 2020, the Group further drew down a loan of HK\$3,000,000 for daily operation.

Trade Receivables

As at 31 December 2019, the Group's trade receivables were approximately HK\$36,020,000, representing an increase of approximately 199.6% as compared to last year. The trade receivables were mainly from the environmental maintenance business. The increase of trade receivables mainly arose from the environmental maintenance business which increased from HK\$11,200,000 for the year 2018 to HK\$35,652,000 for the year 2019.

Gearing Ratio

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as consideration payables, loans from a director of certain subsidiaries, loans from a shareholder, borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. As at 31 December 2019, the Group is at a net cash position, hence, no gearing ratio is disclosed. As at 31 December 2018, the Group's gearing ratio was 40%.

若干附屬公司之一名董事貸款

於二零一七年五月九日，本集團與若干附屬公司之一名董事訂立貸款融資協議，該董事已同意，不時向本集團提供一筆60,000,000港元、年利率為4.5%的無抵押貸款融資，為期2.5年。貸款融資協議於二零一九年十一月九日進一步續期至二零二零年四月八日，所有其他條款及條件維持與原貸款融資協議相同。於二零一九年十二月三十一日，該筆貸款中總共41,000,000港元（二零一八年：19,000,000港元）已獲提取。於結算日後，於二零二零年三月，本集團進一步提取3,000,000港元之貸款，作為日常營運用途。

貿易應收款項

於二零一九年十二月三十一日，本集團的貿易應收款項約為36,020,000港元，較去年增加約199.6%。貿易應收款項主要來自環境維護業務。貿易應收款項增加主要由於環境維護業務的應收款項由二零一八年的11,200,000港元增加至二零一九年的35,652,000港元。

資產負債比率

資產負債比率按債務淨額除以資本總額計算。債務淨額按應付代價、若干附屬公司之一名董事貸款、股東貸款、借貸減現金及現金等價物計算。資本總額乃按綜合資產負債表所列的「權益」加債務淨額計算。於二零一九年十二月三十一日，本集團處於淨現金狀態，故此，並無披露資產負債比率。於二零一八年十二月三十一日，本集團的資產負債比率為40%。

Dividends

The directors do not recommend payment of final dividends in respect of the year ended 31 December 2019 (2018: Nil).

Significant Investment Held, Material Acquisition or Disposal of Subsidiaries and Affiliated Companies and Plans for Material Investment or Capital Assets

Subscription of New Shares Under General Mandate

On 29 March 2019, the Company entered into a subscription agreement with China Aerospace Environmental Holdings Group Limited (中國航天環保控股集團有限公司), a limited company incorporated in the British Virgin Islands, ("China Aerospace"), pursuant to which China Aerospace has conditionally agreed to subscribe for (or procure the subscription by its nominee(s)) the Company has agreed to allot and issue 30,000,000 new Shares at the subscription price of HK\$1.70 per subscription share to China Aerospace (or its nominee(s)). All the conditions precedent under the subscription agreement have been fulfilled and completion of the subscription took place on 24 April 2019 (the "2019 Subscription"). For details, please refer to the announcements of the Company dated 29 March 2019 and 24 April 2019.

On 16 December 2019, the Company entered into a subscription agreement with Goldpalm Offshore Limited (金棕櫚海外有限公司), a limited company incorporated in the British Virgin Islands, ("Goldpalm"), pursuant to which Goldpalm has conditionally agreed to subscribe for (or procure the subscription by its nominee(s)) and the Company has agreed to allot and issue 117,000,000 new Shares at the subscription price of HK\$1.53 per subscription share to Goldpalm or its nominee(s) ("the New Subscription Agreement"). All the conditions precedent under the New Subscription Agreement have been fulfilled and completion of the subscription took place on 7 January 2020 (the "2020 Subscription"). For details, please refer to the announcements of the Company dated 16 December 2019, 19 December 2019 and 7 January 2020.

股息

董事不建議派發任何截至二零一九年十二月三十一日止年度末期股息(二零一八年: 無)。

所持有的重大投資、附屬公司及聯屬公司的重大收購或出售及於重大投資或資本資產的計劃

根據一般授權認購新股份

於二零一九年三月二十九日,本公司與中國航天環保控股集團有限公司(「中國航天」,一間於英屬處女群島註冊成立之有限公司)訂立認購協議,據此,中國航天有條件同意認購(或促使其提名人認購)而本公司同意按每股認購股份1.70港元之認購價向中國航天(或其提名人)配發及發行30,000,000股新股份。認購協議項下之所有先決條件已獲達成,而認購事項已於二零一九年四月二十四日完成(「二零一九年認購事項」)。有關詳情,請參閱本公司日期為二零一九年三月二十九日及二零一九年四月二十四日之公佈。

於二零一九年十二月十六日,本公司與金棕櫚海外有限公司(「金棕櫚」,一間於英屬處女群島註冊成立之有限公司)訂立認購協議(「新認購協議」),據此,金棕櫚已有條件同意認購(或促使其提名人認購)而本公司已同意按每股認購股份1.53港元之認購價向金棕櫚或其提名人配發及發行117,000,000股新股份。新認購協議項下之所有先決條件已獲達成,而認購事項已於二零二零年一月七日完成(「二零二零年認購事項」)。有關詳情,請參閱本公司日期為二零一九年十二月十六日、二零一九年十二月十九日及二零二零年一月七日的公佈。

Management Discussion and Analysis 管理層討論及分析

Potential future investment

On 24 April 2019, the Company entered into a memorandum of understanding agreement (“the MOU”) with Hui Tian Network Technology Co., Ltd. (匯天網絡科技有限公司), a company incorporated in the PRC with limited liability (the “Target Company”) and Ms. Yang Meiling (“Ms. Yang”) in respect of the proposed capital injection into the Target Company. As the negotiation on certain conditions had not been completed prior to the expiry of the priority period on 29 October 2019, no formal agreement was entered into between the parties. The MOU has lapsed and ceased to have any effect. For details, please refer to the announcements of the Company dated 24 April 2019 and 24 October 2019.

Save as disclosed above, there is no plan for material investments or capital assets as at 31 December 2019.

Disposal of subsidiaries

On 29 October 2019, Choi Fook Holdings Limited (“Choi Fook”), an indirect wholly-owned subsidiary of the Company, entered into a disposal agreement with Mr. Chow Ka Chun Simon (“Mr. Chow”), pursuant to which Choi Fook conditionally agreed to sell and the Purchaser conditionally agreed to purchase the entire equity interest in Elite Rainbow Corporation Limited (“Elite Rainbow”) and Vast Rainbow Limited (“Vast Rainbow”) at a consideration of HK\$200,000 and the Group recorded a gain on disposal of approximately HK\$5.1 million which was recognised in the consolidated statement of comprehensive income within “other gain, net”. Elite Rainbow is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of a Chinese restaurant located at 2nd Floor of Crocodile Center, No. 79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong. Vast Rainbow is an indirect wholly-owned subsidiary of the Company principally engaged in the operation of a Chinese restaurant located at the whole of 5th Floor and 5th Mezzanine Floor, Lee Theatre Plaza, 99 Percival Street, Causeway Bay, Hong Kong. Upon the completion of disposal, the Company will cease to have any equity interest in the disposed companies and they will cease to be subsidiaries of the Company. All the conditions precedent under the disposal agreement have been fulfilled and completion of the disposal took place on 7 November 2019. For details, please refer to the announcements of the Company dated 29 October 2019 and 7 November 2019.

潛在未來投資

於二零一九年四月二十四日，本公司與匯天網絡科技有限公司（一間於中國註冊成立之有限公司）（「目標公司」）及楊美玲女士（「楊女士」）就建議向目標公司注資訂立諒解備忘錄協議（「諒解備忘錄」）。由於有關若干條件之磋商未能於優先期間屆滿（二零一九年十月二十九日）前完成，故訂約方並無訂立任何正式協議。諒解備忘錄已告失效並不再具有任何效力。有關詳情，請參閱本公司日期為二零一九年四月二十四日及二零一九年十月二十四日的公佈。

除上文所披露者外，於二零一九年十二月三十一日概無重大投資或資本資產的計劃。

出售附屬公司

於二零一九年十月二十九日，本公司間接全資附屬公司彩福控股有限公司（「彩福」）與周家進先生（「周先生」）訂立出售協議，據此，彩福有條件同意出售，而買方有條件同意購買韻彩有限公司（「韻彩」）及偉彩有限公司（「偉彩」）的全部股權，代價為200,000港元而本集團錄得出售收益約5.1百萬港元，其已於綜合全面收益表中「其他收益—淨額」項下確認。韻彩為本公司的間接全資附屬公司，主要業務為營運一間位於香港九龍觀塘開源道79號鱷魚恤中心2樓的中式酒樓。偉彩為本公司的間接全資附屬公司，主要業務為營運一間位於香港銅鑼灣波斯富街99號利舞臺廣場5樓及5樓閣樓的中式酒樓。於出售事項完成後，本公司將不再擁有出售公司的任何股權，且彼等將不再為本公司的附屬公司。出售協議項下之所有先決條件已獲達成，而出售事項已於二零一九年十一月七日完成。有關詳情，請參閱本公司日期為二零一九年十月二十九日及二零一九年十一月七日的公佈。

Management Discussion and Analysis 管理層討論及分析

USE OF PROCEEDS

The Company has conducted the following equity fund raising activities during the year and subsequently after 31 December 2019.

Use of Proceeds from the 2019 Subscription

The net proceeds from the 2019 Subscription are approximately HK\$49,600,000 which were all applied for the repayment of a shareholder's loan.

Use of Proceeds from the 2020 Subscription

The net proceeds from the 2020 Subscription are approximately HK\$177,000,000 and the Company intends to apply the net proceeds in (i) the settlement of outstanding consideration payable for the acquisition of BYL Property Holdings Group Limited in 2018 amounting to approximately HK\$74,571,000; and (ii) general working capital as to the remaining balance. No further repayment has been made to the consideration payable from 31 December 2019 up to the date of this report.

Contingent Liabilities

As at 31 December 2019, the Group did not have any material contingent liabilities (2018: Nil).

Share Option

On 17 May 2017, the Company has granted share options (the "Options") under its share option scheme (the "Share Option Scheme") adopted on 19 November 2013 to certain eligible grantees (the "Grantees"), which, subject to acceptance by the Grantees, will enable the Grantees to subscribe for an aggregate of 11,600,000 ordinary shares of the Company of HK\$0.01 each in the share capital of the Company as stated in the announcement of the Company dated 17 May 2017. No option had been exercised during the year. As at 31 December 2019, there were 10,400,000 options outstanding under the Share Option Scheme.

所得款項用途

於本年度及二零一九年十二月三十一日後，本公司已進行以下股本集資活動。

二零一九年認購事項所得款項用途

二零一九年認購事項所得款項淨額約為49,600,000港元，全部用於償還股東貸款。

二零二零年認購事項所得款項用途

二零二零年認購事項所得款項淨額約為177,000,000港元，本公司欲將所得款項淨額應用在(i)結算於二零一八年收購寶潤來置業控股集團有限公司尚未償付的應付代價74,571,000港元；及(ii)餘額用作一般營運資金。自二零一九年十二月三十一日至本報告日期，再無為應付代價作出任何付款。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：無）。

購股權

於二零一七年五月十七日，本公司已根據其於二零一三年十一月十九日採納的購股權計劃（「購股權計劃」）向若干合資格承授人（「承授人」）授出購股權（「購股權」），此舉（待承授人採納後）將讓承授人得以認購本公司日期為二零一七年五月十七日之公佈所訂明本公司股本中每股面值0.01港元的合共11,600,000股本公司普通股。年內，概無任何購股權獲行使。於二零一九年十二月三十一日，根據購股權計劃，有10,400,000份購股權尚未行使。

Management Discussion and Analysis 管理層討論及分析

Fulfillment of profit guarantee in relation to the acquisition

Reference was made to the announcements of the Company dated 9 February 2018 in respect of the acquisition of BYL Property Holdings Group Limited ("Target Company"). Pursuant to the sales and purchase agreement signed between Wild South Limited ("the Purchaser"), a wholly-owned subsidiary of the Company, and Mr. Wan Zhong ("the Vendor"), the Vendor irrevocably and unconditionally warrants and guarantees the Purchaser that the aggregated consolidated net profit after tax (the "Audited Profit") of the Target Company together with its subsidiaries (the "Target Group") for the three financial years ending 31 December 2020 (the "Relevant Period") as stated in the audited consolidated financial statements of the Target Group for the Relevant Period (the "Audited Accounts") to be prepared by a Hong Kong certified public accountants' firm (as approved by the Purchaser) shall not be less than the total sum of RMB94,500,000 (equivalent to approximately HK\$118,125,000) (the "Guaranteed Amount"). If the Audited Profit is less than the Guaranteed Amount, the Vendor will pay the Purchaser a compensation based on the formula prescribed in the sales and purchase agreement.

According to the unaudited financial statement of the Target Group, the consolidated net profit after tax in the amount of approximately RMB22,553,000 and RMB32,704,000 has been achieved for the year ended 31 December 2018 and 2019 respectively.

As at 31 December 2018, the fair value of the contingent consideration receivable was determined by a professional independent valuer at RMB6,036,000 (equivalent to approximately HK\$6,878,000). As at 31 December 2019, fair value loss on contingent consideration receivables in the amount of HK\$6,395,000 (2018: Nil) was determined by the same valuer.

履行有關收購事項的利潤保證

茲提述本公司日期為二零一八年二月九日之公佈，內容有關收購寶潤來置業控股集團有限公司（「目標公司」）。根據本公司全資附屬公司Wild South Limited（「買方」）與萬忠先生（「賣方」）訂立的買賣合約，賣方不可撤銷及無條件地向買方保證及擔保，將由香港執業會計師事務所（經買方批准）所編製之目標公司及其附屬公司（「目標集團」）截至二零二零年十二月三十一日止三個財政年度（「有關期間」）之經審核綜合財務報表（「經審核賬目」）當中所述目標集團於有關期間之綜合除稅後純利（「經審核利潤」）合共將不低於人民幣94,500,000元（相當於約118,125,000港元）（「擔保金額」）。倘經審核利潤低於擔保金額，賣方將根據買賣協議所述的公式向買方支付賠償。

根據目標集團的未經審核財務報表，於截至二零一八年及二零一九年十二月三十一日止年度實現的綜合除稅後純利分別為約人民幣22,553,000元及人民幣32,704,000元。

於二零一八年十二月三十一日，應收或然代價公平值乃由專業獨立估值師釐定為人民幣6,036,000元（相當於約6,878,000港元）。於二零一九年十二月三十一日，應收或然代價之公平值虧損6,395,000港元（二零一八年：無）乃由同一估值師釐定。

Management Discussion and Analysis 管理層討論及分析

Prospects

Looking back at the year 2019, the general economy and the business environment of catering industry in Hong Kong was severely affected by the uncertain development of the China-US trade war as well as the social incidents since June 2019. The situation became even worse due to the outbreak of the novel coronavirus pneumonia (COVID-19) epidemic (the "Epidemic") in the PRC since January 2020, severely affecting the operating environment in retail and food and beverage business. To avoid the spread of the Epidemic, the Hong Kong government has executed several policies which has led to the decline of both local customers and tourists, seriously affecting the people traffic and the consumers' spending sentiment. The management expects that the Chinese restaurant operations of the Group during 2020 would be even more challenging. To cope with this, the management will keep monitoring the market conditions to adjust the operation strategies on a timely basis. The management had decided not to renew the lease contract of U Banquet (Mong Kok) (1) and U Banquet (Mong Kok) (2) which expired since February 2020 due to the continuing poor performance of these two restaurants. Also, the Group would actively negotiate with business partners including suppliers and landlords of the Chinese restaurant operation on mitigative measures during such unabated difficult period.

With the foreseeable worsening business environment, the Group will continuously evaluate and adopt different cost control and cut-loss measures in order to maintain competitiveness and to return to profitability. The Group will pay close attention to the development of the Epidemic outbreak and evaluate its impact on the overall financial position and operating results of the Group.

As at the date of this report, the Group was not aware of any material adverse effects to its environmental maintenance, property leasing and security trading business.

Looking forward, the Group will continue to utilise its available resources to engage in and develop its current business. Apart from this, the Group will also explore business opportunities to strengthen its revenue base, such as acquiring other environmental maintenance business and/or potential properties in Hong Kong and/or China which is expected to generate a stable and constant stream of service and rental income to the Group.

展望

回顧二零一九年，中美貿易戰發展不明朗及自二零一九年六月以來的社會事件嚴重影響香港的整體經濟及餐飲業的經營環境。由於中國自二零二零年一月起爆發新型冠狀病毒肺炎疫情(COVID-19)疫情(「疫情」)，情況變得更加嚴峻，嚴重影響了零售及餐飲業的經營環境。為防止疫情擴散，香港政府實施多項政策，嚴重影響人流跟消費者的消費意欲，使本地顧客及旅客的人數均有所減少。管理層預期本集團於二零二零年的中式酒樓經營將面對更大挑戰。為應對此一情況，管理層將持續監察市場情況以適時調整經營策略。管理層已決定不再續約譽宴(旺角)(1)及譽宴(旺角)(2)的租賃合約(於二零二零年二月屆滿)，由於該兩家酒樓的表現持續不盡人意。同時，本集團將積極與業務夥伴(包括中式酒樓經營的供應商及業主)磋商於此持續艱難時期的緩解措施。

在可預見的業務環境惡化下，本集團將繼續評估及採取不同的成本控制及減低損失的措施，以維持競爭力並恢復盈利能力。本集團將密切關注疫情的發展並評估其對本集團整體財務狀況及營運業績的影響。

於本報告日期，本集團並未知悉任何對環境維護、物業租賃及證券交易業務的重大不利影響。

展望未來，本集團將繼續動用其可用資源開展及開發其現有業務。除此之外，本集團亦將探索業務機遇，以鞏固其收益基礎，例如收購預期將為本集團帶來穩定及固定服務及租金收入流的香港及／或中國其他環境維護業務及／或潛在物業。

Biographical Details Of Directors And Senior Management

董事及高級管理層履歷詳情

EXECUTIVE DIRECTORS

Mr. Sang Kangqiao (桑康喬), aged 44, was appointed as executive director of the Company on 27 October 2016 and is the Chairman of the board of directors of the Company. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee. Mr. Sang obtained a bachelor's degree in electrical engineering from Beijing Institute of Technology. Mr. Sang has over 16 years of experience in the securities investment industry in Hong Kong and the PRC. Mr. Sang Kangqiao is also appointed as an executive director by Starlight Culture Entertainment Group Limited (Stock Code: 1159), a company listed on the Main Board of the Stock Exchange.

Mr. Xu Wenze (許文澤), aged 56, was appointed as executive director of the Company on 27 October 2016. Mr. Xu obtained a master's degree in business administration from Tsinghua School of Economics and Management. Mr. Xu has been the president of Guorun Construction Group Limited since 1996 and the general manager of Beijing Rixing Property Development Limited since 2004. From 2014 to present, Mr. Xu has been employed as the president of Guorun Holdings Group Limited. He is also the director of Asia Pacific Aviation Leasing Group from 2016.

Mr. Cui Peng (崔鵬), aged 46, was appointed as executive director of the Company on 27 October 2016. Mr. Cui obtained a bachelor's degree in money and banking from Beijing Business School in 1997. Mr. Cui was employed as the assistant general manager of Sinotrans & CSC Holdings Co., Ltd's finance department from 1997 to 2012. From 2012 to 2014, Mr. Cui was the managing director of capital operations of ABCI China Investment Corporation Limited. Mr. Cui has over 20 years of experience in the securities investment industry in PRC and over 10 years of experience in Hong Kong's securities industry.

執行董事

桑康喬先生，44歲，於二零一六年十月二十七日獲委任為本公司執行董事，並為本公司董事會主席。彼亦為提名委員會主席及薪酬委員會成員。桑先生自北京理工大學獲得電氣工程學士學位。桑先生於香港及中國證券投資行業擁有逾16年經驗。桑康喬先生亦獲聯交所主板上市公司星光文化娛樂集團有限公司（股份代號：1159）委任為執行董事。

許文澤先生，56歲，於二零一六年十月二十七日獲委任為本公司執行董事。許先生自清華大學經濟管理學院獲得工商管理碩士學位。自一九九六年起，許先生受聘為國潤建設集團有限公司總裁及自二零零四年起任北京日興房地產發展有限公司總經理。於二零一四年至今，許先生受聘為國潤控股集團有限公司總裁，彼亦自二零一六年起擔任亞太航空租賃集團之董事。

崔鵬先生，46歲，於二零一六年十月二十七日獲委任為本公司執行董事。崔先生於一九九七年自北京商學院獲得貨幣銀行學學士學位。於一九九七年至二零一二年，崔先生受聘為中國外運長航集團有限公司財務部助理總經理。於二零一二年至二零一四年，崔先生受聘為農銀國際（中國）投資有限公司資本營運董事總經理。崔先生於中國證券投資行業擁有逾20年經驗，及於香港證券行業擁有逾10年經驗。

Biographical Details Of Directors And Senior Management 董事及高級管理層履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. XU Zhihao (徐志浩), aged 48, was appointed as independent non-executive director of the Company on 27 October 2016. He is also a member of the Audit Committee and Nomination Committee. Mr Xu graduated with a bachelor's degree in laws from Guangzhou Jinan University in 1994 and obtained a master of laws from the graduate school of China University of Political Science and Law in 2004. Mr. XU Zhihao was employed by a real estate company prior to working at Huabang (Guangdong) Century law firm. From 2001 to 2003, Mr. XU Zhihao worked in Guang Dong Rong Guan law firm. Mr. XU Zhihao is currently a senior partner in Jincheng Tongda & Neal (Shenzhen) and has extensive experience in the operation of banks and non-bank financial institutions, including trusts, securities and financing leasing institutions. Mr. XU Zhihao is skilled in various real estate financing, including trust support and equity financing.

Mr. LAM Ka Tak (林嘉德), aged 38, was appointed as independent non-executive director of the Company on 27 October 2016. He is also the Chairman of the Audit Committee and a member of Remuneration Committee. Mr. Lam graduated from Hong Kong Polytechnic University with a bachelor's degree in accounting in 2003 and obtained a master of business administration from the Hong Kong University in 2013. Mr. LAM Ka Tak was employed by RSM Nelson Wheeler (currently known as RSM Hong Kong) before working as an audit manager at KPMG. Mr. LAM Ka Tak currently serves as the chief financial officer and company secretary of Beijing Enterprises Medical and Health Industry Group Limited (Stock Code: 2389), a company listed on the Main Board of the Stock Exchange. Mr. LAM Ka Tak is also appointed as an executive director by Beijing Sports and Entertainment Industry Group Limited (Stock Code: 1803), a company listed on the Main Board of the Stock Exchange. Mr. LAM Ka Tak has over 15 years of experience in accounting and financial matters.

獨立非執行董事

徐志浩先生，48歲，於二零一六年十月二十七日獲委任為本公司獨立非執行董事。彼亦為審核委員會及提名委員會成員。徐先生於一九九四年畢業於廣州暨南大學，獲法律學士學位，並於二零零四年畢業於中國政法大學，獲法律碩士學位。於任職於廣東華邦律師事務所前，徐志浩先生受僱於一家房地產公司。於二零零一年至二零零三年，徐志浩先生任職於廣東融關律師事務所。徐志浩先生現為北京金城同達（深圳）律師事務所的高級合夥人並於經營銀行及非銀行金融機構（包括信託、證券及融資租賃機構）方面擁有豐富經驗。徐志浩先生擅長於各種房地產融資，包括信託支持及股本融資。

林嘉德先生，38歲，於二零一六年十月二十七日獲委任為本公司獨立非執行董事。彼亦為審核委員會主席及薪酬委員會成員。林先生於二零零三年畢業於香港理工大學，獲會計學學士學位，並於二零一三年獲得香港大學工商管理碩士學位。於畢馬威會計師事務所擔任核數經理前，林嘉德先生受僱於羅申美會計師行（現稱為中瑞岳華（香港）會計師事務所）。林嘉德先生現擔任聯交所主板上市公司北控醫療健康產業集團有限公司（股份代號：2389）之財務總監兼公司秘書。林嘉德先生亦獲聯交所主板上市公司北京體育文化產業集團有限公司（股份代號：1803）委任為執行董事。林嘉德先生於會計及財務事宜方面擁有逾15年經驗。

Biographical Details Of Directors And Senior Management 董事及高級管理層履歷詳情

Mr. WONG Sincere (黃誠思), aged 55, was appointed as independent non-executive director of the Company on 27 September 2018. He is the Chairman of the Remuneration Committee, a member of the Audit Committee and the Nomination Committee. Mr. Wong obtained a bachelor's degree of social science from the Chinese University of Hong Kong in Hong Kong in December 1986. Mr. Wong was admitted as a solicitor of Hong Kong and England and Wales in October 1993 and February 1994, respectively. Mr. Wong is the founder and currently a partner of Wong Heung Sum & Lawyers (formerly known as Sincere Wong & Co.). He is also a non-executive director of MOS House Group Limited (Stock code: 1653) and an independent non-executive director of Bank of Gansu Co., Limited (Stock code: 2139).

He was an in-house counsel for Hutchison Whampoa Group from September 1996 to January 2005 and China Resources Enterprise, Limited (Stock code: 291), a company listed on the Main Board of the Stock Exchange (now known as China Resources Beer (Holdings) Company Limited) from February 2005 to November 2006, chief legal officer of Shui On Construction and Materials Limited (now known as SOCAM Development Limited) (Stock code: 983), a company listed on the Main Board of the Stock Exchange from November 2006 to June 2010, as well as the head of the legal department and company secretary of Sateri Holdings Limited (a company previously listed on the Stock Exchange, the name of which was later changed to Bracell Limited but has subsequently been privatized) from July 2010 to May 2011. He worked at the Hong Kong Stock Exchange from August 2011 to April 2016, and was a vice president of Listing & Regulatory Affairs Division at the time of his departure from the Hong Kong Stock Exchange, primarily responsible for reviewing listing applications and providing recommendations to the Listing Committee of the Hong Kong Stock Exchange regarding listing applications.

SENIOR MANAGEMENT

Mr. Yu Kin Man Duncan (余健文), aged 47, was appointed as the Company Secretary and Chief Financial Officer of the Company on 19 December 2016. Mr. Yu holds a master degree in Professional Accounting and Corporate Governance in The City University of Hong Kong. Mr. Yu has over twenty years of experience in accounting, financial management and corporate finance. He is a fellow of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Institute of Chartered Secretaries.

黃誠思先生，55歲，於二零一八年九月二十七日獲委任為本公司獨立非執行董事。彼為薪酬委員會主席、審核委員會及提名委員會成員。黃先生於一九八六年十二月從位於香港的香港中文大學獲得社會科學學士學位。黃先生先後於一九九三年十月及一九九四年二月獲得香港及英格蘭和威爾斯律師資格。黃先生為黃香沈律師事務所（前稱黃誠思律師事務所）的創辦人而目前為合夥人。彼亦為MOS House Group Limited（股份代號：1653）之非執行董事及甘肅銀行股份有限公司（股份代號：2139）之獨立非執行董事。

彼於一九九六年九月至二零零五年一月期間任職和記黃埔集團的公司內部法律顧問，並於二零零五年二月至二零零六年十一月期間任聯交所主板上市公司華潤創業有限公司（股份代號：291）（現稱為華潤啤酒（控股）有限公司）的公司內部法律顧問。彼於二零零六年十一月至二零一零年六月期間任聯交所主板上市公司瑞安建業有限公司（股份代號：983）的法務部主管，並於二零一零年七月至二零一一年五月期間任賽得利控股有限公司（曾於聯交所上市，後改名為Bracell Limited，惟隨後已私有化）的法務部主管和公司秘書。彼於二零一一年八月至二零一六年四月期間任職於香港聯交所上市及監管事務科，離職時的職位為副總裁，主要負責審閱上市申請，並向香港聯交所上市委員會就上市申請提出建議。

高級管理層

余健文先生，47歲，於二零一六年十二月十九日獲委任為本公司之公司秘書兼財務總監。余先生於香港城市大學取得專業會計與企業管治碩士學位。余先生有超過20年的會計、財務管理及公司財務經驗。彼為英國特許公認會計師公會資深會員，香港會計師公會會員及香港特許秘書公會會員。

Report of the Directors

董事會報告

The board of directors of the Company (“Board”) presents its annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2019.

BUSINESS REVIEW

Details of business review are set out in the section of “Management Discussion and Analysis” on pages 12 to 29.

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The principal activity of the Company is investment holding and the Company’s subsidiaries are principally engaged in four reportable and operating segments (i) Chinese restaurant and wedding business, (ii) property leasing business, (iii) securities trading business, and (iv) environmental maintenance business in the PRC.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated financial statements on pages 78 to 240 of this annual report.

DIVIDENDS POLICY AND FINAL DIVIDEND

The directors of the Company (“Director(s)”) do not recommend payment of any dividend in respect of the year ended 31 December 2019.

The Company’s ability to pay dividends depends on, among other things, the Group’s current and future operations, liquidity position and capital requirements. The payment of dividends by the Company is also subject to compliance with any restrictions under the Laws of the Cayman Islands, the memorandum and articles of association of the Company and any applicable laws, rules and regulations. The Board will review the dividend policy from time to time and may exercise at its absolute and sole discretion to update, amend, and/or modify the policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any specific period.

INTEREST CAPITALISED

No interest was capitalised by the Group during the year.

本公司董事會（「董事會」）提呈其年度報告以及本公司及其附屬公司（統稱「本集團」）截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

業務回顧

業務回顧詳情載於第12頁至29頁「管理層討論及分析」一節。

主要業務及分部資料

本公司的主要業務為投資控股，且本公司的附屬公司主要從事四個可呈報及經營分部(i) 中式酒樓及婚禮業務、(ii) 物業租賃業務、(iii) 證券買賣業務及(iv) 於中國從事環境維護業務。

業績及盈利

本集團截至二零一九年十二月三十一日止年度的業績載列於本年報第78頁至240頁的綜合財務報表內。

股息政策及末期股息

本公司董事（「董事」）不建議就截至二零一九年十二月三十一日止年度派付任何股息。

本公司派付股息之能力取決於（其中包括）本集團現時及未來營運、流動資金狀況及資本需求等情況。本公司股息的派付亦須遵守開曼群島法律、本公司組織章程大綱及章程細則以及任何適用法例、規則及法規項下的任何限制。董事會將不時檢討股息政策，並在其認為合適及必要的情況下可隨時全權酌情更新、修訂及／或更改該政策。本公司概不能保證於任何特定期間派付任何特定金額之股息。

資本化利息

年內，本集團並無將利息撥作資本。

Report of the Directors 董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution to shareholders comprising share premium account plus accumulated losses, amounted to approximately HK\$107,588,000.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$3,322,000.

PRE-EMPTIVE RIGHTS

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

DIRECTORS

The directors of the Company ("Director(s)") during the year and up to the date of this report were:

Executive Directors:

Mr. Sang Kangqiao (*Chairman*)
Mr. Cui Peng
Mr. Xu Wenzhe

Independent Non-executive Directors:

Mr. Lam Ka Tak
Mr. Xu Zhihao
Mr. Wong Sincere

The terms of office of each Director are subject to retirement by rotation in accordance with articles of association of the Company.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors of the Company and the senior management of the Group are set out on pages 30 to 32 of the annual report.

DIRECTORS' SERVICE CONTRACTS

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

可供分派儲備

於二零一九年十二月三十一日，本公司可向股東分派的儲備包括股份溢價賬加累計虧損，約為107,588,000港元。

捐款

年內，本集團所作慈善及其他捐款為3,322,000港元。

優先購股權

本公司組織章程細則或開曼群島法例並無優先購股權之條文，規定本公司須向現有股東按比例提呈新股。

董事

於年內直至本報告日期，本公司董事（「董事」）為：

執行董事：

桑康喬先生（主席）
崔鵬先生
許文澤先生

獨立非執行董事：

林嘉德先生
徐志浩先生
黃誠思先生

各董事的任期須遵守本公司組織章程細則之輪值退任規定。

董事及高級管理層履歷

本公司董事及本集團高級管理層之履歷詳情載列於本年報第30頁至32頁。

董事的服務合約

擬於應屆股東週年大會上膺選連任之董事，概無與本公司訂立不可由本公司於一年內不作補償（法定補償除外）而終止之服務合約。

TERMS OF OFFICE FOR THE INDEPENDENT NON-EXECUTIVE DIRECTORS

All the Independent Non-executive Directors were appointed for a specific terms subject to the relevant provisions of the articles of association or any other applicable laws whereby the Directors shall vacate or retire from their office.

DIRECTORS' INTERESTS

At 31 December 2019, the following Directors, had the following interests in the shares and underlying shares of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO") as recorded in the register required to be kept under section 352 of SFO:

Long positions in shares of the Company

| Name of director 董事姓名 | Nature of interest 公司名稱 | Number of shares/underlying shares held 所持股份／ 相關股份數目 | Approximate % of shareholding 概約股權百分比 |
|----------------------------|----------------------------|--|--|
| Mr. Sang Kangqiao 桑康喬先生 | Beneficial owner 實益擁有人 | 189,152,000 | |
| | Other 其他 | 105,800,000 | |
| | | 294,952,000 (Note 1) (附註1) | 50.16% |
| Mr. Cui Peng 崔鵬先生 | Beneficial owner 實益擁有人 | 5,400,000 | |
| | Other 其他 | 289,552,000 | |
| | | 294,952,000 (Note 2) (附註2) | 50.16% |

獨立非執行董事的任期

所有獨立非執行董事之委任已設特定任期，惟董事之離任或退任須受組織章程細則或任何其他適用法例之有關條文所規限。

董事的權益

於二零一九年十二月三十一日，下列董事於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份及相關股份中擁有記錄於根據證券及期貨條例第352條須存置之登記冊內的權益如下：

於本公司股份中的好倉

Report of the Directors 董事會報告

| Name of director 董事姓名 | Nature of interest 公司名稱 | Number of shares/underlying shares held 所持股份／ 相關股份數目 | Approximate % of shareholding 概約股權百分比 |
|--------------------------|----------------------------|--|--|
| Mr. Xu Wenze 許文澤先生 | Beneficial owner 實益擁有人 | 100,400,000 | |
| | Other 其他 | 194,552,000 | |
| | | 294,952,000 (Note 3) (附註3) | 50.16% |
| Mr. Lam Ka Tak 林嘉德先生 | Beneficial owner 實益擁有人 | 400,000 (Note 4) (附註4) | 0.07% |
| Mr. Xu Zhihao 徐志浩先生 | Beneficial owner 實益擁有人 | 400,000 (Note 4) (附註4) | 0.07% |

Note:

- The interest comprises 188,752,000 shares and 400,000 underlying shares in respect of the share options granted pursuant to the share option scheme. Details of the share options granted to this director are set out above under "Share Option Schemes". Other represents the shares and underlying shares held by Mr. Xu and Mr. Cui which are parties acting in concert with Mr. Sang and by virtue of the SFO, each of Mr. Sang, Mr. Xu and Mr. Cui is deemed to be interested in the shares held by each other.
- The interest comprises 5,000,000 shares and 400,000 underlying shares in respect of the share options granted pursuant to the share option scheme. Details of the share options granted to this director are set out above under "Share Option Schemes". Other represents the shares and underlying shares held by Mr. Sang and Mr. Xu which are parties acting in concert with Mr. Cui and by virtue of the SFO, each of Mr. Sang, Mr. Xu and Mr. Cui is deemed to be interested in the shares held by each other.
- The interest comprises 100,000,000 shares and 400,000 underlying shares in respect of the share options granted pursuant to the share option scheme. Details of the share options granted to this director are set out above under "Share Option Schemes". Others represent the shares and underlying shares held by Mr. Sang and Mr. Cui which are parties acting in concert with Mr. Xu and by virtue of the SFO, each of Mr. Sang, Mr. Xu and Mr. Cui is deemed to be interested in the shares held by each other.

附註：

- 該等權益包括188,752,000股股份及根據購股權計劃所授出的購股權所涉及的400,000股相關股份。有關授予該董事的購股權詳情載於上文「購股權計劃」。其他指許先生及崔先生（彼等均為桑先生之一致行動人士）持有的股份及相關股份，而根據證券及期貨條例，桑先生、許先生及崔先生各自被視為於彼此持有的股份中擁有權益。
- 該等權益包括5,000,000股股份及根據購股權計劃所授出的購股權所涉及的400,000股相關股份。有關授予該董事的購股權詳情載於上文「購股權計劃」。其他指桑先生及許先生（彼等均為崔先生之一致行動人士）持有的股份及相關股份，而根據證券及期貨條例，桑先生、許先生及崔先生各自被視為於彼此持有的股份中擁有權益。
- 該等權益包括100,000,000股股份及根據購股權計劃所授出的購股權所涉及的400,000股相關股份。有關授予該董事的購股權詳情載於上文「購股權計劃」。其他指桑先生及崔先生（彼等均為許先生之一致行動人士）持有的股份及相關股份，而根據證券及期貨條例，桑先生、許先生及崔先生各自被視為於彼此持有的股份中擁有權益。

4. The interest are 400,000 underlying shares in respect of the share options granted pursuant to the share option scheme. Details of the share options granted to this director are set out above under “Share Option Schemes”.

During the year ended 31 December 2019, there were no debt securities issued by the Group at any time. Save as disclosed herein, as at 31 December 2019, none of the Directors or chief executive of the Company or their associates had any interests and short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange of Hong Kong Limited (“Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which each of them has taken or deemed to have taken under the provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered into the register referred to therein; or which were required, pursuant to Appendix 10 of the Listing Rules, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ AND OTHER PERSONS’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2019, the interests of substantial shareholders (other than the Directors or chief executive of the Company) in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

| Name of substantial shareholder 主要股東名稱 | Number of shares and derivatives interested 擁有權益的股份及 衍生工具數目 | Percentage of issued share capital 佔已發行 股本百分比 |
|--|---|--|
| Goldpalm Offshore Limited 金棕櫚海外有限公司 Ma Yanying ¹ 馬艷英 ¹ | 117,000,000 | 19.90% |
| 中國航天環保控股集團有限公司 | 30,000,000 | 5.10% |
| 內蒙古航天君富環保科技有限公司 | 30,000,000 | 5.10% |
| 內蒙古航天君富環保產業投資基金（有限合夥） | 30,000,000 | 5.10% |
| 航天紫金投資管理（南京）有限公司 ² | 30,000,000 | 5.10% |

4. 該等權益為根據購股權計劃所授出的購股權所涉及的400,000股相關股份。有關授予該董事的購股權詳情載於上文「購股權計劃」。

於截至二零一九年十二月三十一日止年度內，本集團概無於任何時間發行債務證券。除本年報所披露者外，於二零一九年十二月三十一日，本公司董事或主要行政人員或彼等之聯繫人概無於本公司或任何相聯法團（定義見證券及期貨條例第XV部）之任何股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之任何權益及淡倉（包括根據證券及期貨條例之有關條文彼等各自被視作或視為擁有之權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條例所指登記冊內之權益及淡倉；或根據上市規則附錄10須知會本公司及聯交所之權益及淡倉。

主要股東及其他人士於本公司股份、相關股份及債權證中的權益以及淡倉

於二零一九年十二月三十一日，主要股東（本公司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須登記於根據證券及期貨條例第336條規定存置登記冊內的權益如下：

Report of the Directors 董事會報告

Notes:

- 1) Goldpalm Offshore Limited is wholly-owned by Ms. Ma Yanying. This presents the same interest of Goldpalm Offshore Limited.
- 2) This represents the same interest of China Aerospace Environmental Holdings Group Limited*, Inner Mongolia Aerospace Junfu Environmental Industry Fund (LLP)* and Inner Mongolia Aerospace Junfu Environmental Technology Company Limited* of 30,000,000 shares. China Aerospace Environmental Holdings Group Limited* is a wholly-owned subsidiary of Inner Mongolia Aerospace Junfu Environmental Technology Company Limited*, of which is a wholly-owned subsidiary of Inner Mongolia Aerospace Junfu Environmental Industry Fund (LLP)* and Inner Mongolia Aerospace Junfu Environmental Industry Fund (LLP)* is 100% controlled by Aerospace Zijin Investment Management (Nanjing) Company Limited*.
- 3) These percentages have been compiled based on the total number of issued shares of the Company of 588,000,000 as at 31 December 2019 and rounded to two decimal places. All interest stated above represent long positions.

Save as disclosed above, as at 31 December 2019, the Directors were not aware of any persons (other than the Directors and chief executives of the Company) who had any interests and short positions in the shares and underlying shares of the Company which would fall to be disclosed under 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 Part XV of the SFO.

* For identification purposes only

COMPETING BUSINESS

During the year and up to the date of this report, the directors are not aware of any business or interest of the directors, the management of the Company and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

附註：

- 1) 金棕櫚海外有限公司由馬艷英女士全資擁有。該權益指金棕櫚海外有限公司之相同權益。
- 2) 該權益指中國航天環保控股集團有限公司、內蒙古航天君富環保產業投資基金(有限合夥)及內蒙古航天君富環保科技有限公司於30,000,000股股份中之相同權益。中國航天環保控股集團有限公司為內蒙古航天君富環保科技有限公司之全資附屬公司，內蒙古航天君富環保科技有限公司為內蒙古航天君富環保產業投資基金(有限合夥)之全資附屬公司，且內蒙古航天君富環保產業投資基金(有限合夥)由航天紫金投資管理(南京)有限公司全權控制。
- 3) 該等百分比乃按照本公司於二零一九年十二月三十一日的已發行股份總數588,000,000股計算，並湊整至兩個小數位。上述所有權益均屬好倉。

除上文所披露者外，於二零一九年十二月三十一日，董事並不知悉有任何人士(董事及本公司主要行政人員除外)於本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部須予披露之任何權益及淡倉；或根據證券及期貨條例第XV部第336條本公司須予存置之登記冊內所記錄之任何權益及淡倉。

* 僅供識別

競爭業務

於年內及直至本報告日期，董事並不知悉本公司董事、管理層及彼等各自之聯繫人(定義見上市規則)的任何業務或權益會或可能會與本集團業務形成競爭，亦不知悉任何該等人士與本集團具有或可能具有任何其他利益衝突。

DIRECTORS' INTERESTS IN CONTRACTS

Save as those interests disclosed under the paragraph entitled "Related Party Transactions", there is no contract of significance to which the Company or any of its subsidiaries and the Controlling Shareholders of the Company or any of its subsidiaries was a party and in which the Directors had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group for the year ended 31 December 2019 are set out in Note 38 to the consolidated financial statements. The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

Details of the emoluments of the Directors of the Company and the five highest paid individuals of the Group are set out in Notes 10 and 11 to the consolidated financial statements.

As at 31 December 2019, the Group had 1,383 employees. The Directors and senior management receive compensation in the form of salaries, benefits in kind and discretionary bonuses with reference to salaries paid by comparable companies, time commitment and the performance of the Group. The Company also reimburses them for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The Company regularly review and determine the remuneration and compensation package of the Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and the performance of the Group.

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 year.

董事於合約中的權益

除「關聯方交易」一段所披露的該等權益外，於年終或年內任何時間，本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東概無訂立任何重大且董事於其中直接或間接擁有重大權益之合約。

購買股份或債權證的安排

本公司或其任何附屬公司於年內任何時間概無訂立任何安排，以使董事可透過收購本公司或任何其他法團之股份或債權證而獲益。

關聯方交易

有關本集團截至二零一九年十二月三十一日止年度之關聯方交易詳情載於綜合財務報表附註38。本公司確認，其已遵守上市規則第14A章項下之披露規定。

僱員及薪酬政策

有關本公司董事薪酬及本集團五名最高薪人士的詳情載於綜合財務報表附註10及11。

於二零一九年十二月三十一日，本集團有1,383名僱員。董事及高級管理層收取酬金的形式包括薪水、實物利益及酌情花紅，同時參照可比較公司所支付的薪酬、時間投入及本集團的業績進行釐定。本公司亦為其彌償為本集團提供服務或就本集團業務營運履行其職能時所產生的必要及合理開支。本公司參照（其中包括）可比較公司支付薪酬的市場水平、董事的相關責任及本集團的業績後，定期檢討及釐定董事及高級管理層的薪酬及補償待遇。

管理合約

年內概無訂立或存在任何有關本公司全部或絕大部分業務管理與行政之合約。

Report of the Directors 董事會報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group is committed to support environmental protection to ensure business development and sustainability. The Group implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

A separate environmental, social and governance report is expected to be published on the Stock Exchange's website and the Company's website no later than three months after this annual report has been published.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers in aggregate and the single largest customer of the Group accounted for approximately HK\$115,874,000 or 25.09% and HK\$46,186,000 or 10.0% of the Group's total revenue for the year ended 31 December 2019 respectively. The information in respect of the Group's purchases attributable to the major suppliers during the year is as follows:

| | | Percentage of the Group's total purchases 佔本集團總採購量 百分比 |
|-------------------------------------|---------|--|
| The largest supplier | 最大供應商 | 28.54% |
| Five largest suppliers in aggregate | 五大供應商合計 | 47.75% |

None of the Directors, their associates or any shareholders, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had a beneficial interest in any of the Group's five largest supplier and customers.

環境、社會及管治報告

本集團致力支持環境保護，以確保業務發展及可持續性。本集團推行綠色辦公室措施，以減低能源及自然資源之消耗。該等措施包括使用節能照明及環保紙，透過關閉閒置照明、電腦及電器，減少能源消耗，以及在可能情況下盡量使用環保產品。

一份單獨的環境、社會及管治報告預期將會不遲於刊發本年報後的三個月在聯交所網站及本公司網站刊發。

主要客戶及供應商

本集團五大客戶合計及單一最大客戶分別佔本集團截至二零一九年十二月三十一日止年度總收益約115,874,000港元或25.09%及46,186,000港元或10.0%。年內，有關主要供應商所佔本集團採購量的資料如下：

就董事所知，概無擁有本公司已發行股本超過5%的董事、彼等之聯繫人或任何股東於任何本集團五大供應商及客戶中擁有實益權益。

BANK LOANS AND OTHER BORROWINGS

Details of borrowings of the Group during the year are set out in Notes 28, 29 and Note 38(c)(iv) & (v) to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the company during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to issue of this report, the Company has maintained the sufficient public float under the Listing Rules.

SHARE OPTION SCHEME

The share option scheme of the Company (the "Scheme") was adopted pursuant to a resolution passed by the Company's shareholders on 19 November 2013 (the "Adoption Date") for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Scheme include any employees, any executives, non-executive Directors (including independent non-executive Directors), advisors, consultants of the Company or any of its subsidiaries. The Scheme became effective on 10 December 2013 (the "Listing Date") and, unless otherwise cancelled or amended, will remain in force for 10 years commencing on the Listing Date, the principal terms of which were summarized in the paragraph headed "Share Option Scheme" in Appendix IV to the Company's prospectus dated 28 November 2013.

The maximum number of shares which may be issued under the Scheme and any other schemes of the Company (excluding options lapsed pursuant to the Scheme and any other schemes of the Company) must not exceed 58,800,000 shares, representing 10% of the issued shares of the Company at the date of the annual report.

The total number of shares issued and to be issued to each eligible participant under the Scheme in any 12-month period must not exceed 1% of the issued shares of the Company unless approved in advance by the shareholders of the Company in general meeting.

銀行貸款及其他借款

本集團於年內的借款詳情載於綜合財務報表附註28、29及附註38(c)(iv)及(v)。

購買、出售或贖回股份

於年內，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

公眾持股量的充足性

基於本公司可公開獲得的資料及就董事所知，於刊發本報告前的最後可行日期，本公司已根據上市規則維持充足的公眾持股量。

購股權計劃

本公司的購股權計劃（「計劃」）乃根據本公司股東於二零一三年十一月十九日（「採納日期」）通過的決議案而獲採納，主要旨在向合資格參與者提供機會可於本公司中擁有個人股權，以及激勵、吸引及留任其貢獻對本集團長期發展及盈利尤為重要之合資格參與者。計劃的合資格參與者包括本公司或其任何附屬公司的任何僱員、任何執行及非執行董事（包括獨立非執行董事）、顧問及諮詢人。計劃已於二零一三年十二月十日（「上市日期」）生效，且除非被另行取消或修訂，將自上市日期起十年內有效。計劃的主要條款概述於本公司日期為二零一三年十一月二十八日之招股章程附錄四「購股權計劃」一段。

根據計劃及本公司任何其他計劃可發行的股份數目上限（惟不計及根據計劃或本公司任何其他計劃已失效的購股權）不得超過58,800,000股股份，佔本公司於本年報日期已發行股份的10%。

在任何12個月期間，根據計劃向各合資格參與者的已發行及將予發行股份總數不得超過本公司已發行股份的1%，除非事先獲本公司股東於股東大會上批准。

Report of the Directors 董事會報告

Any option to be granted under the Scheme to a Director, Chief Executive or substantial shareholder of the Company or to any of their respective associates must be approved by all Independent Non-Executive Directors of the Company (excluding Independent Non-Executive Director who is the grantee). In addition, any option to be granted to a substantial shareholder or an Independent Non-Executive Director of the Company or to any of their respective associates which will result in the shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by the shareholders of the Company in general meeting.

The offer of a grant of options under the Scheme may be accepted within 28 days from the date of the offer and by payment of HK\$1.00 as consideration for the grant of an option. An option may be exercised in accordance with the terms of the Scheme at any time during a period as to be determined and notified by the Directors to each grantee, but shall end in any event not later than 10 years from the date of the grant of option.

The exercise price is determined by the Directors and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant of an option, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant of an option; and (iii) the nominal value of the Company's shares.

The remaining life of the Scheme, which will expire on 9 December 2023, is approximately 3 years from the date of this report.

任何根據計劃將授予本公司一名董事、主要行政人員或主要股東或任何彼等各自之聯繫人的任何購股權須經本公司全體獨立非執行董事（為承授人的獨立非執行董事除外）批准。此外，任何將授予本公司一名主要股東或一名獨立非執行董事或任何彼等各自之聯繫人的購股權，倘在任何12個月期間會導致已發行或將予發行股份超過已發行股份0.1%或其總價值（基於授出日期之股份收市價）超過5,000,000港元，則須經本公司股東於股東大會上批准。

根據計劃授出購股權之要約可於要約當日起計28日內接納，且須支付1.00港元作為獲授購股權的代價。在董事決定及通知各承授人的期間內，可隨時根據計劃的條款行使購股權，惟無論如何不得超出授出購股權日期起計10年。

行使價由董事釐定，且不得低於以下各項之最高者：(i)於授出購股權要約之日（須為交易日）聯交所每日報價表所列本公司股份之收市價；(ii)緊接授出購股權要約之日前五個交易日聯交所每日報價表所列本公司股份之平均收市價；及(iii)本公司股份面值。

計劃將於二零二三年十二月九日到期，其餘下年期為自本報告日期起計約三年。

Share Option Movements

As at 31 December 2019, there were a total of 10,400,000 outstanding share options granted to directors, employees and consultants of the Company, details of which are as follows:

購股權變動

於二零一九年十二月三十一日，授予本公司董事、僱員及顧問的尚未行使購股權共有10,400,000份，有關詳情如下：

| Name of director 董事姓名 | Date of grant 授出日期 | Number of share options 購股權數目 | | | As at 31 December 2019 於二零一九年 十二月 三十一日 | Exercise price 行使價 HKD 港元 | Exercise period 行使期 |
|--------------------------|-------------------------------|--|--|---|---|---------------------------------------|---|
| | | As at 1 January 2019 於二零一九年 一月一日 | Forfeited during the year 年內已 沒收 | Lapsed during the year 年內已 失效 | | | |
| Sang Kangqiao 桑康喬 | 17 May 2017 二零一七年 五月十七日 | 400,000 | - | - | 400,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年 五月十七日至 二零二七年 五月十六日 (附註1) |
| Cui Peng 崔鵬 | 17 May 2017 二零一七年 五月十七日 | 400,000 | - | - | 400,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年 五月十七日至 二零二七年 五月十六日 (附註1) |
| Xu Wenze 許文澤 | 17 May 2017 二零一七年 五月十七日 | 400,000 | - | - | 400,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年 五月十七日至 二零二七年 五月十六日 (附註1) |
| Lam Ka Tak 林嘉德 | 17 May 2017 二零一七年 五月十七日 | 400,000 | - | - | 400,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年 五月十七日至 二零二七年 五月十六日 (附註1) |

Report of the Directors 董事會報告

| Name of director 董事姓名 | Date of grant 授出日期 | Number of share options 購股權數目 | | | As at 31 December 2019 於二零一九年 十二月 三十一日 | Exercise price 行使價 HKD 港元 | Exercise period 行使期 |
|--------------------------|-------------------------------|--|--|---|---|---------------------------------------|---|
| | | As at 1 January 2019 於二零一九年 一月一日 | Forfeited during the year 年內已 沒收 | Lapsed during the year 年內已 失效 | | | |
| Xu Zhihao 徐志浩 | 17 May 2017 二零一七年 五月十七日 | 400,000 | - | - | 400,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年 五月十七日至 二零二七年 五月十六日 (附註1) |
| | | 2,000,000 | - | - | 2,000,000 | | |

Note:

- For options granted with exercisable date determined based on the grant date of options, the first 30% of the total options can be exercised 1 year after the grant date, 40% of the total options can be exercised 2 years after the grant date and 30% of the total options will become exercisable in 3 years after the grant date.

Details of movements of share options granted to employees of the Group during the year ended 31 December 2019 are as follows:

附註：

- 就所授出具有根據購股權授出日期釐定可行使日期的購股權而言，購股權總數的頭30%可於授出日期後一年行使，購股權總數的40%可於授出日期後兩年行使以及購股權總數的30%可於授出日期後三年行使。

於截至二零一九年十二月三十一日止年度向本集團僱員授出的購股權變動詳情如下：

Report of the Directors 董事會報告

| Date of grant | Number of share options 購股權數目 | | | As at 31 December 2019 | Exercise price 行使價 HKD 港元 | Exercise period 行使期 |
|---------------------------|----------------------------------|---------------------------------|------------------------------|------------------------------|---------------------------------------|--|
| | As at 1 January 2019 | Forfeited during the year | Lapsed during the year | | | |
| 授出日期 | 於二零一九年 一月一日 | 年內已沒收 | 年內已失效 | 於二零一九年 十二月三十一日 | | |
| 17 May 2017 二零一七年五月十七日 | 800,000 | (280,000) | (120,000) | 400,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年五月十七日至 二零二七年五月十六日 (附註1) |

Note:

- For options granted with exercisable date determined based on the grant date of options, the first 30% of the total options can be exercised 1 year after the grant date, 40% of the total options can be exercised 2 years after the grant date and 30% of the total options will become exercisable in 3 years after the grant date.

附註：

- 就所授出具有根據購股權授出日期釐定可行使日期的購股權而言，購股權總數的頭30%可於授出日期後一年行使，購股權總數的40%可於授出日期後兩年行使以及購股權總數的30%可於授出日期後三年行使。

Details of movements of share options granted to consultants of the Group during the year ended 31 December 2019 are as follows:

於截至二零一九年十二月三十一日止年度向本集團顧問授出的購股權變動詳情如下：

| Date of grant | Number of share options 購股權數目 | | | As at 31 December 2019 | Exercise price 行使價 HKD 港元 | Exercise period 行使期 |
|---------------------------|----------------------------------|---------------------------------|------------------------------|------------------------------|---------------------------------------|--|
| | As at 1 January 2019 | Forfeited during the year | Lapsed during the year | | | |
| 授出日期 | 於二零一九年 一月一日 | 年內已沒收 | 年內已失效 | 於二零一九年 十二月三十一日 | | |
| 17 May 2017 二零一七年五月十七日 | 8,000,000 | - | - | 8,000,000 | 1.99 | 17 May 2017 to 16 May 2027 (Note 1) 二零一七年五月十七日至 二零二七年五月十六日 (附註1) |

Note:

- For options granted with exercisable date determined based on the grant date of options, the first 30% of the total options can be exercised 1 year after the grant date, 40% of the total options can be exercised 2 years after the grant date and 30% of the total options will become exercisable in 3 years after the grant date.

附註：

- 就所授出具有根據購股權授出日期釐定可行使日期的購股權而言，購股權總數的頭30%可於授出日期後一年行使，購股權總數的40%可於授出日期後兩年行使以及購股權總數的30%可於授出日期後三年行使。

Report of the Directors 董事會報告

PERMITTED INDEMNITY PROVISIONS

At no time during the financial year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

AUDITOR

The financial statements for the year ended 31 December 2019 have been audited by PricewaterhouseCoopers and a resolution for the re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting.

PUBLICATION OF INFORMATION ON WEBSITES

This annual report is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.u-banquetgroup.com.

By order of the Board

Sang Kangqiao
Chairman

31 March 2020

獲准許的彌償條文

在財政年度內及直至本董事會報告日期止任何時間，均未曾經有或現有生效的任何獲准許彌償條文惠及本公司的董事（不論是否由本公司或其他訂立）或其有聯繫公司的任何董事（如由本公司訂立）。

核數師

截至二零一九年十二月三十一日止年度的財務報表已經羅兵咸永道會計師事務所審核，本公司將於應屆股東週年大會上提呈一項續聘其為本公司核數師的決議案。

於網站刊發資料

本年報可於聯交所網站www.hkex.com.hk及本公司網站www.u-banquetgroup.com查閱。

承董事會命

主席
桑康喬

二零二零年三月三十一日

Corporate Governance Report

企業管治報告

The Company is committed to ensure a high standard of corporate governance in the interests of the shareholders and devotes considerable effort to maintain high level of business ethics and corporate governance practices.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) throughout the year. The Company has applied the principles of, and complied with, the applicable code provisions of the CG Code during the year ended 31 December 2019. The board of the Company (the “Board”) will keep reviewing and updating such practices from time to time to ensure compliance with legal and commercial standards.

CORPORATE GOVERNANCE STRUCTURE

The Board of the Company is primarily responsible for formulating strategies, monitoring performance and managing risks of the Group. At the same time, it also has the duty to enhance the effectiveness of the corporate governance practices of the Group. Under the Board, there are 3 board committees, namely the Audit Committee, Remuneration Committee and Nomination Committee. All these committees perform their distinct roles in accordance with their respective terms of reference (available on the Company’s website) and assist the Board in supervising certain functions of the senior management.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Group had adopted Appendix 10 of the Listing Rules (the “Model Code”) as its own code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings.

Having made specific enquiries to all the directors and all the directors of the Company had confirmed compliance with the required standard of dealings and the code of conduct for directors’ securities transactions during the year ended 31 December 2019.

為保障股東的利益，本公司致力確保高標準的企業管治，並投入大量精力維持高水平的商業道德標準及企業管治常規。

企業管治

本公司於整個年度一直遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治守則（「企業管治守則」）。於截至二零一九年十二月三十一日止年度，本公司已採用企業管治守則中的原則並遵循其中的適用守則條文。本公司董事會（「董事會」）將持續檢討並不時更新該等常規，以確保符合法律及商業準則。

企業管治架構

本公司董事會主要負責本集團策略制定、表現監控及風險管理。同時，其亦有職責提升本集團企業管治常規的效率。董事會下設三個董事委員會，即審核委員會、薪酬委員會及提名委員會。所有上述委員會均根據其各自之職權範圍（可於本公司網站查閱）履行其不同職責，並協助董事會監督高級管理層的若干職能。

證券交易之標準守則

本集團已採納上市規則附錄十（「標準守則」），作為其本身之董事進行證券交易之行為守則，其條款嚴格度不遜於交易規定準則。

經向全體董事作出具體查詢後，本公司全體董事確認於截至二零一九年十二月三十一日止年度已遵守董事進行證券交易之交易規定準則及行為守則。

Corporate Governance Report 企業管治報告

BOARD OF DIRECTORS

At present, the Board of the Company comprises six directors (“Directors”) as follows:

Executive Directors:

Mr. Sang Kangqiao (*Chairman*)
Mr. Cui Peng
Mr. Xu Wenzhe

Independent Non-executive Directors:

Mr. Lam Ka Tak
Mr. Xu Zhihao
Mr. Wong Sincere

Biographical details of the Directors are set out in the section of “Biographical Details of Directors and Senior Management” on pages 30 to 32.

The Board has the responsibility for leadership and control of the Company. They are collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. The Board is accountable to the shareholders for the strategic development of the Group with the goal of maximizing long-term shareholder value, while balancing broader stakeholder interests.

董事會

現時，本公司董事會由下列六名董事（「董事」）組成：

執行董事：

桑康喬先生（*主席*）
崔鵬先生
許文澤先生

獨立非執行董事：

林嘉德先生
徐志浩先生
黃誠思先生

董事履歷詳情載於第30頁至32頁「董事及高級管理層履歷詳情」一節。

董事會負責領導及管控本公司。彼等透過引導及監督本集團事務統籌負責推動本集團邁向成功。董事會就本集團戰略發展向股東負責，目標是為股東創造最大的長遠價值，同時平衡更廣泛利益相關者的利益。

Corporate Governance Report 企業管治報告

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meeting, Nomination Committee meeting and general meeting during the year ended 31 December 2019 is set out in the following table:

於截至二零一九年十二月三十一日止年度，各董事出席董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東大會之記錄表列如下：

| Name of Directors 董事姓名 | Board Meetings (attendance/ total no. of meeting held) 董事會會議 (出席會議次數/ 舉行會議總數) | Audit Committee Meetings (attendance/ total no. of meeting held) 審核委員會會議 (出席會議次數/ 舉行會議總數) | Remuneration Committee Meeting (attendance/ total no. of meeting held) 薪酬委員會會議 (出席會議次數/ 舉行會議總數) | Nomination Committee Meeting (attendance/ total no. of meeting held) 提名委員會會議 (出席會議次數/ 舉行會議總數) | General Meeting (attendance/ total no. of meeting held) 股東大會 (出席會議次數/ 舉行會議總數) |
|--|---|---|---|---|---|
| Executive Directors | 執行董事 | | | | |
| Mr. Sang Kangqiao | 9/9 | N/A 不適用 | 1/1 | 1/1 | 2/2 |
| Mr. Cui Peng | 9/9 | N/A 不適用 | N/A 不適用 | N/A 不適用 | 2/2 |
| Mr. Xu Wenzhe | 9/9 | N/A 不適用 | N/A 不適用 | N/A 不適用 | 2/2 |
| Independent Non-executive Directors | 獨立非執行董事 | | | | |
| Mr. Lam Ka Tak | 9/9 | 2/2 | 1/1 | N/A 不適用 | 2/2 |
| Mr. Xu Zhihao | 9/9 | 2/2 | N/A 不適用 | 1/1 | 2/2 |
| Mr. Wong Sincere | 9/9 | 2/2 | 1/1 | 1/1 | N/A 不適用 |

Code Provision A.1.3 stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are generally given. Board papers together with all appropriate, complete and reliable information are sent to all directors at least 3 days before each Board meeting or audit committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All Directors are provided with details of agenda items for decisions making with reasonable notice and welcome to include matters in the agenda of the Board meeting. Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that the Board procedures are complied with and advising the Board on compliance matters.

守則條文第A.1.3條訂明，常規董事會會議須至少發出14天通知。其他董事會及委員會會議，則一般給予合理時間之通知。董事會文件連同所有合適、完整及可靠資料，最少於各董事會會議或審核委員會會議前三天送交全體董事，以便董事知悉本公司最新發展及財務狀況並可作出知情決定。全體董事均獲合理通知以獲得各項議程之詳細資料，以便作出決策並歡迎於董事會會議議程加入事項。董事可獲得公司秘書提供之意見及服務，公司秘書負責確保董事會程序獲遵循及就合規事宜向董事會提供意見。

Corporate Governance Report 企業管治報告

Minutes of Board meetings and Board committees meetings are kept by Company Secretary and are opened for inspection as requested by Directors. During the year, the Board was given sufficient time to review and approve the minutes of Board meetings and Board committees meetings. Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors of the Company, at the expense of the Company.

If potential conflict of interest involving a substantial shareholder or a Director arises which the Board has determined to be material, the matter will be dealt with by a physical board meeting rather than a written resolution. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting. The Directors attend meetings in persons or through other means of electronic communication in accordance with the articles of association of the Company.

All Directors assume the responsibilities owed to the shareholders of the Company for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor the Company's overall financial position. The Board updates shareholders on the operations and financial position of the Group through half yearly and annual results announcements as well as the publication of timely announcements of other matters as prescribed by the relevant rules and regulations.

董事會會議及董事委員會會議之記錄由公司秘書保管並應董事要求提供查閱。年內，董事會已獲充足時間審閱及批准董事會會議及董事委員會會議之記錄。必要時，董事亦可尋求獨立專業意見以履行彼等作為本公司董事之職責，費用由本公司承擔。

倘發生涉及主要股東或董事之潛在利益衝突且董事會認為屬重大，有關事項將於實質董事會會議上處理，而不會以書面決議案處理。被視為擬進行交易或將討論事宜中存有利益衝突或擁有重大權益之董事，將不會計入有關會議之法定人數並須放棄投票。董事根據本公司組織章程細則親身或透過其他電子通訊方式出席會議。

所有董事向本公司股東負責，肩負使本公司穩步發展及成功的責任。彼等知悉其職責，並忠實行事及致力保障本公司的最佳利益。

董事會負責妥善保存會計記錄以使董事監控本公司整體財務狀況。董事會透過相關規則及條例規定的中期及年度業績公佈以及及時刊發有關其他事務的公佈，向股東提供有關本集團營運及財務狀況的最新資料。

Corporate Governance Report 企業管治報告

The Company has three Independent Non-executive Directors, at least one of whom has appropriate financial management expertise, in compliance with the Listing Rules. Each of the Independent Non-executive Director has made an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the Independence Guidelines set out in Rule 3.13 of the Listing Rules and are independent in accordance with the terms of the guidelines.

According to the Company's articles of association, newly appointed Directors shall hold office until the next following general meeting and shall be eligible for re-election at that meeting. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision A.2.1 of the CG Code, the roles of the chairman and chief executive officer should be separated and should not be performed by the same individual.

Mr. Sang Kangqiao was the Chairman of the Board since 27 October 2016. There was no Chief Executive Officer appointed by the Company and the day-to-day management of the Group was led by Executive Directors during the year. There is no time schedule to change this structure, as the Directors consider that this structure provides the Group and strong and consistent leadership in the Company's decision making process and operational efficiency. The Board will, nevertheless, review the business growth of the Group and locate suitable candidate to fill the vacancy of Chief Executive Officer when considered essential.

One of the important roles of the Chairman is to provide leadership for the Board to ensure that the Board always acts in the best interest of the Group. The Chairman shall ensure that the Board works effectively and fully discharges its responsibilities, and that all key issues are discussed by the Board in a timely manner. The Chairman has taken into account, where appropriate, any matters proposed by the Directors for inclusion in the agenda. The Chairman has delegated the responsibility of drawing up the agenda for each board meeting to the Company Secretary. With the support of the Company Secretary, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and have received adequate and reliable information in a timely manner. The Chairman also take primary responsibility for ensuring that good corporate governance practices and procedures are established.

本公司有三名獨立非執行董事，其中至少一名具有適當的財務管理專長，符合上市規則。各獨立非執行董事已根據上市規則第3.13條發出其年度獨立性確認書。本公司認為，所有獨立非執行董事均符合上市規則第3.13條載列的獨立性指引，且根據有關指引的條款屬獨立人士。

根據本公司組織章程細則，每名新獲委任董事的任期至下屆股東大會為止，屆時合資格於會上膺選連任。各董事（包括獲委任指定任期的董事）均須至少每三年輪值退任一次。

主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席及行政總裁的角色應予區分及不應由同一人兼任。

桑康喬先生自二零一六年十月二十七日起為董事會主席。本公司並無委任行政總裁，而本集團年內之日常管理由執行董事負責領導。由於董事認為此架構可使本集團在本公司作出決策過程及營運效率方面擁有強力及貫徹的領導方針，故並無制定任何有關改變此架構的時間表。然而，董事會將檢討本集團之業務發展並於認為有必要時物色合適候選人以填補行政總裁之空缺。

主席之其中一項重要職能為領導董事會，以確保董事會一直以本集團之最佳利益行事。主席須確保董事會有效運作，全面履行其職責，並確保所有重大問題能及時獲董事會討論。主席已考慮（如適用）董事擬載入議程之任何事項。主席已將每次董事會會議議程起草之責任委託予公司秘書。在公司秘書之協助下，主席致力確保全體董事已獲適當簡報董事會會議上出現之問題，並已及時收到充分及可靠之資料。主席亦對確保設立良好的企業管治常規及程序擔負首要責任。

Corporate Governance Report 企業管治報告

The Board is therefore of the view that there is an adequate balance of power and that appropriate safeguards are in place. Nevertheless, the Board will continue to regularly monitor and review the Company's current structure and to make necessary changes when appropriate.

During the year ended 31 December 2019, the Chairman held a meeting with the independent non-executive directors without the presence of the executive directors as required by the Listing Rules.

APPOINTMENT, RE-ELECTION AND REMOVAL

Under Code Provision A.4.1, all the Non-Executive Directors should be appointed for a specific term, subject to re-election. Each of the Independent Non-executive Directors has entered into a service contract with the Company for three years but subject to termination in certain circumstances as stipulated in the relevant service contracts. At each annual general meeting, one third of the Directors for the time being (of if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement by rotation at an annual general meeting at least once every three years. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be eligible for re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

CORPORATE GOVERNANCE FUNCTION

The Board is responsible for performing corporate governance duties and has adopted written terms of reference on its corporate governance functions.

The duties of the Board in respect of the corporate governance functions include:

- (i) developing and reviewing the Company's policies and practices on corporate governance;
- (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management;

因此，董事會認為已建立充分均衡的權力及適當保障。儘管如此，董事會將繼續定期監察及檢討本公司現行架構及於適當時間作出必要變更。

截至二零一九年十二月三十一日止年度，根據上市規則的規定，在執行董事毋須列席的情況下，主席與獨立非執行董事舉行一次會議。

委任、重選及免職

根據守則條文第A.4.1條，所有非執行董事之委任應有指定任期，並須接受重選。各獨立非執行董事已與本公司訂立期限為三年的服務合約，惟可於相關服務合約中規定的若干情況下予以終止。在每屆股東週年大會上，當時三分之一（倘董事人數並非三的倍數，則為最接近但不少於三分之一的人數）的董事將輪席退任，惟各董事均須至少每三年於股東週年大會上輪值退任一次。任何獲委任以填補臨時空缺之董事的任期至其獲委任後的首屆股東大會為止，屆時合資格於會上膺選連任，而任何獲委任以新增現有董事會職位之董事的任期僅至本公司下屆股東週年大會為止，屆時合資格膺選連任。

企業管治職能

董事會負責執行企業管治職責，並已就其企業管治職能採納書面職權範圍。

董事會於企業管治職能方面的職責包括：

- (i) 制定及檢討本公司的企業管治政策及常規；
- (ii) 檢討及監督董事及高級管理層的培訓及持續專業發展；

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| (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; | (iii) 檢討及監督本公司於遵守法律及監管規定方面的政策及常規； |
| (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and | (iv) 制定、檢討及監督僱員及董事適用的行為守則及合規手冊（如有）；及 |
| (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report. | (v) 審閱本公司遵守企業管治守則的情況及企業管治報告中的披露事項。 |

In 2019 and up to the date of this report, the Board has performed the corporate governance duties in accordance with its terms of reference.

於二零一九年及直至本報告日期，董事會已根據其職權範圍履行企業管治職責。

BOARD DIVERSITY POLICY

The Board adopted a board diversity policy (the "Policy") setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

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

On recommendation from the Nomination Committee, the Board will set measurable objectives to implement the Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

董事會成員多元化政策

董事會已採納董事會成員多元化政策（「該政策」），其中載有實現董事會成員多元化之方針。本公司認為可透過多方面考慮實現董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識，而最終將按經選定人選的長處及可為董事會帶來的貢獻作出決定。

按提名委員會之推薦意見，董事會將制定可計量目標以實施該政策，並不時檢討該等目標以確保其合適性及確定達致該等目標之進度。提名委員會將於適當時檢討該政策，以不時確保其持續有效。

REMUNERATION COMMITTEE

A remuneration committee was set up on 19 November 2013, with written terms of reference in compliance with the Code Provisions, which have been reviewed from time to time by the Board to keep them in line with the most up-to-date requirements to oversee the remuneration policy and structure for all Directors and senior management. The most up-to-date written terms of reference of the Remuneration Committee are available on the Company's website and on the website of The Stock Exchange of Hong Kong Limited.

The primary objectives of the Remuneration Committee include making recommendations to the Board on the remuneration policy and structure of the Directors and the senior management and determining the remuneration packages of all executive Directors and senior management. The Remuneration Committee is also responsible to ensure that no Director or any of his associates will participate in deciding his/her own remuneration, which will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee held one meeting during the year. The members reviewed the remuneration package of Directors and the senior management of the Company.

The Remuneration Committee comprises three members namely:-

Mr. Wong Sincere (*Chairman*)
Mr. Sang Kangqiao
Mr. Lam Ka Tak

Majority of the members are Independent Non-executive Directors.

薪酬委員會

本公司於二零一三年十一月十九日成立薪酬委員會，其書面職權範圍符合守則條文之規定，並已由董事會不時檢討以使其一直符合最新規定，以監察全體董事及高級管理層之薪酬政策及架構。薪酬委員會之最新書面職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。

薪酬委員會的主要目標包括就董事及高級管理層的薪酬政策及架構向董事會提供推薦建議，以及釐定所有執行董事及高級管理層的薪酬待遇。薪酬委員會亦負責確保董事或其任何聯繫人並無參與釐定其本身薪酬，有關薪酬乃參考個人及本公司的表現以及市場常規及市況而釐定。

年內，薪酬委員會曾舉行一次會議。各成員已檢討本公司董事及高級管理層之薪酬方案。

薪酬委員會包括三名成員，即：

黃誠思先生（主席）
桑康喬先生
林嘉德先生

多數成員為獨立非執行董事。

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In addition, pursuant to the Code Provision B.1.5, the annual remuneration of the member of the senior management by band for the year ended 31 December 2019 is set out below:

此外，根據守則條文第B.1.5條，截至二零一九年十二月三十一日止年度高級管理層成員的年度薪酬按組別載列如下：

2019
二零一九年

HK\$ Nil to HK\$1,000,000

零港元至1,000,000港元

1

NOMINATION COMMITTEE

The Company has established a Nomination Committee on 19 November 2013 for making recommendations to the Board on appointment of Directors and succession planning for the directors.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, assessing the independence of the Independent Non-executive Directors and viewing the board diversity policy.

During the year ended 31 December 2019, one Nomination Committee meeting was held (i) to review the structure, size and composition of the Board; (ii) to assess the independence of independent non-executive directors; (iii) to review the contribution required from a director to perform his responsibilities; and (iv) to review the training and continuous professional development of directors. The individual attendance for the Nomination Committee meeting had been disclosed earlier in this report.

The Nomination Committee held one meeting during the year. The Nomination Committee recommended the re-appointment of the Directors standing for re-election at the forthcoming annual general meeting of the Company.

The Nomination Committee comprises three members namely:-

Mr. Sang Kangqiao (*Chairman*)
Mr. Xu Zhihao
Mr. Wong Sincere

Majority of the members are Independent Non-executive Directors.

提名委員會

本公司於二零一三年十一月十九日設立提名委員會，負責就委任董事及董事繼任計劃向董事會提供推薦建議。

提名委員會的主要職責包括檢討董事會的成員組成，就委任董事及董事繼任計劃向董事會提供推薦建議、評估獨立非執行董事的獨立性及檢討董事會成員多元化政策。

於截至二零一九年十二月三十一日止年度，提名委員會曾舉行一次會議：(i)檢討董事會的架構、規模及組成；(ii)評估獨立非執行董事的獨立性；(iii)檢討董事於履行其職責時須作出的貢獻；及(iv)檢討董事的培訓及持續專業發展。提名委員會會議的個人出席情況已於本報告前文披露。

年內，提名委員會曾舉行一次會議。提名委員會已就本公司應屆股東週年大會上之待重選董事作出重選推薦建議。

提名委員會包括三名成員，即：

桑康喬先生 (*主席*)
徐志浩先生
黃誠思先生

多數成員為獨立非執行董事。

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AUDIT COMMITTEE

The Company has established an Audit Committee on 19 November 2013 with written terms of reference that set out the authorities and duties of the Audit Committee. The terms of reference of the Audit Committee are available at the Company's website and on the website of The Stock Exchange of Hong Kong Limited. The Audit Committee performs, amongst others, the following functions:

- Review financial information of the Group
- Review relationship with and terms of appointment of the external auditors
- Determination of the nature and scope of the audit
- Review the Company's financial reporting system, internal control system and risk management system

During the year, the Audit Committee held two meetings. The Audit Committee oversees the internal control system of the Group, reviewed the consolidated financial statements of the Group for the year ended 31 December 2019 and interim results, the accounting principles and practices adopted by the Group, selection and appointment of the external auditors, reports to the Board on any material issues, and makes recommendations to the Board. There had been no disagreement between the Board and the Audit Committee during the financial year ended 31 December 2019.

The Audit Committee comprises three members namely:-

Mr. Lam Ka Tak (*Chairman*)
Mr. Xu Zhihao
Mr. Wong Sincere

All the members are Independent Non-executive Directors (including one Independent Non-executive Director who possesses the appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

審核委員會

本公司於二零一三年十一月十九日設立審核委員會並已制定書面職權範圍，當中列明審核委員會的權限及職責。審核委員會之職權範圍可於本公司網站及香港聯合交易所有限公司網站查閱。審核委員會履行（其中包括）以下職能：

- 審閱本集團的財務資料
- 檢討與外聘核數師的關係及委任條款
- 釐定核數的性質及範疇
- 檢討本公司財務申報系統、內部監控系統及風險管理系統

年內，審核委員會曾舉行兩次會議。審核委員會監管本集團內部監控系統、審閱本集團截至二零一九年十二月三十一日止年度的綜合財務報表及中期業績、本集團採納的會計原則及常規以及外聘核數師的甄選及委任、向董事會報告任何重大事項及向董事會提供推薦建議。於截至二零一九年十二月三十一日止財政年度，董事會與審核委員會之間並無意見分歧。

審核委員會包括三名成員，即：

林嘉德先生 (*主席*)
徐志浩先生
黃誠思先生

所有成員均為獨立非執行董事（包括一名擁有適當專業資格或會計或財務管理相關專長的獨立非執行董事）。概無審核委員會成員為本公司現任外聘核數師的前合作夥伴。

INTERNAL CONTROLS AND RISK MANAGEMENT

The Board is responsible for maintaining sound and effective internal control systems in order to safeguard the Group's assets and Shareholders' interests, and review and monitor the effectiveness of the Company's internal control and risk management systems on a regular basis so as to ensure that internal control and risk management systems in place are adequate. The Company has established written policies and procedures applicable to all operating units to ensure the effectiveness of internal controls. The Company also has a process for identifying, evaluating, and managing the significant risks to the achievement of its operational objective. This process is subject to continuous improvement and was in place throughout 2019 and up to the date of this report. The day-to-day operation is entrusted to each individual department, which is accountable for its own conduct and performance, and is required to strictly adhere to the policies set by the Board. The Company carries out reviews on the effectiveness of the internal control systems from time to time in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

During the year under review, the Board has conducted a review and assessment of the effectiveness of the Company's internal control and risk management systems including financial, operational and compliance controls and risk management which assisted by Group's internal audit team. Besides, in order to manage the Group's compliance status, the Legal and Compliance Committee holds monthly meetings to review the Group's compliance with Main Board Listing Rules, internal control measures and all relevant laws and regulations. The results of such review were satisfactory.

內部監控及風險管理

董事會負責維持健全有效的內部監控系統，以保障本集團資產及股東利益，並定期檢討及規管本公司內部監控及風險管理系統之有效性，以確保現行內部監控及風險管理系統屬充足。本公司已制定適用於所有營運單位的書面政策及程序，確保內部監控的效率。本公司亦有識別、評估及管理重大風險的程序以達成其營運目標。該程序須不斷改善，並在二零一九年整個年度及直至本報告日期貫徹使用。日常營運則委託予各個別部門，其對本身部門的行為及績效負責任，並須嚴格遵守董事會制定的政策。本公司不時對內部監控系統的效率進行檢討，確保其能夠符合及應對靈活多變的經營環境。

於回顧年度內，董事會在本集團內部審計小組的協助下已對本公司的內部監控及風險管理系統（包括財務、營運及合規控制以及風險管理）的有效性進行檢討及評估。此外，為管理本集團的合規情況，法律及合規委員會每月舉行會議以審閱本集團對主板上市規則、內部監控措施及所有相關法律法規的遵守情況。有關檢討結果均令人滿意。

Risk Management Process

The Group strives to maintain a sound risk management and internal control systems which are essential to accomplish its business objectives and its long term sustainable growth. The Board acknowledges its overall responsibility for evaluating and determining the nature and extent of the risks rest all levels of the organization. To this end, the Management regularly and continuously reviews and makes improvements in its risk management process. In addition, the Group engaged an external consultant and conducted a comprehensive review of the Group's risk management. The following diagram illustrates the Group's general risk management process.

Stage 1
Establish Risk Context
第1階段
設立風險內容

- The Board establishes common risk assessment criteria
- 董事會設立普通風險評估標準

Stage 2
Risk Identification
第2階段
風險識別

- Divisions and departments identify the risks that potentially impact the operation processes
- 各分部和部門識別對經營流程具有潛在影響的風險

Stage 3
Risk Assessment
第3階段
風險評估

- Divisions and departments assess and rank the identified risks along with the impact on the business and likelihood of occurrences
- 各分部和部門對已識別風險及其對業務的影響及發生的可能性進行評估及分級

Stage 4
Risk Treatment
第4階段
風險處理

- Divisions and departments assess effectiveness of existing controls and provide treatment plans where required
- 各分部和部門評估現有控制措施的有效性並提供處理方案（如需要）

Stage 5
Risk Monitoring and Reporting
第5階段
風險監控及報告

- Divisions and departments monitor risk and report risk to the Board
- The Board mitigate or eliminate the risks depends on the impact of the risk
- 各分部和部門監控風險並向董事會報告風險
- 董事會視乎風險的影響減輕或消除風險

風險管理程序

本集團致力於保持穩健的風險管理及內部監控系統，其乃為實現本集團業務目標及長期可持續增長的關鍵。董事會確認其對評估及釐定組織內各級別所存在風險的性質及程度負有整體責任。就此而言，管理層定期及持續檢討風險管理程序並就此作出改善。此外，本集團委聘外聘顧問並對本集團的風險管理進行全面檢討。下表闡明本集團的一般風險管理程序。

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In the course of risk management, the Board and the Management adopt a mix of risk strategies to handle various types of risk exposure. The risk strategies are listed as follows,

- **Risk Acceptance:** Risk acceptance does not reduce any effects however it is still considered a strategy. This strategy is a common option when the cost of other risk management options such as avoidance or limitation may outweigh the cost of the risk itself. A company that doesn't want to spend a lot of money on avoiding risks that do not have a high possibility of occurring will use the risk acceptance strategy.
- **Risk Avoidance:** Risk avoidance is the opposite of risk acceptance. It is the action that avoids any exposure to the risk whatsoever. Risk avoidance is usually the most expensive of all risk mitigation options.
- **Risk Limitation:** Risk limitation is the most common risk management strategy used by businesses. This strategy limits a company's exposure by taking some action. It is a strategy employing a bit of risk acceptance along with a bit of risk avoidance or an average of both.
- **Risk Transference:** Risk transference is the involvement of handing risk off to a willing third party. For example, various companies outsource certain operations such as customer service, payroll services, etc. This can be beneficial for a company if a transferred risk is not a core competency of that company. It can also be used so a company can focus more on their core competencies.

於風險管理過程中，董事會及管理層採用一套風險策略組合以處理各種不同類別的風險。風險策略列示如下：

- **風險接納：**接納風險並不會減輕任何影響，然而其仍被視為一項策略。當其他風險管理方法（如風險規避或風險限制）的成本超出風險本身成本時，則該策略將為普遍選擇。不希望花費大量財力去避免發生可能性不高的風險的公司，將使用風險接納策略。
- **風險規避：**風險規避與風險接納相反。其指規避面臨任何風險的行為。風險規避於所有風險減低方法中花費最多。
- **風險限制：**風險限制為業務中使用最為普遍的風險管理策略。該策略通過採取若干行動限制公司風險。該策略兼具少量風險接納及少量風險規避，或兩者各佔一半。
- **風險轉移：**風險轉移涉及將風險轉移予願意接受的第三方，如各類公司外包若干職能（如客服、薪酬管理服務等）。倘轉移的風險並非公司的核心職能，則將對公司有利。使用該策略亦可使公司更專注其的核心職能。

THE GROUP'S TOP 6 RISK EXPOSURES

本集團面臨的六大風險



| Type of Risks 風險類別 | Risk Description 風險描述 | Risk Strategy(ies) 風險策略 |
|-----------------------|--|----------------------------|
| Competitive Risk | <p>In food industry, there are always potential threats in food safety and quality. The food industry has seen cases of food contamination, due to reasons ranging from the raw material of food source, processing and storage in supplier plant and environmental impact. To ensure our food safety and quality, the Group will continue to conduct food safety audit and look for area of enhancement in more stringent food safety audit in all areas of operation. For example, the Group will arrange anonymous customers to evaluate regularly the quality of the Group's product and service offering.</p> | – Risk Limitation |
| 競爭風險 | <p>As the end users of our environmental maintenance services is the public and our works are subject to public scrutiny, our customers would consider works quality is the utmost crucial criterion for their selection of service providers. In order to ensure our environmental maintenance business sector to continue success, the Group has imposed rules and regulations to our employees to standardize their quality of works.</p> <p>確保食品安全和質量是在飲食行業中最重要的一環。食物原材料、供應商加工生產和儲存過程、環境因素等原因都可引致食品污染。本集團堅持以定期審核，並在食品安全審核領域上尋找更嚴謹的方法，以確保食品優質及安全。例如，本集團將安排匿名客戶定期評估本集團所提供的產品及服務的質量。</p> <p>由於我們環境維護服務的終端使用者為公眾，且我們的工作受到公眾監督，我們的客戶在選擇服務提供者時會將工作質量視為最重要的判斷標準。為確保我們的環境維護業務部門持續成功營運，本集團已針對僱員訂立規則及法規，以使其工作質量符合標準。</p> | – 風險限制 |

Corporate Governance Report 企業管治報告

| Type of Risks 風險類別 | Risk Description 風險描述 | Risk Strategy(ies) 風險策略 |
|----------------------------|---|--|
| Food Safety Risk 食品安全風險 | The food and beverage industry is highly competitive, which is why it is important to be efficient, stay up-to-date with nutritional trends and consumer tastes. Understanding the challenges and opportunities in both the industry and the market are important for any food retailer and manufacturer. 食品及飲料行業競爭激烈，因此提高效率、持續更新營養趨勢及跟進消費者口味極為重要。了解行業及市場的挑戰及機遇對任何食品零售商及製造商均非常重要。 | <ul style="list-style-type: none"> - Risk Avoidance - Risk Transference <ul style="list-style-type: none"> — 風險規避 — 風險轉移 |
| Economy Risk 經濟風險 | The Group's revenue is significantly dependent on Hong Kong's economy. A sustained economic downturn could curtail consumer spending and therefore the Group's revenue. As the risk is systematic in nature, there is no measure for the Company to completely eliminate the risk. 本集團的收益嚴重依賴香港經濟。持續的經濟下行將縮減消費者開支並進而減少本集團的收益。由於該風險屬系統性，本公司無法採取措施以徹底消除該風險。 | <ul style="list-style-type: none"> - Risk Acceptance <ul style="list-style-type: none"> — 風險接納 |
| Supply Risk 供應風險 | Any disruption of a food item or a supplier can impact the choice of food menu and operation. With our diverse food menu choices and strong network of suppliers, this risk poses no immediate threats to the Group, yet the Group keeps a close eye on the diversity and management of supply chain. 任何對食品或供應商的干擾均會影響食物菜單和營運操作。以我們多元化的食物菜單種類和強大的供應商網絡，該種風險並未對本集團帶來即時威脅，但本集團仍會一直密切關注和管理供應鏈的多樣性。 | <ul style="list-style-type: none"> - Risk Limitation <ul style="list-style-type: none"> — 風險限制 |

Corporate Governance Report 企業管治報告

| Type of Risks 風險類別 | Risk Description 風險描述 | Risk Strategy(ies) 風險策略 |
|------------------------------|---|---|
| Road safety risk | Our environmental maintenance business sector is expose to road safety risk as it deployed a considerable number of motor vehicles to conduct its business. The management has implemented certain measures to ensure the mechanical reliability of the motor vehicle; provision of training and guidance to the drivers to regulate their driving attitudes; and all motor vehicles are properly insured and registered to the relevant authorities. | <ul style="list-style-type: none"> - Risk Avoidance - Risk Transference |
| 道路安全風險 | 我們的環境維護業務部門面臨道路安全風險，原因是進行該業務時部署了數量可觀的汽車。管理層已執行若干措施以確保汽車的機械可靠性、提供駕駛員訓練及指引以規範其駕駛態度，且所有汽車均投保適當保險及於有關當局註冊。 | <ul style="list-style-type: none"> - 風險規避 - 風險轉移 |
| Operational Risks | As the work require huge number of labour, the risk on insufficient labour supply, insufficient experienced managerial personnel and increasing labour costs can impact the Group's profit. | <ul style="list-style-type: none"> - Risk Limitation |
| 營運風險 | 由於工作需要大量勞動力，勞動力供給不足及具經驗的管理人員不足 的風險，以及勞動成本增加會影響本集團的利潤。 | <ul style="list-style-type: none"> - 風險限制 |

Corporate Governance Report 企業管治報告

2019 Internal Controls and Risk Management Review

The Group has also appointed an external independent internal control consulting company ("external consultant") to conduct annual review of the effectiveness of the Group's internal control and risk management systems. No material internal control and risk management deficiencies were identified. The Board, during its annual review on the risk management, has confirmed the sufficiency of the resources and staff qualifications and experiences of the Group's risk management function.

To conclude, the Board believes that the existing internal control and risk management systems of the Group is adequate and effective.

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company on their reporting responsibilities and opinion on the Group's financial statements for the year ended 31 December 2019 is set out in the section headed "Independent Auditor's Report" in this annual report.

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor, including whether such non-audit functions could lead to any potential material adverse effect on the Company.

The fees paid/payable to PricewaterhouseCoopers for the year ended 31 December 2019 are set out as follows:

二零一九年內部監控及風險管理審閱

本集團亦已委任外聘獨立內部監控顧問公司（「外聘顧問」）就本集團內部監控及風險管理系統的有效性進行年度審閱。概無發現任何重大內部監控及風險管理瑕疵。於風險管理的年度審閱過程中，董事會已確認本集團風險管理職能的資源以及員工資歷及經驗的充足性。

總而言之，董事會認為本集團的現有內部監控及風險管理系統屬充分及有效。

外聘核數師及核數師酬金

本公司外聘核數師就其申報責任的聲明及對本集團截至二零一九年十二月三十一日止年度財務報表作出的意見，載於本年報「獨立核數師報告」一節。

本公司審核委員會負責考慮外聘核數師的委任及審閱外聘核數師進行的任何非審核職能，包括該等非審核職能是否會對本公司產生任何潛在重大不利影響。

截至二零一九年十二月三十一日止年度已付／應付予羅兵咸永道會計師事務所的費用載列如下：

| | | Fee paid/payable |
|--|---------------------|-------------------------|
| | | 已付／應付費用 |
| | | HK\$'000 |
| | | 千港元 |
| Audit services | 審計服務 | 1,650 |
| Non-audit services (other services related to investment circular) | 非審計服務（與投資通函有關的其他服務） | - |
| Total | 總計 | 1,650 |

Corporate Governance Report 企業管治報告

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial year which gives a true and fair view. In preparing the financial statements, appropriate accounting policies and standard are selected and applied consistently.

COMPANY SECRETARY

The Company Secretary is responsible for ensuring that Board procedures are followed and for facilitating communications among Directors as well as with shareholders and management.

Mr. Yu Kin Man Duncan declared that he had participated in relevant trainings in 2019, which met the requirements of Rule 3.29 of the Listing Rules.

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.u-banquetgroup.com) has provided an effective communication platform to the public and the shareholders.

INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Each newly appointed director receives formal, comprehensive and tailored induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

董事就財務報表須承擔的責任

董事負責就各財政年度編製作真實公平反映的財務報表。於編製財務報表時，選取並貫徹應用適當的會計政策及準則。

公司秘書

公司秘書負責確保董事會程序得以遵循，為董事間以及股東與管理層間的溝通提供便利。

余健文先生聲明彼已參與二零一九年之相關培訓，符合上市規則第3.29條之規定。

投資者關係

本公司認為，保持高水平透明度是加強投資者關係的關鍵，並秉持向其股東及投資公眾公開及及時披露企業資料的政策。

本公司透過年度及中期報告向其股東更新最新業務發展及財務表現。本公司企業網站 (www.u-banquetgroup.com) 為公眾及股東提供有效的交流平台。

入職及持續專業發展

每名新獲委任的董事於首任時均獲提供正式、全面及針對性入職介紹以確保其適當了解本公司的業務及營運以及全面知悉上市規則及相關法定要求下的董事責任及義務。

Corporate Governance Report 企業管治報告

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has continuously provided relevant training materials to the Directors. Directors participated in courses relating to roles, functions and duties of a listed company director or further enhancement of their professional development by the way of attending training courses or reading relevant materials. All Directors had provided the Company their training records for the year under review and the Company will continue to arrange the training in accordance with paragraph A.6.5 of the code provisions. The Directors and officers are indemnified under a directors' and officers' liability insurance against any liability incurred by them in discharge of their duties while holding office as the Directors and officers of the Company. The Directors and officers shall not be indemnified where there is any fraud, breach of duty or breach of trust proven against them.

SHAREHOLDER COMMUNICATION

The objective of shareholder communication is to provide our shareholders with detailed information about the Company so that they can exercise their rights as shareholders in an informed manner.

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. 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 forums for communication between the Company and its shareholders. The Company provides shareholders with relevant information on the resolution(s) proposed at general meetings in a timely manner in accordance with the Listing Rules. The information provided is reasonably necessary to enable shareholders to make an informed decision on the proposed resolution(s). All the resolutions proposed to be approved at the general meetings will be taken by poll and poll voting results will be published on the websites of the Stock Exchange and the Company after the meetings.

At the annual general meeting held on 13 June 2019, the Executive Directors and Chairman of the Board, the chairmen of the Audit, Remuneration and Nomination Committees and representatives from the auditor of the Company, PricewaterhouseCoopers, were present to attend to answer questions from shareholders. There were one general meetings held during the year.

本公司鼓勵所有董事參加持續專業發展以發展及更新其知識技能。本公司持續向董事提供相關培訓資料。董事參與有關上市公司董事的角色、職能及職責的課程或透過出席培訓課程或閱讀相關資料進一步提高其專業發展。所有董事已向本公司提供其於回顧年度的培訓課程記錄，本公司將根據守則條文第A.6.5條持續安排培訓。根據董事及高級職員責任保險，董事及高級職員於擔任本公司董事及高級職員期間因履行其責任而產生的任何債務將獲彌償。惟倘董事及高級職員被證實存在任何欺詐、失職或失信行為，則彼等將不獲彌償。

與股東溝通

與股東溝通旨在向股東提供本公司的詳細資料，以使其在知情情況下行使作為股東的權利。

本公司採用一系列溝通渠道以確保其股東知悉關鍵業務決策。有關溝通渠道包括股東週年大會、年報、各類通告、公佈及通函。本公司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。本公司根據上市規則，及時為股東提供擬於股東大會上提呈的決議案的相關資料。所提供的資料屬合理必要，以使股東能對提呈的決議案作出知情決定。將於股東大會上提呈批准之所有決議案均將以投票方式進行表決，投票表決結果將於大會後在聯交所及本公司網站刊登。

於二零一九年六月十三日舉行的股東週年大會上，董事會各執行董事及主席、審核委員會、薪酬委員會及提名委員會之主席及本公司核數師羅兵咸永道會計師事務所の代表已出席大會以回答股東的提問。年內共舉行一次股東大會。

Corporate Governance Report 企業管治報告

Under Code Provision A.6.7, Independent Non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. At the said meeting, all the Independent Non-executive Directors were presented to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENT

During the year, 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 Hong Kong Stock Exchange.

PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

There are no provisions allowing shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law (2012 Revision). However, shareholders are requested to follow article 64 of the Articles of Association of the Company which provides that extraordinary general meetings should be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If the Board fails to proceed to convene an extraordinary general meeting within 21 days of the deposit of the requisition, the requisitioner(s) may convene an extraordinary general meeting himself/ themselves, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to the requisitioner(s) by the Company.

根據守則條文第A.6.7條，獨立非執行董事須出席股東大會並對股東的意見有公正的了解。於上述大會上，全體獨立非執行董事均已出席，令董事會對本公司股東的意見有公正的了解。

章程文件之重大變動

年內，本公司並無對其章程文件作出任何變動。本公司章程文件之綜合版本可於本公司網站及香港聯交所網站查閱。

股東召開股東特別大會的程序

開曼群島公司法（二零一二年修訂本）並無允許股東於股東大會提呈新決議案的條文。然而，股東須遵循本公司組織章程細則第64條，其指出股東特別大會可由一名或以上股東要求召開，惟該等股東於提出要求當日須持有不少於本公司附有權利可於股東大會投票之實繳股本十分之一。有關要求須以書面形式向董事會或公司秘書提出，以就有關要求所指明之任何業務交易要求董事會召開股東特別大會。有關會議須於提交有關要求後兩個月內舉行。倘董事會於提交有關要求後二十一日內並未召開股東特別大會，呈請人可自行召開股東特別大會，所有因董事會未能召開股東特別大會而使呈請人產生的合理開支應由本公司向呈請人報銷。

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 113 of the Company's Articles of Association. No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Hong Kong Branch Share Registrar. The period for lodgment of the notices required under this Article will commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least 7 days.

PROCEDURES FOR SENDING ENQUIRIES TO THE BOARD

Shareholders may send written enquiries to the Company, for the attention of company secretary, by email: info@u-banquetgroup.com, or mail to Suite 1201, Cityplaza One, 1111 King's Road, Taikoo Shing, Hong Kong.

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.

CONCLUSION

The Company believes that good corporate governance could ensure an effective distribution of the resources and shareholders' interests. The senior management will continue endeavors in maintaining, enhancing and increasing the Group's corporate governance level and quality.

有關股東提名人士參選董事的程序

有關股東提名人士參選本公司董事的規定載於本公司組織章程細則第113條。除非一份有意提名選舉該位人士為董事的書面通知以及一份該位被推選人士簽發表明其願意參選之書面通知已呈交至總辦事處或香港股份過戶登記分處，否則概無人士（退任董事除外）合資格在任何股東大會上選舉出任董事職位（除非由董事會推選）。本條細則規定提交有關通知之期間須由不早於指定進行該推選之股東大會通告寄發翌日起計，及不遲於該股東大會舉行日期前七日結束，而可能向本公司發出有關通知之最短期間須最少為七日。

向董事會發出查詢的程序

股東可向本公司發出書面查詢，可通過以下方式聯絡公司秘書，包括電子郵件 (info@u-banquetgroup.com) 或郵遞至香港港島東太古城英皇道1111號太古城中心一座12樓01室。

資料披露

本公司根據上市規則披露資料，並根據相關法律法規定期向公眾刊發報告和公佈。本公司主要注重確保資料披露及時、公平、準確、真實及完整，以使股東、投資者以及公眾作出合理知情決定。

結論

本公司認為，良好的企業管治可確保資源有效分配以及股東的利益。高級管理層將繼續致力保持、加強及提升本集團的企業管治水平及質量。

Independent Auditor's Report

獨立核數師報告



To the shareholders of U Banquet Group Holding Limited
(incorporated in Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of U Banquet Group Holding Limited (the "Company") and its subsidiaries (the "Group") set out on pages 78 to 240, which comprise:

- the consolidated balance sheet as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flows statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and 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.

羅兵咸永道

致譽宴集團控股有限公司列位股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

譽宴集團控股有限公司(以下簡稱「貴公司」)及其附屬公司(「貴集團」)列載於第78頁至240頁的綜合財務報表,包括:

- 於二零一九年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,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二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港公司條例的披露規定妥為擬備。

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Independent Auditor's Report 獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessments of intangible assets and goodwill
- Impairment of property, plant and equipment and right-of-use assets

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 無形資產及商譽減值評估
- 物業、廠房及設備以及使用權資產減值

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Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Impairment assessments of intangible assets and goodwill 無形資產及商譽之減值評估

Refer to note 18 to the consolidated financial statements.
請參閱綜合財務報表附註18。

As a result of the acquisition of New Fortune Holdings Group Limited ("New Fortune") and its subsidiaries (collectively, the "New Fortune Group") and BYL Property Holdings Group Limited ("BYL") and its subsidiaries (collectively, the "BYL Group") in recent years, the Group recognised goodwill amounting to HK\$106.8 million and certain intangible assets amounting to HK\$57.4 million as at 31 December 2019.

The Group tests annually or whenever events or changes in circumstances indicate an indicator of impairment of goodwill arisen from business combinations. For intangible assets, the Group assessed impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Management grouped the assets of the Group at the lowest levels for which there are separately identifiable cash inflows that were largely independent of the cash inflows from other assets or groups of assets (cash generating units) and performed impairment assessments in respect of the cash generating units identified using the higher of their respective value-in-use and fair value less costs of disposal.

由於近年收購裕祥控股集團有限公司（「裕祥」）及其附屬公司（統稱「裕祥集團」）及寶潤來置業控股集團有限公司（「寶潤來」）及其附屬公司（統稱「寶潤來集團」），貴集團於二零一九年十二月三十一日確認商譽金額106.8百萬港元及若干無形資產57.4百萬港元。

貴集團每年或每當有事件或情況變化顯示業務合併產生的商譽出現減值跡象時進行測試。就無形資產而言，當有事件或情況變動顯示賬面值可能無法收回時，則貴集團會評估減值。

管理層將貴集團的資產按可分開識別的現金流入分類為最低水平，就此存在主要獨立於其他資產或資產組別的現金流入（現金產生單位），並採用各自使用價值與公平值減出售成本兩者中的較高者就已識別現金產生單位進行減值評估。

In testing the reasonableness of management's impairment assessment on intangible assets and goodwill, we have performed the following procedures:

於測試管理層對無形資產及商譽所進行減值評估的合理性時，我們已履行下列程序：

- Obtained from management the discounted cash flow projections for each individual cash generating unit, discussed with senior management to understand their assumptions applied in the financial budget and forecasting of operating results as included in the discounted cash flow projections;
- Assessed the appropriateness of the valuation methodology used by management;
- Challenged the key assumptions used, including but not limited to, the annual revenue growth rate, estimated gross profit margin and long term growth rate with reference to the historical performance, secured service contracts and external macroeconomic and industry specific factors to assess the reasonableness of these assumptions adopted by management in the discounted cash flow projections;
- 取得管理層就各個別現金產生單位的貼現現金流量預測，與高級管理層討論，以了解彼等在財務預算中應用的假設及貼現現金流量預測中所計入的經營業績預測；
- 評估管理層所採用的估值方法的合適性；
- 對所用關鍵假設（包括但不限於年度收益增長率、估計毛利率及長期增長率）提出質疑，參照過往表現、已獲取的服務合約及外部宏觀經濟及行業特定因素評估管理層於貼現現金流量預測中所採用該等假設的合理性；

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Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Impairment assessments of intangible assets and goodwill (Continued) 無形資產及商譽之減值評估 (續)

We focus on this because the goodwill and intangible assets recognised as a result of such acquisitions are significant to the financial position of the Group as at 31 December 2019. Furthermore, such impairment assessments prepared by management involved significant judgement with respect to the assumptions about the future results of the businesses.

Key assumptions include sales growth rate, gross profit margin percentage, terminal growth rate and discount rates applied in the discounted cash flow projection. Based on management assessments, no impairment loss is considered necessary for goodwill and intangible assets of the Group except for an impairment loss of goodwill related to the New Fortune Group CGU amounting to HK\$2.1 million charged to the consolidated statement of comprehensive income for the year ended 31 December 2019.

我們之所以關注此事宜乃由於因有關收購確認的商譽及無形資產對 貴集團於二零一九年十二月三十一日的財務狀況屬重大。此外，管理層編製的有關減值評估及當中有關業務未來業績的假設涉及重大判斷。

主要假設包括貼現現金流量預測中應用的銷售增長率、毛利率百分比、最終增長率及貼現率。根據管理層評估，毋須就 貴集團的商譽及無形資產作出減值虧損，惟有關裕祥集團現金產生單位的商譽減值虧損2.1百萬港元自截至二零一九年十二月三十一日止年度的綜合全面收益表扣除則除外。

- Together with our in-house valuation specialist, analysed the reasonableness of the discount rate adopted by management with reference to external data of comparable companies in the market;
- Evaluated the sensitivity analysis prepared by management around the key assumptions of the discounted cash flow projections such as sales growth rate, gross profit margin percentage, long term growth rate and discount rates to ascertain whether the extent and likelihood of such changes have been appropriately considered and disclosed; and
- Considered whether disclosures in the consolidated financial statements are adequate and appropriate.

Based on our procedures performed, we found the key assumptions used by management in the impairment assessment of intangible assets and goodwill were supported by available evidence.

- 參照市場中可資比較公司的外部數據與我們的內部估值專家一併分析管理層所採用貼現率的合理性；
- 評估管理層所編製之貼現現金流量預測之關鍵假設（如銷售增長率、毛利率百分比、長期增長率及貼現率）之敏感性分析，以確定該等變動是否已獲適當考慮及披露之程度及可能性；及
- 考慮綜合財務報表內的披露是否充分且合適。

根據我們已履行的程序，我們發現管理層於無形資產及商譽減值評估中所採用的主要假設受可獲得之證據支持。

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Key Audit Matter 關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets 物業、廠房及設備以及使用權資產減值

Refer to note 16(a) and note 16(b) to the consolidated financial statements.

The Group had HK\$54.7 million of property, plant and equipment and HK\$29.7 million of right-of-use assets as at 31 December 2019, of which HK\$13.6 million of property, plant and equipment and HK\$28.9 million of right-of-use assets were attributable to its Chinese restaurants. The carrying amounts of these assets of each Chinese restaurant were written down to their recoverable amounts if the assets' carrying amounts were greater than their estimated recoverable amounts.

Management regards each individual Chinese restaurant as a separately identifiable cash-generating unit and monitors its financial performance for the existence of impairment indicators.

請參閱綜合財務報表附註16(a)及附註16(b)。

於二零一九年十二月三十一日，貴集團擁有物業、廠房及設備54.7百萬港元及使用權資產29.7百萬港元，其中物業、廠房及設備13.6百萬港元及使用權資產28.9百萬港元乃歸因於其中式酒樓。倘中式酒樓各自的該等資產的賬面值高於其估計可收回金額，則資產賬面值撇減至其可收回金額。

管理層將各個別中式酒樓視為可獨立識別的現金產生單位，並監察其財務表現是否存在減值跡象。

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

In testing the reasonableness of management's impairment assessment on property, plant and equipment and right-of-use assets of Chinese restaurants, we evaluated management's assessment process for identifying underperforming Chinese restaurants by:

- Enquired of management on their basis of identifying impairment indicators;
- Challenged the judgements made in the identification of impairment indicators; and
- Compared the actual performance, for newly opened store, to the budget.

We tested the impairment calculation by performing the following procedures:

- Compared the forecasted sales performance to the approved business plan, and compared estimated running costs to the historical records;

於評估管理層對物業、廠房及設備以及中式酒樓的使用權資產所進行減值評估的合理性時，我們已評估管理層就識別表現欠佳的中式酒樓的評估程序：

- 向管理層查詢彼等識別減值跡象的基準；
- 對識別減值跡象時所作的判斷提出質疑；及
- 將新開業店舖的實際表現與預算進行比較。

我們透過履行以下程序對減值計算進行測試：

- 比較預測銷售表現與經審批的業務計劃，及比較估計營運成本與歷史記錄；

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Key Audit Matter 關鍵審計事項

How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

Impairment of property, plant and equipment and right-of-use assets (Continued) 物業、廠房及設備以及使用權資產減值 (續)

Management regards those Chinese restaurants with losses before interest, tax, depreciation and amortisation ("LBITDA") in the current year or with an aggregate projected earnings before interest, tax, depreciation and amortisation ("EBITDA") in the remaining lease term below the aggregate carrying amounts of property, plant and equipment and right-of-use assets, as having impairment indicators.

Management carried out an impairment assessment for the Chinese restaurants which had impairment indicators and recognised impairment losses of HK\$8.5 million and HK\$14.7 million on property, plant and equipment and right-of-use assets respectively in the profit or loss for the year. The recoverable amounts of the assets of these Chinese restaurants were determined by value-in-use calculations using discounted cash flow projections based on the financial forecasts approved by management covering the remaining lease term of each of these Chinese restaurants, which were higher than the respective fair value less costs of disposal of these Chinese restaurants.

We focus on this area because significant estimation and judgement were involved in deciding whether Chinese restaurants had impairment indicators and in determining the recoverable amounts of the assets of relevant Chinese restaurants.

管理層將本年度錄得未計利息、稅項、折舊及攤銷前虧損（「LBITDA」）或於餘下租期未計利息、稅項、折舊及攤銷前預測盈利總額（「EBITDA」）低於物業、廠房及設備以及使用權資產的賬面總值的該等中式酒樓視為出現減值跡象。

管理層對出現減值跡象的中式酒樓進行減值評估，並就物業、廠房及設備以及使用權資產於年內損益確認減值虧損分別為8.5百萬港元及14.7百萬港元。該等中式酒樓資產的可收回金額乃根據管理層批准之涵蓋該等中式酒樓餘下租期的財務預測（高於各自公平值減出售該等中式酒樓的成本），採用貼現現金流量預測所計算的使用價值而釐定。

我們之所以關注此事宜乃由於釐定中式酒樓有否出現減值跡象及釐定相關中式酒樓資產的可收回金額時涉及重大估計及判斷。

- Enquired of management in relation to key assumptions in their business plan and evaluated the key assumptions (such as revenue growth rate and various costs to revenue ratios) applied by comparing them to historical information and our understanding of latest market information and condition;
- Recomputed the impairment loss calculation; and
- Evaluated the sensitivity analysis to ascertain the extent of change in the key assumptions either individually or collectively that would result in the relevant assets of Chinese restaurants being impaired and also considered the likelihood of such a change in the key assumptions arising.

Based on our procedures performed, we found the key assumptions used by management in the impairment assessment of property, plant and equipment and right-of-use assets of Chinese restaurants were supported by available evidence.

- 向管理層查詢其業務計劃的關鍵假設，並將所採用的關鍵假設與歷史資料及我們對最近期市場資料及狀況的理解進行比較，評估有關假設（如收益增長率及若干成本收益比率）；
- 重新計算減值虧損；及
- 評估敏感度分析，以確定將導致中式酒樓相關資產出現減值的關鍵假設的變動程度（個別或整體），同時考慮關鍵假設出現有關變動的可能性。

根據我們所履行的程序，我們發現，管理層對中式酒樓的物業、廠房及設備以及使用權資產作出減值評估所採用的關鍵假設受可獲得證據支持。

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OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company 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.

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

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計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。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們並無任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備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擬備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。

在擬備綜合財務報表時，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的財務報告過程。

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 scepticism 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.

核數師就審計綜合財務報表承擔的責任

我們的目標是對綜合財務報表整體是否不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，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期單獨或匯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，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- * Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們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的相關披露。假若有關的披露不足，則我們應當修改我們的意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with 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.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

Independent Auditor's Report 獨立核數師報告

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

From the matters communicated with 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Cheung Kin Bong.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 31 March 2020

我們還向審核委員會提交聲明，說明我們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我們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。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是張健邦先生。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月三十一日

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

| | | Year ended 31 December 截至十二月三十一日止年度 | | |
|---|---------------------|--|----------------------------------|-----------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | |
| | | Note 附註 | | |
| Revenue | 收益 | 6 | 461,909 | 410,858 |
| Other income | 其他收入 | 7 | 2,043 | 1,872 |
| Cost of revenue | 收益成本 | 8 | (89,813) | (107,257) |
| Employee benefits expenses | 員工福利開支 | 10 | (193,821) | (135,138) |
| Depreciation | 折舊 | | (60,899) | (15,524) |
| Amortisation | 攤銷 | | (19,594) | (3,190) |
| Operating lease payments | 經營租賃付款 | 16(b) | (19,444) | (77,005) |
| Utilities expenses | 公共設施開支 | | (25,155) | (33,922) |
| Other expenses | 其他開支 | 9 | (66,421) | (65,086) |
| Gain on disposal of financial assets at fair value through profit or loss | 出售按公平值計入損益之金融資產之收益 | | - | 302 |
| Fair value loss of financial assets at fair value through profit or loss | 按公平值計入損益之金融資產之公平值虧損 | 3.3(a) | (6,395) | - |
| Fair value (loss)/gain of investment properties | 投資物業之公平值(虧損)/收益 | 17 | (11,184) | 4,565 |
| Impairment of property, plant and equipment and right-of-use assets | 物業、廠房及設備及使用權資產之減值 | 16 | (23,172) | (2,831) |
| Impairment of goodwill | 商譽減值 | 18 | (2,104) | - |
| Other gain, net | 其他收益·淨額 | 7 | 3,941 | 206 |
| Operating loss | 經營虧損 | | (50,109) | (22,150) |
| Finance income | 財務收入 | 12 | 1,516 | 864 |
| Finance costs | 財務成本 | 12 | (7,445) | (1,993) |
| Finance costs – net | 財務成本—淨額 | 12 | (5,929) | (1,129) |

Consolidated Statement of Comprehensive Income 綜合全面收益表

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

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|--|----------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | Note 附註 | | |
| Loss before income tax | 除所得稅前虧損 | (56,038) | (23,279) |
| Income tax expense | 所得稅開支 | (3,783) | (1,966) |
| Loss for the year | 年度虧損 | (59,821) | (25,245) |
| (Loss)/profit attributable to: | 下列人士應佔(虧損)/溢利: | | |
| Equity holders of the Company | 本公司權益擁有人 | (71,003) | (27,260) |
| Non-controlling interests | 非控股權益 | 11,182 | 2,015 |
| | | (59,821) | (25,245) |
| Loss per share for loss attributable to the ordinary equity holders of the Company: | 本公司普通權益擁有人應佔虧損之每股虧損: | | |
| Basic loss per share | 每股基本虧損 | (12 cents港仙) | (5 cents港仙) |
| Diluted loss per share | 每股攤薄虧損 | N/A不適用 | N/A不適用 |
| Other comprehensive loss: | 其他全面虧損: | | |
| <i>Items that may be reclassified to profit or loss</i> | <i>可能重新分類至損益之項目</i> | | |
| Currency translation differences | 貨幣換算差額 | (4,853) | (3,179) |
| Total other comprehensive loss for the year | 年度其他全面虧損總額 | (4,853) | (3,179) |
| Total comprehensive loss for the year | 年度全面虧損總額 | (64,674) | (28,424) |

Consolidated Statement of Comprehensive Income 綜合全面收益表

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

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|---|--------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | | Note 附註 | |
| Total comprehensive (loss)/income attributable to: | 下列人士應佔全面(虧損)/收益總額: | | |
| Equity holders of the Company | 本公司權益擁有人 | | (30,859) |
| Non-controlling interests | 非控股權益 | | 2,435 |
| | | | (64,674) |

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上綜合全面收益表應與隨附附註一併閱讀。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

| | | As at 31 December 於十二月三十一日 | |
|---|-----------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | | Note 附註 | |
| ASSETS | 資產 | | |
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 16(a) | 62,667 |
| Investment properties | 投資物業 | 17 | 108,423 |
| Right-of-use assets | 使用權資產 | 16(b) | - |
| Goodwill | 商譽 | 18 | 111,247 |
| Intangible assets | 無形資產 | 18 | 78,081 |
| Non-current deposits | 非流動按金 | 21 | 15,751 |
| Prepayment for acquisition of property, plant and equipment | 收購物業、廠房及設備之預付款項 | 21 | 921 |
| Financial assets at fair value through profit and loss | 按公平值計入損益之金融資產 | 22 | 6,878 |
| Contract assets | 合約資產 | 6 | 13,204 |
| Deferred income tax assets | 遞延所得稅資產 | 30 | 6,473 |
| Total non-current assets | 非流動資產總值 | | 403,645 |
| Current assets | 流動資產 | | |
| Contract assets | 合約資產 | 6 | 1,742 |
| Trade receivables | 貿易應收款項 | 20 | 12,024 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 21 | 36,453 |
| Cash and cash equivalents | 現金及現金等價物 | 23 | 117,635 |
| Total current assets | 流動資產總值 | | 167,854 |
| Total assets | 總資產 | | 571,499 |

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

| | | As at 31 December 於十二月三十一日 | |
|---|---------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | | Note 附註 | |
| EQUITY | 權益 | | |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | |
| Share capital | 股本 | 24 | 5,880 |
| Share premium | 股份溢價 | 24 | 304,370 |
| Reserves | 儲備 | 25 | (49,776) |
| | | | 5,580 |
| | | | 255,070 |
| | | | (155,664) |
| Non-controlling interests | 非控股權益 | 41 | 260,474 |
| | | | 66,416 |
| | | | 104,986 |
| | | | 58,082 |
| | | | 326,890 |
| | | | 163,068 |
| LIABILITIES | 負債 | | |
| Non-current liabilities | 非流動負債 | | |
| Lease liabilities | 租賃負債 | 16(b) | 29,440 |
| Accruals, provisions and other payables | 應計費用、撥備及其他應付款項 | 27 | - |
| Contract liabilities | 合約負債 | 6 | - |
| Deferred income tax liabilities | 遞延所得稅負債 | 30 | 2,103 |
| Provision for reinstatement costs | 修復成本撥備 | 31 | 39,480 |
| | | | 447 |
| | | | 2,997 |
| | | | 2,260 |
| | | | 44,048 |
| | | | 1,565 |
| Total non-current liabilities | 非流動負債總額 | | 71,470 |
| | | | 50,870 |
| Current liabilities | 流動負債 | | |
| Trade payables | 貿易應付款項 | 26 | 29,387 |
| Accruals, provisions and other payables | 應計費用、撥備及其他應付款項 | 27 | 49,818 |
| Deposits received | 已收按金 | 27 | 578 |
| Provision for reinstatement costs | 修復成本撥備 | 31 | - |
| Contract liabilities | 合約負債 | 6 | 23,915 |
| Consideration payables | 應付代價 | | 74,571 |
| Lease liabilities | 租賃負債 | 16(b) | 18,648 |
| Amount due to a related company | 應付一間關聯公司款項 | 38(c) | 3,378 |
| Amount due to a director | 應付一名董事款項 | 38(c) | 1,100 |
| Amount due to a director of certain subsidiaries | 應付若干附屬公司之 一名董事款項 | 38(c) | 99 |
| Borrowings | 借貸 | 28 | 1,674 |
| Loans from a shareholder | 股東貸款 | 38(c) | 19,456 |
| Loans from a director of certain subsidiaries | 若干附屬公司之 一名董事貸款 | 29, 38(c) | 41,000 |
| Current income tax liabilities | 即期所得稅負債 | | 16,374 |
| | | | 20,250 |
| | | | 51,503 |
| | | | 2,103 |
| | | | 1,552 |
| | | | 36,272 |
| | | | 113,102 |
| | | | - |
| | | | 3,453 |
| | | | 1,100 |
| | | | - |
| | | | - |
| | | | 95,043 |
| | | | 19,000 |
| | | | 14,183 |

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2019 於二零一九年十二月三十一日

| | | As at 31 December 於十二月三十一日 | |
|-------------------------------------|---------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | Note 附註 | | |
| Total current liabilities | 流動負債總額 | 279,998 | 357,561 |
| Total liabilities | 總負債 | 351,468 | 408,431 |
| Total equity and liabilities | 總權益及負債 | 678,358 | 571,499 |

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

以上綜合資產負債表應與隨附附註一併閱讀。

The consolidated financial statements on pages 78 to 240 were approved by the Board of directors on 31 March 2020 and were signed on its behalf

第78頁至240頁的綜合財務報表已於二零二零年三月三十一日獲董事會批准並由以下人士簽署

Sang Kangqiao
桑康喬
Director
董事

Xu Wenze
許文澤
Director
董事

Consolidated Statement of Changes In Equity

綜合權益變動表

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

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | |
|--|----------------------------|---|---------------|-----------------|------------------|-----------------------------|--------------------|-------------------|----------|---------------------------|----------|
| | | Share capital | Share premium | Capital reserve | Exchange reserve | Share-based payment reserve | Accumulated losses | Statutory reserve | Total | Non-controlling interests | Total |
| | | 股本 | 股份溢價 | 資本儲備 | 匯兌儲備 | 以股份為基礎的 付款儲備 | 累計虧損 | 法定儲備 | 總計 | 非控股權益 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| For the year ended | 截至二零一八年 | | | | | | | | | | |
| 31 December 2018 | 十二月三十一日止年度 | | | | | | | | | | |
| Balance as at 1 January 2018 | 於二零一八年一月一日的結餘 | 5,580 | 236,120 | 4,986 | 3,206 | 23,428 | (142,359) | - | 130,961 | - | 130,961 |
| Comprehensive income: | 全面收益: | | | | | | | | | | |
| Loss for the year | 年度虧損 | - | - | - | - | - | (27,260) | - | (27,260) | 2,015 | (25,245) |
| Other comprehensive income: | 其他全面收益: | | | | | | | | | | |
| Currency translation difference | 貨幣換算差額 | - | - | - | (3,599) | - | - | - | (3,599) | 420 | (3,179) |
| Total other comprehensive loss | 其他全面虧損總額 | - | - | - | (3,599) | - | - | - | (3,599) | 420 | (3,179) |
| Total comprehensive loss | 全面虧損總額 | - | - | - | (3,599) | - | (27,260) | - | (30,859) | 2,435 | (28,424) |
| Transaction with owners in their capacity as owners: | 與擁有人以其擁有人身份進行的交易: | | | | | | | | | | |
| Share-based payment (Note 35) | 以股份為基礎的付款 (附註35) | - | - | - | - | 4,565 | - | - | 4,565 | - | 4,565 |
| Lapse of share options (Note 35) | 購股權失效 (附註35) | - | - | - | - | (247) | 247 | - | - | - | - |
| Acquisition of subsidiaries (Note 32) | 收購附屬公司 (附註32) | - | - | - | - | - | - | - | - | 55,966 | 55,966 |
| Transfer from share-based payment reserve to share premium (Note 25) | 自以股份為基礎的付款儲備轉撥至股份溢價 (附註25) | - | 18,950 | - | - | (18,950) | - | - | - | - | - |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | - | - | - | - | (331) | 650 | 319 | (319) | - |
| Balance as at 31 December 2018 | 於二零一八年十二月三十一日的結餘 | 5,580 | 255,070 | 4,986 | (393) | 8,796 | (169,703) | 650 | 104,986 | 58,082 | 163,068 |

Consolidated Statement of Changes In Equity 綜合權益變動表

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

| | | Attributable to owners of the Company 本公司擁有人應佔 | | | | | | | | | |
|---|--------------------------|---|---------------|-----------------|------------------|-----------------------------|--------------------|-------------------|----------|---------------------------|----------|
| | | Share capital | Share premium | Capital reserve | Exchange reserve | Share-based payment reserve | Accumulated losses | Statutory reserve | Total | Non-controlling interests | Total |
| | | 股本 | 股份溢價 | 資本儲備 | 匯兌儲備 | 以股份為基礎的 付款儲備 | 累計虧損 | 法定儲備 | 總計 | 非控股權益 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| For the year ended | 截至二零一九年 | | | | | | | | | | |
| 31 December 2019 | 十二月三十一日止年度 | | | | | | | | | | |
| Balance as at 1 January 2019 | 於二零一九年一月一日的結餘 | 5,580 | 255,070 | 4,986 | (393) | 8,796 | (169,703) | 650 | 104,986 | 58,082 | 163,068 |
| Comprehensive income: | 全面收益: | | | | | | | | | | |
| Loss for the year | 年度虧損 | - | - | - | - | - | (71,003) | - | (71,003) | 11,182 | (59,821) |
| Other comprehensive income: | 其他全面收益: | | | | | | | | | | |
| Currency translation difference | 貨幣換算差額 | - | - | - | (3,853) | - | - | - | (3,853) | (1,000) | (4,853) |
| Total other comprehensive loss | 其他全面虧損總額 | - | - | - | (3,853) | - | - | - | (3,853) | (1,000) | (4,853) |
| Total comprehensive loss | 全面虧損總額 | - | - | - | (3,853) | - | (71,003) | - | (74,856) | 10,182 | (64,674) |
| Transaction with owners in their capacity as owners: | 與擁有人以其擁有人身份進行的交易: | | | | | | | | | | |
| Issuance of ordinary share | 發行普通股 | 300 | 49,300 | - | - | - | - | - | 49,600 | - | 49,600 |
| Share-based payment (Note 35) | 以股份為基礎的付款 (附註35) | - | - | - | - | 1,896 | - | - | 1,896 | - | 1,896 |
| Lapse of share options | 購股權失效 | - | - | - | - | (283) | 283 | - | - | - | - |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | - | - | - | - | (1,923) | 3,771 | 1,848 | (1,848) | - |
| Shares to be issued (Note 25) | 將予發行股份(附註25) | - | - | 177,000 | - | - | - | - | 177,000 | - | 177,000 |
| Balance as at | 於二零一九年 | | | | | | | | | | |
| 31 December 2019 | 十二月三十一日的結餘 | 5,880 | 304,370 | 181,986 | (4,246) | 10,409 | (242,346) | 4,421 | 260,474 | 66,416 | 326,890 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上綜合權益變動表應與隨附附註一併閱讀。

Consolidated Cash Flows Statement

綜合現金流量表

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

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|--|------------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | | Note 附註 | |
| Cash flows from operating activities | 經營活動所得現金流量 | | |
| Cash generated from operations | 經營所得現金 | 34(a) | 78,977 |
| Mainland China income tax (paid)/ refunded, net | (已付)/退還中國內地 所得稅, 淨額 | | (5,222) |
| | | | 18,847 |
| | | | 327 |
| Net cash inflow from operating activities | 經營活動產生現金流入淨額 | | 73,755 |
| | | | 19,174 |
| Cash flows from investing activities | 投資活動所得現金流量 | | |
| Interest received | 已收利息 | | 218 |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | | (48,965) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及 設備之所得款項 | | - |
| Net cash outflow from disposal of subsidiaries | 出售附屬公司所得 現金流出淨額 | 33 | (436) |
| Payment for acquisition of subsidiaries, net of cash acquired | 收購附屬公司之付款, 扣除已收購現金 | 32 | - |
| Payment for purchase of trading securities | 購買交易證券之付款 | | - |
| Proceeds from trading securities | 交易證券之所得款項 | | - |
| Proceeds from sale of asset held for sale | 出售持作出售資產之 所得款項 | | - |
| | | | 34,301 |
| | | | 32,182 |
| Net cash outflow from investing activities | 投資活動產生現金流出淨額 | | (49,183) |
| | | | (13,441) |

Consolidated Cash Flows Statement 綜合現金流量表

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

| | | Year ended 31 December 截至十二月三十一日止年度 | |
|---|---------------------|--|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| | | Note 附註 | |
| Cash flows from financing activities | 融資活動所得現金流量 | | |
| Interest paid | 已付利息 | | (1,937) |
| Proceeds from loans from a director of certain subsidiaries | 若干附屬公司的一名董事的貸款之所得款項 | | (26,000) |
| Repayments of loans from a director of certain subsidiaries | 償還若干附屬公司的一名董事的貸款 | | – |
| Proceeds from bank borrowings | 銀行借款之所得款項 | | – |
| Repayments of bank borrowings | 償還銀行借款 | | – |
| Repayments of principal portion of lease liabilities | 償還租賃負債之本金部分 | | – |
| Proceeds from loans from a shareholder | 股東貸款之所得款項 | | 250,070 |
| Repayment of loans from a shareholder | 償還股東貸款 | | (305,717) |
| Repayment of consideration payable | 償還應付代價 | 34(d) | – |
| Issuance of ordinary shares by subscription | 以認購方式發行普通股 | 24 | – |
| Net proceeds received on shares to be issued | 將予發行股份收取之所得款項淨額 | 25 | – |
| Net cash inflow/(outflow) from financing activities | 融資活動產生現金流入／(流出)淨額 | | (83,584) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物增加／(減少)淨額 | | (77,851) |
| Cash and cash equivalents at beginning of the year | 年初現金及現金等價物 | | 196,335 |
| Currency translation differences | 貨幣換算差額 | | (849) |
| Cash and cash equivalents at end of the year | 年末現金及現金等價物 | 23 | 117,635 |

The above consolidate cash flow statement should be read in conjunction with the accompanying notes.

以上綜合現金流量表應與隨附附註一併閱讀。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

U Banquet Group Holding Limited (the “Company”) was incorporated in the Cayman Islands on 20 June 2013 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands. The Company’s principal place of business is located at Suite 1201, Cityplaza One, 1111 King’s Road, Taikoo Shing, Hong Kong.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

The Company is an investment holding company and its subsidiaries (collectively, the “Group”) are principally engaged in Chinese restaurant and wedding business, property leasing, securities trading business and environmental maintenance business.

These consolidated financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of directors on 31 March 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of U Banquet Group Holding Limited and its subsidiaries.

1 一般資料

譽宴集團控股有限公司（「本公司」）於二零一三年六月二十日根據開曼群島公司法（二零一零年修訂本）在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands。本公司主要營業地點位於香港港島東太古城英皇道1111號太古城中心一座12樓01室。

本公司的股份於香港聯合交易所有限公司主板上市。

本公司為投資控股公司，連同其附屬公司（統稱「本集團」）主要從事中式酒樓及婚禮業務、物業租賃、證券買賣業務及環境維護業務。

除另有說明外，此等綜合財務報表以港元（「港元」）呈列而所有金額均約整為最接近千位數（千港元）。此等綜合財務報表已於二零二零年三月三十一日獲董事會批准刊發。

2 主要會計政策概要

編製此等綜合財務報表所採用的主要會計政策載列如下。除另有指明外，該等政策於所有呈列年度一直貫徹採用。綜合財務報表乃為本集團（由譽宴集團控股有限公司及其附屬公司組成）編製。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets at fair value through profit or loss, which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2 主要會計政策概要 (續)

2.1 編製基準

本公司綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例的披露規定編製。本綜合財務報表按歷史成本法編製，並經投資物業重估及按公平值計入損益之金融資產按公平值列賬作出修訂。

根據香港財務報告準則編製綜合財務報表須運用若干關鍵會計估計。這亦需要管理層在應用本集團會計政策過程中運用其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對綜合財務報表作出重大假設及估計的範疇披露於附註4。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(a) New standards, amendment to standards and interpretation adopted by the Group

The Group has applied the following new standards, amendment to standards and interpretation for the first time for their annual reporting period commencing 1 January 2019:

| Annual Improvements Project | Annual Improvements 2015-2017 Cycle (amendments) |
|-----------------------------|---|
| HKAS 19 | Plan Amendment, Curtailment or Settlement (amendments) |
| HKAS 28 | Long-term Interests in Associates and Joint Ventures (amendments) |
| HKFRS 9 | Prepayment Features with Negative Compensation (amendments) |
| HKFRS 16 | Leases (new standard) |
| HK(IFRIC)-Int 23 | Uncertainty over Income Tax Treatments (new interpretation) |

The Group had to change its accounting policies following the adoption of HKFRS 16. The impact of the adoption of HKFRS 16, "Leases" is disclosed in Note 2.2. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(a) 本集團採納的新訂準則、準則的修訂及詮釋

本集團已於二零一九年一月一日開始的年度報告期間首次採納以下新訂準則、準則的修訂及詮釋：

| 年度改進項目 | 二零一五年至二零一七年週期之年度改進 (修訂本) |
|---------------------------|--------------------------|
| 香港會計準則第19號 | 計劃修訂、縮減或結清 (修訂本) |
| 香港會計準則第28號 | 於聯營公司及合營企業的長期權益 (修訂本) |
| 香港財務報告準則第9號 | 具有負補償之提前還款特性 (修訂本) |
| 香港財務報告準則第16號 | 租賃 (新訂準則) |
| 香港 (國際財務報告詮釋委員會) – 詮釋第23號 | 所得稅處理的不確定性 (新詮釋) |

本集團於採納香港財務報告準則第16號後須變更其會計政策。採納香港財務報告準則第16號「租賃」的影響於附註2.2披露。上述其他修訂並無對過往期間所確認的金額造成任何影響，且預期不會對本期間或未來期間造成重大影響。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

(b) **New standards and amendments to existing standards that have been issued but are not effective and have not been early adopted by the Group**

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) **新訂準則及現有準則的修訂經已頒佈，惟其尚未生效，本集團亦無提早採納**

**Effective for
annual periods
beginning on or after
於以下日期或之後
開始的年度期間生效**

| | | |
|--|---|-----------------------------|
| HKFRS 3 香港財務報告準則第3號 | Definition of a Business (amendments) 業務的定義 (修訂本) | 1 January 2020 二零二零年一月一日 |
| HKAS 1 and HKAS 8 香港會計準則第1號及 香港會計準則第8號 | Definition of Material (amendments) 重大的定義 (修訂本) | 1 January 2020 二零二零年一月一日 |
| HKFRS 17 香港財務報告準則第17號 | Insurance Contracts (new standard) 保險合約 (新訂準則) | To be determined 待定 |
| Conceptual Framework for Financial Reporting 2018 二零一八年財務報告之概念框架 | Revised Conceptual Framework for Financial Reporting 修訂財務報告概念框架 | 1 January 2020 二零二零年一月一日 |
| HKAS 39, HKFRS 7 and HKFRS 9 香港會計準則第39號、香港財務 報告準則第7號及香港財務 報告準則第9號 | Hedge accounting (amendments) 對沖會計 (修訂本) | 1 January 2020 二零二零年一月一日 |
| HKFRS 10 and HKAS 28 香港財務報告準則第10號及 香港會計準則第28號 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments) 投資者與其聯營企業或合營企業之間的資產銷 售或注資 (修訂本) | To be determined 待定 |

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.1 Basis of preparation (Continued)

(b) **New standards and amendments to existing standards that have been issued but are not effective and have not been early adopted by the Group** (Continued)

The above new standards and amendments to existing standards have been published that are not mandatory for the annual reporting periods commencing 1 January 2019 and have not been early adopted by the Group. These new standards and amendments to existing standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standards and amendments to existing standards when they become effective.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

(b) **新訂準則及現有準則的修訂經已頒佈，惟其尚未生效，本集團亦無提早採納** (續)

上述新訂準則及現有準則的修訂已經頒佈，惟於自二零一九年一月一日開始之年度報告期間並無強制生效及本集團並無提早採用。預期該等新訂準則及現有準則的修訂不會對實體於目前或未來報告期間及對可見未來交易造成重大影響。本集團擬於彼等生效時採用上述新訂準則及現有準則的修訂。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

The note explains the impact of the adoption of HKFRS 16 Leases on the Group's consolidated financial statements.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 January 2019. The new accounting policies are disclosed in Note 2.27.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.26%.

2 主要會計政策概要 (續)

2.2 會計政策變動

本附註解釋採納香港財務報告準則第16號租賃對本集團綜合財務報表的影響。

本集團自二零一九年一月一日起追溯採納香港財務報告準則第16號，但誠如該準則的特定過渡條文所允許，並無就二零一八年報告期間重列比較數字。因此，該等新租賃規則導致的重新分類及調整於二零一九年一月一日的年初綜合資產負債表中確認。新會計政策於附註2.27披露。

於採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號「租賃」原則下分類為「經營租賃」的租賃確認為租賃負債。該等負債按餘下租賃付款的現值進行計量，並使用承租人於二零一九年一月一日的增量借款利率貼現。承租人於二零一九年一月一日應用於租賃負債的加權平均增量借款利率為3.26%。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(i) Practical expedients applied

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

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(i) 應用的可行權宜方法

於首次應用香港財務報告準則第16號時，本集團已使用以下獲該準則許可的可行權宜方法：

- 對具有合理相似特徵的租賃組合使用單一貼現率；
- 將於二零一九年一月一日剩餘租賃期少於十二個月的經營租賃的會計處理為短期租賃；
- 在首次應用日期排除初始直接成本以計量使用權資產；及
- 當合約包含延長或終止租約的選擇時，以後見之明確定租賃期。

本集團亦已選擇不重新評估合約在首次應用日期是否為或包含租賃。相反，對於在過渡日期之前訂立的合約，本集團依據其應用香港會計準則第17號及香港（國際財務報告詮釋委員會）—詮釋第4號「釐定安排是否包括租賃」作出的評估。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(ii) Measurement of lease liabilities

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(ii) 計量租賃負債

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|------------------------|----------------------------------|
| Operating lease commitments disclosed as at 31 December 2018 | 於二零一八年十二月三十一日披露的經營租賃承擔 | 215,969 |
| Less: Leases committed but not yet commenced as at 1 January 2019 | 減：於二零一九年一月一日承諾但尚未開始的租賃 | (62,591) |
| Operating lease commitments of leases commenced as at 1 January 2019 | 於二零一九年一月一日開始的租賃的經營租賃承擔 | 153,378 |
| Discounted using the lessee's incremental borrowing rate at the date of initial application | 於首次應用日期使用承租人的增量借款利率貼現 | 148,171 |
| Less: Extension adjustment | 減：延長調整 | (38,870) |
| Less: Short-term leases recognised on a straight-line basis as expense | 減：按直線基準確認為開支的短期租賃 | (16,769) |
| Lease liabilities recognised as at 1 January 2019 | 於二零一九年一月一日確認的租賃負債 | 92,532 |
| Of which are: | 其中： | |
| Current lease liabilities | 流動租賃負債 | 36,056 |
| Non-current lease liabilities | 非流動租賃負債 | 56,476 |
| | | 92,532 |

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.2 Changes in accounting policies *(Continued)*

(iii) Measurement of right-of-use assets

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(iii) 計量使用權資產

使用權資產按相等於租賃負債之金額計量，並按照於二零一八年十二月三十一日之綜合資產負債表中確認之與該租賃有關之任何預付或應計租賃付款金額進行調整。於首次應用日期，並無任何需要對使用權資產作出調整之繁重租賃合約。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iv) Adjustments recognised in the consolidated balance sheet on 1 January 2019

The following table shows the adjustment for change in accounting policy recognised for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

| Consolidated Balance Sheet (extract) | 綜合資產負債表 (摘要) | 31 December 2018 As originally presented 二零一八年 十二月 三十一日 按原本的呈列 | HKFRS 16 | 1 January 2019 Restated |
|---|-----------------|---|---|---|
| | | HK\$'000 千港元 | 香港 財務報告 準則第16號 HK\$'000 千港元 | 二零一九年 一月一日 經重列 HK\$'000 千港元 |
| Non-current assets | 非流動資產 | | | |
| Right-of-use assets | 使用權資產 | - | 86,095 | 86,095 |
| Total assets | 總資產 | - | 86,095 | 86,095 |
| Non-current liabilities | 非流動負債 | | | |
| Lease liabilities | 租賃負債 | - | 56,476 | 56,476 |
| Current liabilities | 流動負債 | | | |
| Accruals and other payables | 應計費用及其他應付款項 | 6,437 | (6,437) | - |
| Lease liabilities | 租賃負債 | - | 36,056 | 36,056 |
| Total liabilities | 總負債 | 6,437 | 86,095 | 92,532 |

There is no impact on the Group's equity as at 1 January 2019.

對本集團於二零一九年一月一日的權益並無影響。

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(iv) 於二零一九年一月一日之綜合資產負債表中確認的調整

下表列示因會計政策變動而就每個個別項目確認的調整。並無受變動影響的個別項目不包括在內。因此，不能從已提供的數字重新計算所披露的小計及總計。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(iv) Adjustments recognised in the consolidated balance sheet on 1 January 2019 (Continued)

Impact on segment disclosures

The segment assets of the Hong Kong Chinese restaurant and Environmental maintenance business have increased by HK\$86,095,000 as at 1 January 2019 as a result of the change in accounting policy.

(v) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating lease as a result of the adoption of HKFRS 16.

2.3 Principal of consolidation

(a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 主要會計政策概要 (續)

2.2 會計政策變動 (續)

(iv) 於二零一九年一月一日之綜合資產負債表中確認的調整 (續)

對分部披露資料的影響
由於會計政策變動，香港中式酒樓及環境維護業務於二零一九年一月一日的分部資產增加86,095,000港元。

(v) 出租人會計處理

本集團並無需因採納香港財務報告準則第16號而就經營租賃項下出租人持有資產的會計處理方法作出任何調整。

2.3 綜合入賬原則

(a) 附屬公司

附屬公司乃本集團擁有控制權的實體（包括結構實體）。當本集團享有或有權享有其參與實體所得的可變回報並有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。附屬公司乃於控制權轉移至本集團當日起綜合入賬，並於控制權終止當日起不再綜合入賬。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Principal of consolidation (Continued)

(a) Subsidiaries (Continued)

Intra-group transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

2 主要會計政策概要 (續)

2.3 綜合入賬原則 (續)

(a) 附屬公司 (續)

集團內公司間之交易、結餘及未變現溢利予以對銷。除非交易提供已轉讓資產出現減值之憑證，未變現虧損亦予以對銷。附屬公司之會計政策在必要時會作出調整，以確保與本集團所採納之政策一致。

附屬公司業績及權益中的非控股權益分別於綜合損益表、全面收益表、權益變動表及資產負債表中單獨呈列。

(b) 所有權權益變動

本集團將不導致喪失控制權的非控股權益交易視作與本集團權益擁有人的交易。擁有權權益變動導致控股與非控股權益賬面值的調整，以反映其於附屬公司的相關權益。非控股權益調整數額與任何已付或已收代價之間的任何差額於本集團擁有人應佔權益中的獨立儲備內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.3 Principal of consolidation *(Continued)*

(b) Changes in ownership interests *(Continued)*

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2 主要會計政策概要 (續)

2.3 綜合入賬原則 (續)

(b) 所有權權益變動 (續)

當本集團因喪失控制權而停止綜合入賬時，於實體的任何保留權益重新按公平值計量，而賬面值變動於損益確認。就其後入賬列作聯營公司、合營公司或金融資產的保留權益而言，該公平值為初始賬面值。此外，先前於其他全面收益就該實體確認的任何金額按猶如本集團已直接出售有關資產或負債的方式入賬。這意味著先前於其他全面收益確認的金額重新分類至損益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred,
- liabilities incurred to the former owners of the acquired business,
- equity interests issued by the Group,
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

2 主要會計政策概要 (續)

2.4 業務合併

本集團採用收購會計法就所有業務合併入賬，而不論是否收購權益工具或其他資產。收購一間附屬公司轉讓的代價包括：

- 所轉讓資產的公平值，
- 對被收購業務前擁有人產生的負債，
- 本集團發行的股權，
- 或然代價安排所產生的任何資產或負債的公平值，及
- 附屬公司任何先前存在股權的公平值。

在業務合併中所收購的可識別資產以及所承擔的負債及或然負債（除有限例外情況外）初始以彼等於收購日期的公平值計量。本集團按逐項收購基準，以公平值或按非控股權益所佔被收購實體可識別淨資產的比例確認於被收購實體的任何非控股權益。

收購相關成本乃於產生時支銷。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Business combination (Continued)

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

2 主要會計政策概要 (續)

2.4 業務合併 (續)

以下各項

- 所轉讓代價，
- 於被收購實體的任何非控股權益金額，及
- 任何先前於被收購實體的股權的收購日期公平值

高於所收購可識別資產淨值的公平值的部分列賬為商譽。倘該等金額低於所收購業務可識別資產淨值的公平值，其差額將直接於損益中確認為議價購買。

倘若現金代價的任何部分延遲結算，未來應付數額一律貼現至交換日期之現值，所用貼現率為有關實體的增量借款利率，即按類似的條款及條件向獨立金融機構取得類似借款的有關利率。

或然代價歸類為權益或金融負債。歸類為金融負債的金額其後重新計量至公平值，公平值變動於損益內確認。

倘業務合併分階段完成，收購方過往於被收購方所持股權於收購日期的賬面值重新計量至收購日期的公平值。該項重新計量所產生的任何收益或虧損於損益內確認。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM is responsible for allocating resources and assessing performance of the operating segments.

2.7 Foreign currency transaction

(a) Functional and presentation currency

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

2 主要會計政策概要 (續)

2.5 獨立財務報表

於附屬公司之投資按成本值扣除減值入賬。成本包括投資之直接應佔成本。附屬公司之業績由本公司按已收股息及應收股息入賬。

倘自附屬公司投資收取之股息超出宣派股息期間該附屬公司之全面收益總額，或倘該投資於獨立財務報表之賬面值超出綜合財務報表所示被投資公司之淨資產（包括商譽）之賬面值，則須對該等附屬公司之投資進行減值測試。

2.6 分部呈報

經營分部的呈報方式與向主要營運決策人（「主要營運決策人」）所提供的內部呈報一致。主要營運決策人負責經營分部的資源分配及表現評估。

2.7 外幣交易

(a) 功能及呈列貨幣

本集團各實體的綜合財務報表所列項目乃按有關實體經營所在的主要經濟環境的貨幣（「功能貨幣」）計量。綜合財務報表以本公司的功能貨幣及本集團的呈列貨幣港元（「港元」）呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.7 Foreign currency transaction (Continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income. Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other expenses'.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

2 主要會計政策概要 (續)

2.7 外幣交易 (續)

(b) 交易及結餘

外幣交易乃按交易日或項目重新計量之估值日期的通行匯率換算為功能貨幣。該等交易結算以及以外幣計值的貨幣資產及負債按年末匯率換算產生的匯兌盈虧，於綜合全面收益表確認。匯兌盈虧於綜合全面收益表的「其他開支」呈列。

(c) 集團公司

功能貨幣有別於呈列貨幣之所有本集團實體（該等集團實體概無擁有嚴重通貨膨脹經濟體之貨幣）之業績及財務狀況，均按以下方式換算為呈列貨幣：

- (i) 各資產負債表呈列之資產及負債乃按該資產負債表日期之收市匯率換算；
- (ii) 各收益表及全面收益表之收支乃按平均匯率換算（除該平均匯率並非在有關交易日期當日通行匯率累計影響之合理估計內，則在該情況下，收支於有關交易日期當日換算）；及

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Foreign currency transaction (Continued)

(c) Group companies (Continued)

- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange difference arising from the translation of any net investment in foreign entities, and of borrowing and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.7 外幣交易 (續)

(c) 集團公司 (續)

- (iii) 所有因而產生之匯兌差額於其他全面收益內確認。

於綜合入賬時，於海外實體的任何投資淨額與指定為該等投資對沖的借款及其他金融工具之間所產生的匯兌差額乃於其他全面收益中確認。於出售海外業務或償還組成投資淨額一部分之任何借貸時，相關匯兌差額重新分類至損益，作為出售收益及虧損的一部分。

因收購海外實體而產生的商譽及公平值調整，均視作海外實體的資產及負債，並按收市匯率換算。所產生之匯兌差額於其他全面收益內確認。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment

Land and buildings comprise mainly offices. Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

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

| | |
|------------------------|---|
| Leasehold improvements | Shorter of 5 years and the unexpired lease term |
| Air-conditioning | Shorter of 5 years and the unexpired lease term |
| Equipment | 5 years |
| Furniture and fixtures | 5 years |
| Motor vehicles | 3 years to 8 years |

2 主要會計政策概要 (續)

2.8 物業、廠房及設備

土地及樓宇主要包括辦公室。物業、廠房及設備按歷史成本減累計折舊及減值進行列賬。歷史成本包括收購項目直接應佔的開支。

後續成本計入資產賬面值或確認為獨立資產（如適用），惟前提是與項目有關的未來經濟利益可能流入本集團且項目成本能夠可靠計量。已更換部分的賬面值予以終止確認。全部其他維修及維護於其產生的財務期間內計入綜合全面收益表。

物業、廠房及設備的折舊透過直線法進行計算，將其成本按其估計可使用年限分配至其殘值，詳情如下：

| | |
|---------|---------------------|
| 租賃裝修 | 5年及未到期的租賃期限（以較短者為準） |
| 空調 | 5年及未到期的租賃期限（以較短者為準） |
| 設備 | 5年 |
| 傢俬及固定裝置 | 5年 |
| 汽車 | 3年至8年 |

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Property, plant and equipment (Continued)

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains' in the consolidated statement of comprehensive income.

2.9 Investment properties

Investment properties, principally comprising leasehold land and buildings, are held for long-term rental yields for capital appreciation or both, and are not occupied by the Group.

Before 1 January 2019, land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. The operating lease is accounted for as if it were a finance lease.

With effect from 1 January 2019, right-of-use assets held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met.

2 主要會計政策概要 (續)

2.8 物業、廠房及設備 (續)

資產的殘值及可使用年期於各報告期間進行檢討及調整(如適用)。

倘資產賬面值高於其估計可收回金額，則資產的賬面值即時撇減至其可收回金額(見附註2.11)。

出售收益及虧損透過比較所得款項及賬面值釐定，並於綜合全面收益表的「其他收益」內確認。

2.9 投資物業

投資物業主要由租賃土地和樓宇組成，乃為獲得長期租金收益或資本增值或兩者兼備而持有，同時並非由本集團佔用。

二零一九年一月一日前，當已符合投資物業的其餘定義時，以經營租賃持有的土地作為投資物業入賬。有關經營租賃則作為融資租賃入賬。

自二零一九年一月一日起，當已符合投資物業的其餘定義時，以經營租賃持有的使用權資產作為投資物業入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Investment properties (Continued)

Investment properties are measured initially at its cost, including related transaction costs and where applicable borrowing costs. After initial recognition at cost, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statement of comprehensive income.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of land, if any, classified as investment property; others, including contingent rent payments, are not recognised in the consolidated financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of comprehensive income during the financial period in which they are incurred.

Investment properties are derecognised either when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposals.

2 主要會計政策概要 (續)

2.9 投資物業 (續)

投資物業初始按成本計量，包括相關的交易成本及（如適用）借款成本。於初始按成本確認後，投資物業按公平值列賬，公平值指由外部估值師釐定的於各報告日期的公開市值。公平值乃根據活躍市場價格計算，並就個別資產不同的性質、地點或狀況作出必要調整。倘未能獲得該等資料，本集團採用其他估值方法，例如近期較不活躍市場的價格或貼現現金流量預測。公平值變動於綜合全面收益表內入賬。

投資物業之公平值反映（其中包括）現時租賃之租金收入及按當前市況假設未來租賃之租金收入。物業之公平值亦按相若的基準反映有關該物業可能預期出現的任何現金流出。若干該等流出確認為負債（包括有關土地之分類為投資物業之融資租賃負債（如有））；其他（包括或然租賃付款）並無於綜合財務報表中確認。

後續開支資本化至資產賬面值，惟前提是與項目有關的未來經濟利益可能流入本集團且項目成本能夠可靠計量。全部其他維修及維護成本於其產生的財務期間內於綜合全面收益表內支銷。

當投資物業已出售或當其永久地撤回使用，且預計其出售不會產生未來經濟利益，則終止確認投資物業。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.10 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 主要會計政策概要 (續)

2.10 無形資產

商譽

商譽於收購附屬公司時產生，指轉讓代價超出本集團所佔被收購方可識別資產淨值、負債及或然負債的公平淨值以及於被收購方的非控股權益的公平值之部分。

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單位（「現金產生單位」）或現金產生單位組別。獲分配商譽的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層面。商譽乃於經營分部層面進行監察。

商譽每年進行減值檢討，或當發生事件或情況變動顯示可能出現減值時，作出更頻密檢討。商譽賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本中的較高者。任何減值即時確認為開支，且其後不會撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Intangible assets (Continued)

Customer backlogs and customer relationship

Customer backlogs and customer relationship acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life of 3 years and 10 years separately and are subsequently carried at cost less accumulated amortisation and impairment losses.

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life for example, goodwill, are not subject to amortisation and are tested annually for impairment.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2 主要會計政策概要 (續)

2.10 無形資產 (續)

未完成客戶合約及客戶關係

於業務合併中所獲得的未完成客戶合約及客戶關係乃於收購日期按公平值確認。彼等分別具有可使用確定年期三年及十年並其後按成本減累計攤銷及減值虧損列賬。

2.11 非金融資產減值

具備無限可使用年期的資產(如商譽)毋須攤銷,惟須每年進行減值測試。

其他資產須於發生事件或情況變動顯示其賬面值可能無法收回時進行減值檢討。減值虧損按資產賬面值超出其可收回金額的金額確認。可收回金額指資產公平值減銷售成本及使用價值的較高者。就評估減值而言,資產按獨立可識別現金流量(現金產生單位)的最低水平歸類。已減值的非金融資產於各報告期間末檢討是否可能撥回減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets classified as held for sale are presented separately from the other assets in the consolidated balance sheet.

2 主要會計政策概要 (續)

2.12 持作出售非流動資產

倘若非流動資產之賬面值將主要通過銷售交易收回而非透過持續使用收回而銷售認為極有可能發生，則非流動資產分類為持作出售。有關資產按賬面值與公平值減去出售成本之較低者計量，惟已訂明獲豁免此項規定之資產除外，如遞延稅項資產、僱員福利產生之資產、按公平值計量之金融資產和投資物業以及保險合約之合約權利等。

減值虧損就資產任何初始或其後撇減至公平值減去出售成本之數確認。倘資產（或出售集團）之公平值減去出售成本其後有任何增加，則確認收益，惟不得超過任何先前確認之累計減值虧損。在出售非流動資產之日期前並無確認之收益或虧損在終止確認日期確認。

分類為持作出售之非流動資產與綜合資產負債表內的其他資產分開呈列。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.13 Investments and other financial assets

(a) Classification

The Group classifies its financial assets as financial assets at fair value (either through other comprehensive income (OCI) or through profit or loss), and at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

2 主要會計政策概要 (續)

2.13 投資及其他金融資產

(a) 分類

本集團將金融資產分類為按公平值(計入其他全面收益或計入損益)之金融資產以及按攤銷成本列賬。

分類取決於實體管理金融資產及現金流量合約期的業務模式。

就按公平值計量的資產而言，收益及虧損將錄入損益或其他全面收益。就非持作買賣的權益工具投資而言，將視乎本集團是否於初始確認時作出不可撤回的選擇而將股本投資按公平值計入其他全面收益(按公平值計入其他全面收益)列賬。

本集團於且僅於其管理該等資產的業務模式變動時重新分類債務投資。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.13 Investments and other financial assets (Continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

2 主要會計政策概要 (續)

2.13 投資及其他金融資產
(續)

(b) 確認及終止確認

常規買賣的金融資產於交易日(即本集團承諾購買或出售資產當日)確認。當自金融資產收取現金流量的權利屆滿或已轉讓,且本集團已轉移所有權的絕大部分風險及回報時,則終止確認金融資產。

(c) 計量

初始確認時,本集團按金融資產之公平值加(倘並非按公平值計入損益(按公平值計入損益)之金融資產)直接歸屬於金融資產收購之交易成本計量。按公平值計入損益之金融資產之交易成本於損益列作開支。

債務工具

債務工具其後計量視乎本集團管理資產的業務模式及資產的現金流量特徵而定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.13 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

Equity instruments

The Group subsequently measures all equity investments at fair values. Changes in the fair value of financial assets at FVPL are recognised in the consolidated statement of comprehensive income as applicable.

(d) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 主要會計政策概要 (續)

2.13 投資及其他金融資產
(續)

(c) 計量 (續)

債務工具 (續)

為收取合約現金流量而持有，且其現金流量純粹為支付本金及利息的資產按攤銷成本計量。有關金融資產的利息收入乃採用實際利率法計入財務收入。終止確認時產生的任何收益或虧損直接於損益確認並連同匯兌盈虧於其他收益／(虧損)中呈列。減值虧損於綜合全面收益表作為單獨項目列示。

股本工具

本集團其後按公平值計量所有股本投資。按公平值計入損益的金融資產的公平值變動乃在適用情況下於綜合全面收益表中確認。

(d) 減值

本集團以前瞻基準評估與其按攤銷成本列賬之債務工具相關之預期信貸虧損。所應用之減值方法視乎信貸風險是否顯著增加而定。

就貿易應收款項而言，本集團應用香港財務報告準則第9號允許的簡化方法，在初始確認應收款項時確認整個期限的預期虧損。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.15 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair values. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less provision for impairment. See Note 2.13 for a description of the Group's impairment policies.

2 主要會計政策概要 (續)

2.14 抵銷金融工具

倘有法律上可強制執行的權利抵銷已確認的金額以及擬按淨額基準進行結算，或同步變現資產及結算負債，則將綜合金融資產及負債抵銷，並在資產負債表呈報淨金額。可合法強制執行權利不得取決於未來事件而定，且須在日常業務過程中以及倘本公司或對手方一旦出現拖欠還款、無償債能力或破產時可強制執行。

2.15 貿易及其他應收款項

貿易應收款項為日常業務過程中就已售貨品或提供服務而應收客戶的款項。若預期於一年或以內（或如屬較長時間，則在業務的正常經營週期內）能收回貿易及其他應收款項，貿易及其他應收款項會分類為流動資產。否則，則呈列為非流動資產。

除非於按公平值確認時包含重大財務部分，則貿易應收款項初始按無條件代價金額確認。本集團持有貿易應收款項乃為收取合約現金流量，因此隨後以實際利率法按攤銷成本扣除減值撥備計量。有關本集團減值政策的描述，請參閱附註2.13。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.16 Cash and cash equivalents

In the consolidated cash flows statement, cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2 主要會計政策概要 (續)

2.16 現金及現金等價物

於綜合現金流量表中，現金及現金等價物包括手頭現金、銀行催繳存款及其他原到期日為三個月或以內可隨時轉換為已知金額現金及價值變動風險不大的短期高流動性投資。

2.17 股本

普通股分類為權益。發行新股份或購股權直接應佔的新增成本於權益中列作所得款項的減項（扣除稅項）。

2.18 貿易及其他應付款項

貿易應付款項是在日常業務過程中向供應商購買貨品或服務的付款責任。若付款期限在一年或以內（或如屬較長時間，則在業務的正常經營週期內）到期，則貿易及其他應付款項分類為流動負債。否則，則呈列為非流動負債。

貿易及其他應付款項初始按公平值確認，隨後以實際利率法按攤銷成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

2.20 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred since no borrowing costs are directly attributable to the acquisition, construction or production of qualifying assets.

2 主要會計政策概要 (續)

2.19 借款

借款初始按公平值扣除所產生的交易成本確認。借款隨後按攤銷成本入賬。所得款項(扣除交易成本)與贖回價值之間的任何差額以實際利率法於借款期間於綜合全面收益表中確認。

於確立貸款融資時支付的費用，在可能提取部分或全部融資時確認為貸款的交易成本。在此情況下，該費用會遞延至提取融資為止。倘並無證據顯示將有可能提取部分或全部融資，則費用會資本化為流動資金服務的預付款項，並在與融資相關期間攤銷。

除非本集團具有無條件權利將負債的結算遞延至結算日後最少十二個月，否則借款歸類為流動負債。

2.20 借款成本

所有借款成本於其產生期間在綜合全面收益表確認，因為借款成本不會直接歸屬於合資格資產的收購、建設或製造。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.21 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 主要會計政策概要 (續)

2.21 當期及遞延所得稅

年內稅務費用包括當期及遞延所得稅。該稅項在綜合全面收益表內確認，惟與其他全面收益或直接於權益中確認的項目有關的稅項除外，在此情況下，該稅項分別在其他全面收益或直接於權益中確認。

(a) 當期所得稅

當期所得稅支出按本公司附屬公司經營及產生應課稅收入所在國家於結算日已頒佈或實際頒佈的稅法計算。管理層定期就適用稅務法例受詮釋所規限的情況評估報稅情況，並於適當時按預期向稅務機關繳付的金額作出撥備。

(b) 遞延所得稅

遞延所得稅乃以負債法就資產及負債的稅基與綜合財務報表的賬面值之間的暫時差額確認。然而，倘遞延所得稅源自業務合併以外交易初始確認的資產或負債，而在交易時並不影響會計處理或應課稅損益，則不予入賬處理。遞延所得稅以於結算日前已頒佈或實際頒佈並預期於相關遞延所得稅資產變現或遞延所得稅負債清償時適用的稅率（及法例）而釐定。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2 主要會計政策概要 (續)

2.21 當期及遞延所得稅 (續)

(b) 遞延所得稅 (續)

就計量使用公平值模式計量之投資物業之遞延稅項負債或遞延稅項資產而言，該等物業之賬面值乃假定將透過銷售全部收回，除非該假設被推翻。於投資物業可折舊及根據目標為隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益之商業模式持有的情況下，有關假設被推翻。

遞延所得稅資產僅於可能有未來應課稅利潤以抵銷可動用暫時差額的情況下確認。

倘該公司能控制撥回暫時差額的時間及該等差額很可能不會於可見將來撥回，則不會就海外營運投資賬面值與稅基之間的暫時差額確認遞延稅項負債及資產。

(c) 抵銷

倘有可依法強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或不同應課稅實體徵收的所得稅有關，而有關實體擬按淨額基準結算結餘時，遞延所得稅資產與負債會互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.22 Employee benefits

(a) Pension obligation

The Group operates certain defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Hong Kong

The Group operates a defined contribution Mandatory Provident Fund Scheme (the "MPF Scheme") which is registered under the Mandatory Provident Fund Schemes Ordinance in Hong Kong. The assets of the MPF Scheme are held in separate trustee-administered funds.

The Group's contributions to the MPF Scheme are charged to consolidated statement of comprehensive income in the year as incurred.

2 主要會計政策概要 (續)

2.22 僱員福利

(a) 退休金責任

本集團運營若干界定供款計劃。界定供款計劃為本集團據此向一家獨立實體作出固定供款的退休金計劃。倘該基金並無足夠資產支付所有僱員於本期間及過往期間就僱員服務所得的福利，本集團並無進一步供款的法定或推定責任。供款在到期應付時確認為僱員福利費用。預付供款確認為資產，惟以可扣減日後付款之現金退款為限。

香港

本集團運營一項界定供款強制性公積金計劃（「強積金計劃」），該計劃已根據香港強制性公積金計劃條例註冊。此強積金計劃之資產由信託人管理之獨立基金持有。

本集團對強積金計劃供款於產生年度的綜合全面收益表扣除。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.22 Employee benefits (Continued)

(a) Pension obligation (Continued)

Mainland China

As stipulated by rules and regulations in Mainland China, the Group contributes to state-sponsored retirement schemes for its relevant employees in Mainland China. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees. The Group's contributions to the state-sponsored retirement schemes are expensed as incurred and are fully and immediately vested in the employees.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

2 主要會計政策概要 (續)

2.22 僱員福利 (續)

(a) 退休金責任 (續)

中國內地

按照中國內地法例及法規規定，本集團為中國內地相關僱員向國家資助退休計劃供款。國家資助退休計劃負責應付予退休僱員的全部退休後福利責任。本集團對國家資助退休計劃的供款於產生時支銷並悉數及即時歸屬於僱員。

(b) 僱員應享假期

僱員應享的年假權利於其可享有時確認。因僱員於截至結算日止期間提供之服務而產生的年假乃按年假估計負債作出撥備。

僱員應享病假及產假僅於支取時方會確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.22 Employee benefits (Continued)

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the Group has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the balance sheet date are discounted to their present value.

(d) Bonus plans

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(e) Long service payments

The Group's net obligation in respect of long service payments to its employees in Hong Kong upon cessation of their employment in certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefits that the employees have earned in return for their services in the current and prior periods.

2 主要會計政策概要 (續)

2.22 僱員福利 (續)

(c) 離職福利

離職福利於僱員在正常退休日期前被本集團解僱，或當僱員接受自願遣散以換取此等福利時支付。本集團在可證明承諾如下時確認離職福利：根據一項詳細的正式計劃終止現有僱員的僱用（沒有撤回的可能）；或因為提出一項要約以鼓勵自願遣散而提供的離職福利（離職福利按預期接受要約的僱員人數釐定）。在結算日後超過十二個月支付的福利貼現為其現值。

(d) 花紅計劃

本集團就花紅確認負債及開支。本集團就合約責任或因過往事件產生的推定責任確認撥備。

(e) 長期服務金

根據香港僱傭條例，本集團在若干情況下終止聘用香港僱員而須向其支付的長期服務金責任淨額，數額為僱員因本期及過往期間提供服務而賺取的未來福利金額。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Employee benefits (Continued)

(e) Long service payments (Continued)

The obligation is calculated using the projected unit credit method, discounted to its present value and reduced by entitlements accrued under the Group's retirement schemes that are attributed to contributions made by the Group. The discount rate is the yield at the balance sheet date of Hong Kong Government's Exchange Fund Notes which have terms to maturity approximating the terms of the related liability. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in other comprehensive income in the year in which they occur in the consolidated statement of comprehensive income.

2.23 Share-based payment

Equity-settled share-based payment transaction

The fair value of services rendered in exchange for the share-based payment is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share-based payment:

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2 主要會計政策概要 (續)

2.22 僱員福利 (續)

(e) 長期服務金 (續)

此責任是以預計單位貸記法計算，並予以貼現以計算其現值，再扣減本集團就其退休金計劃所作供款的應得權益。貼現率為年期與有關負債期相若的香港政府外匯基金票據於結算日的孳息率。該等福利的預期成本於僱用期間以與界定福利計劃相同的會計方式累計。根據經驗而調整及精算假設變動而產生的精算盈虧於產生年度悉數在綜合全面收益表的其他全面收益中確認。

2.23 股份為基礎付款

股本結算股份為基礎付款的交易

換取股份為基礎付款所提供服務的公平值確認為開支。將予支銷的總額參考股份為基礎付款的公平值釐定：

- 包括任何市場表現條件（例如，實體的股價）；及
- 不包括任何服務的影響。

總開支於歸屬期內確認，歸屬期指所有指定歸屬條件均已達成的期間。於各期間結束時，實體根據非市場歸屬及服務條件修訂其對預期歸屬購股權數目的估計。實體會於損益確認修訂原來估計（如有）的影響，並相應調整權益。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 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 has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.25 Provision for reinstatement costs

Provision for reinstatement costs represents the present value of the estimated costs for the restoration work of the Group's leased retail shops agreed to be carried out upon the expiry of the relevant leases using a risk-free pre-tax interest rate. The provision has been determined by the directors based on their best estimates. The related reinstatement costs have been included as part of leasehold improvements in the consolidated balance sheet.

2 主要會計政策概要 (續)

2.24 撥備

於本集團因過往事件而承擔現有法定或推定責任，並有可能導致資源流出以履行有關責任及有關金額能可靠地估計時確認撥備。概無就未來經營虧損確認撥備。

倘出現若干相類似責任，則履行責任需要資源流出的可能性會透過考慮責任的整體類別予以釐定。即使同一納入類別責任內任何一項導致資源流出的可能性不大，仍會確認撥備。

撥備使用稅前利率計算的按預期履行責任所需的支出的現值計量，該利率反映當前市場對貨幣時間價值及該項責任所特有風險的評估。因時間流逝而導致的撥備增加會確認為利息開支。

2.25 修復成本撥備

修復成本撥備指協定將於相關租約屆滿時，就本集團租賃零售店舖進行修復工作而採用無風險稅前利率計算的估計成本的現值。撥備已由董事按其最佳估計釐定。有關修復成本已作為租賃裝修計入綜合資產負債表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that the economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. The Group records accounts receivables when the revenue recognised since the Group has unconditional rights to payments of goods delivered or services performed which are due according to the contract terms.

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

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

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

2 主要會計政策概要 (續)

2.26 收益確認

當收益金額能可靠地計量而經濟利益可能流入本集團，且符合本集團下述各項業務的特定準則時，本集團便會確認收益。本集團基於其過往業績，考慮客戶類別、交易類別及各項安排細節作出估計。於本集團根據合約條款就已交付貨品或已履行服務的付款擁有無條件權利而確認收益時，本集團錄入應收款項。

收益乃於貨品或服務的控制權轉移至客戶時計量。視乎合約條款及合約所適用的法律規定，貨品及服務的控制權或會在一段時間內或某一時點轉移。倘本集團在履約過程中滿足下列條件，則貨品及服務的控制權在一段時間內轉移：

- 所提供的所有利益同時由客戶接收並消耗；或
- 於本集團履約時創建及提升由客戶控制的資產；或
- 並無產生對本集團有替代用途的資產，且本集團可強制執行權利以收回迄今已完成履約部分的款項。

倘貨品及服務的控制權在一段時間內轉移，則會參照在合約期間已完成履約責任的進度確認收益。否則，收益於客戶取得貨品及服務控制權的時點確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.26 Revenue recognition (Continued)

(a) Revenue from Chinese Restaurant operations

The Group's Chinese restaurants provide catering and banquet services. Revenue from providing services is recognised in the accounting period in which the services are rendered.

(b) Distribution of goods

The Group distribute goods to customers mainly consists of fresh vegetables and fruit, seafood and frozen meat. Sales are recognised when controls of the products has transferred, being when the products are delivered to customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. It generally coincides with the date of delivery.

(c) Rental income

Rental income from investment property is recognised in the consolidated statement of comprehensive income on a straight-line basis over the term of the lease.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

(a) 來自中式酒樓業務的收益

本集團的中式酒樓業務提供餐飲及婚宴服務。來自提供服務的收益於提供服務的會計期間確認。

(b) 分銷貨品

本集團向客戶分銷的貨品主要包括新鮮蔬菜及水果、海鮮及凍肉。當產品控制權發生轉移時，即當客戶對產品渠道及售價擁有全權酌情權及並無可能影響客戶對產品接納的未履行義務時（一般與交貨日期一致）確認銷售。

(c) 租金收入

投資物業的租金收入於租期內以直線法於綜合全面收益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.26 Revenue recognition (Continued)

(d) Environmental maintenance service

The Group provides environmental maintenance services in the PRC, which mainly includes janitorial services on streets and public areas, waste management services and facility maintenance management. Revenue from provision of such services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total service to be provided because the customer receives and uses the benefits simultaneously and it is equivalent to the fixed monthly fee entitled by the Group.

Some environmental maintenance service contracts include multiple performance obligations, such as upgrading the public facilities and subsequent cleaning and maintenance services, the transaction price of which will be allocated to each performance obligation based on their respective stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

(d) 環境維護服務

本集團於中國提供環境維護服務，其主要包括街道及公共區域的保潔服務、垃圾管理及設施的維護管理。提供有關服務所產生的收益乃於提供服務的會計期間確認。就固定價格合約而言，收益乃根據於直至報告期末所提供的實際服務按將於提供的服務總額的比例而確認，原因為客戶同時接受及使用利益，且其相等於本集團授予的固定月費。

若干環境維護服務合約包括多項履約義務，例如升級公共設施以及後續清潔及維護服務，其交易價格將根據彼等各自的獨立售價分配至各項履約義務。倘該等價格為不可直接觀察，則彼等按預期成本加利潤率而估計。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.26 Revenue recognition (Continued)

(d) Environmental maintenance service (Continued)

For certain contracts involving construction or upgrade services, when the outcome of those contracts under service concession arrangement 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 by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Construction revenue is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contracts costs incurred for work performed to date relative to the estimated total contract costs.

Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under HKFRS 15.

The contract is an asset and recognised as contract assets if the measure of the remaining conditional rights to consideration exceed the satisfied performance obligations. Conversely, the contract is a liability and recognised as contract liabilities if consideration received (or an amount of consideration is due) from the customer exceeds the measure of the remaining unsatisfied performance obligations.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

(d) 環境維護服務
(續)

就涉及建設或升級服務的若干合約，當根據服務特許安排的該等合約的成果能夠可靠地估計，收益及成本乃經參考報告期末合約活動的完成進度予以確認，並按迄今已履行工作產生的合約成本佔估計合約成本總額的比例計量。建設收益因此隨時間推移按成本法確認，即基於迄今已履行工作產生的合約成本佔估計合約成本總額的比例計量。

管理層認為，此輸入法是根據香港財務報告準則第15號完全履行該等履約義務進度的適當計量方法。

倘代價的剩餘有條件權利的計量超過已履行的履約責任，則該合約為一項資產並確認為合約資產。反之，倘已收取的客戶代價（或已到期的代價款項）超過餘下未履約責任的計量，則該合約為一項負債並確認為合約負債。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(e) Financing components

The period between the transfer of the promised goods or services to customer and the payment by the customer of the contracts entered by the Group for its Chinese restaurant operation and environmental maintenance services normally does not exceeds one year. As a consequence, the Group does not adjust any of the transaction price for the time value of money in such cases.

The Group also enters into contracts with customers for its environmental maintenance business where the time period exceeds one year, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed by the parties of the contract (either explicitly or implicitly) provides the customer with a significant benefit of financing the transfer of goods or services to the customer.

(f) Dividend income

Dividend income from investments is recognised when the shareholder's right to receive payment have been established.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

(e) 融資部分

於轉移承諾貨品或服務予客戶與客戶就本集團有關其中國酒店業務及環境維護服務所訂立的合約作出付款之期間一般不會超過一年。因此，本集團並無於有關情況下就貨幣的時間價值調整任何交易價格。

本集團亦就其時間超過一年的環境維護業務與客戶訂立合約，倘經合約各方就向客戶轉移貨品或服務（不論以明示或暗示方式）的所協定的付款時間為客戶提供重大融資利益，則本集團就貨幣時間值的影響而調整已承諾之代價金額。

(f) 股息收入

當股東確立收取付款的權利時，確認投資的股息收入。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

(g) Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2.27 Leases (as a lessee)

As explained in note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases was depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

2 主要會計政策概要 (續)

2.26 收益確認 (續)

(g) 利息收入

利息收入呈列為持作現金管理用途的金融資產所賺取的財務收入。任何其他利息收入乃計入其他收入。除後續出現信貸減值的金融資產外，利息收入乃透過對金融資產的賬面總值應用實際利率法而計算。就信貸減值的金融資產而言，金融資產的賬面淨值乃採用實際利率（扣除虧損撥備後）。

2.27 租賃（作為承租人）

誠如上文附註2.2所闡述，本集團已變更其作為承租人的租賃會計政策。新政策於下文載述，而有關變動的影響載於附註2.2。

截至二零一八年十二月三十一日，倘本集團作為承租人就物業、廠房及設備的租賃承受擁有權的絕大部分風險及回報，則物業、廠房及設備的租賃會分類為融資租賃。融資租賃於租賃開始時，按租賃物業的公平值與最低租賃付款現值兩者中的較低者資本化。相應租賃責任（扣除財務費用後）計入其他短期及長期應付款項。各項租賃付款於負債及財務成本之間分配。財務成本於租賃期間自損益扣除，致使各期間負債的餘下結餘按定期利率計息。根據融資租賃所獲得的物業、廠房及設備，於資產可使用年期內折舊，或倘無法合理確定本集團將在租期結束時取得擁有權，則於資產可使用年期與租期兩者之間的較短者內折舊。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (as a lessee) (Continued)

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

2 主要會計政策概要 (續)

2.27 租賃 (作為承租人) (續)

擁有權的絕大部分風險及回報並無轉移至本集團 (作為承租人) 的租賃分類為經營租賃。經營租賃付款 (經扣除自出租人收取的任何優惠) 於租期內以直線法自損益扣除。

自二零一九年一月一日，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

合約可包含租賃及非租賃部分。本集團根據其相對獨立的價格將合約的代價分配至租賃及非租賃部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (as a lessee) (Continued)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2 主要會計政策概要 (續)

2.27 租賃 (作為承租人) (續)

租賃所產生的資產及負債初始按現值基準計量。租賃負債包括以下租賃付款的淨現值：

- 固定付款 (包括實質上為固定付款)，減去任何租賃應收獎勵
- 可變租賃付款，其根據一項指數或利率，初步計量時使用開始日期的指數或利率
- 本集團根據剩餘價值擔保預期應付金額
- 購買選擇權的行使價，倘本集團合理確定行使選擇權，及
- 倘租賃條款反映本集團行使終止租賃的選擇權，則支付終止租賃的罰款。

根據合理確定擴大選擇權作出的租賃付款亦計入負債的計量。

租賃付款採用租賃所隱含的利率進行貼現。倘該利率無法可靠釐定 (本集團的租賃一般屬此類情況)，則使用承租人增量借款利率，即個別承租人於類似經濟環境按類似條款、抵押及條件借入獲得與使用權資產價值類似的資產所需資金而必須支付的利率。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.27 Leases (as a lessee) *(Continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- makes adjustments specific to the lease, eg term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

2 主要會計政策概要 (續)

2.27 租賃 (作為承租人)
(續)

為釐定增量借款利率，本集團：

- 在可能情況下，使用個別承租人近期獲得的第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件的變動
- 進行特定於租約的調整，例如期限、國家、貨幣及抵押。

租賃付款於本金及財務成本之間作出分配。財務成本於租賃期間自損益扣除，致使各期間負債的餘下結餘按定期利率計息。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額
- 在開始日期或之前的任何租賃付款減去已收任何租賃優惠
- 任何初始直接成本，及
- 修復成本。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Leases (as a lessee) (Continued)

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its investment properties, it has chosen not to do so for the right-of-use leased properties held by the Group.

Payments associated with short-term leases of leased properties are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

2.28 Leases (as a lessor)

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

The method for allocating gross earnings to accounting periods is referred to as the "actuarial method". The actuarial method allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in the lease.

2 主要會計政策概要 (續)

2.27 租賃 (作為承租人) (續)

使用權資產一般按直線法於資產可使用年期及租期(以較短者為準)內予以折舊。倘本集團合理確定行使購買選擇權,則使用權資產於相關資產的可使用年期內予以折舊。本集團於重新估值其投資物業時,已選擇不就本集團所持有的使用權租賃物業行使有關權利。

與租賃物業之短期租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期十二個月或以下的租賃。

以融資租賃方式出租資產時,租賃付款之現值確認為應收款項。應收款項之總額與其現值之差額確認為未實現財務收入。

2.28 租賃 (作為出租人)

租賃為一份協議,據此出租人向承租人轉讓於協定期間內使用資產的權利,以換取一筆款項或一系列款項。

於會計期間分配盈利總額之方法被稱為「精算法」。精算法於各會計期間在財務收入及資本償還之間分配租金,據此方法,財務收入將以出租人於租賃淨投資之固定比率回報實現。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

2.28 Leases (as a lessor) *(Continued)*

When assets are leased out under an operating lease, the asset is included in the consolidated balance sheet based on the nature of the asset.

Lease income on operating leases is recognised over the term of the lease on a straight-line basis.

The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.29 Dividend distribution

Dividend distribution to the shareholders of the Company and its subsidiaries is recognised as a liability in the financial statements in the period in which the dividends are approved by the shareholders or directors, where appropriate, of the respective companies.

2 主要會計政策概要 (續)

2.28 租賃 (作為出租人)
(續)

當資產根據經營租賃租出，該項資產按資產性質計入綜合資產負債表。

根據經營租賃產生之租金收入以直線法於租賃期內確認。

採納新租賃準則後，本集團毋須對作為出租人所持有資產的會計處理作出任何調整。

2.29 股息分派

向本公司及其附屬公司股東作出的股息分派在股息獲相關公司股東或董事（如適用）批准的期間於財務報表內確認為負債。

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate 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. The Group does not use derivative financial instruments to hedge its risk exposures to changes in foreign exchange rates and interest rates.

(a) Market risk

- (i) Foreign exchange risk
Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises when recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group mainly operates in Hong Kong and Mainland China with most of the transactions settled in HK\$ and Renminbi ("RMB"). Thus, the Group is exposed to the foreign exchange risk arisen from RMB.

3 財務風險管理

3.1 財務風險因素

本集團因業務活動面臨多項財務風險：市場風險（包括外匯風險以及現金流量及公平值利率風險）、信貸風險及流動資金風險。本集團的整體風險管理項目著重於金融市場的不可預測性及致力於將對本集團財務表現的潛在不利影響減至最低。本集團並未使用衍生金融工具對沖其匯率及利率變動風險。

(a) 市場風險

- (i) 外匯風險
外匯風險乃指金融工具的公平值或未來現金流會因匯率變動而波動的風險。當已確認資產及負債以實體功能貨幣以外的貨幣計值，即產生外匯風險。

本集團主要於香港及中國內地營運，大部分交易以港元及人民幣（「人民幣」）結算。因此，本集團面臨因人民幣導致的外匯風險。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

- (i) Foreign exchange risk (Continued)

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures. The Group's assets and liabilities are primarily denominated in the respective Group companies' functional currency. As such, in the opinion of directors, the Group's assets and liabilities, and transactions arising from its operations primarily do not expose the Group to material foreign exchange risk. No sensitivity analysis is presented.

- (ii) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

- (i) 外匯風險 (續)

本集團透過定期審閱本集團外匯淨額管理其外匯風險。本集團資產及負債主要以本集團各公司的功能貨幣計值。因此，董事認為，本集團資產及負債以及主要因其營運產生的交易並無導致本集團面臨重大外匯風險。本公司並無呈列任何敏感性分析。

- (ii) 現金流量及公平值利率風險
現金流量利率風險乃指金融工具的未來現金流量會因市場利率變動而波動的風險。公平值利率風險乃指金融工具的價值會因市場利率變動而波動的風險。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

- (ii) Cash flow and fair value interest rate risk
(Continued)

The Group's interest rate risk arises from bank deposits, loans from a director of certain subsidiaries and loans from a shareholder. Loans due from a shareholder and loans due from a director of certain subsidiaries are at fixed-rate and expose the Group to fair value interest-rate risk. The interest rate profile of loans from a director of certain subsidiaries and loans from a shareholder are disclosed in Note 29 and Note 38 to the consolidated financial statements. The bank deposits generate interest at the prevailing market interest rates.

As at 31 December 2018 and 2019, there are no interest-bearing borrowings with variable interest rates.

During the year ended 31 December 2018 and 2019, in the opinion of directors, the expected change in fair values of the loans from a shareholder and loans from a director of certain subsidiaries was not significant, thus no sensitivity analysis was presented.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) 市場風險 (續)

- (ii) 現金流量及公平值
利率風險 (續)

本集團的利率風險主要源自銀行存款、若干附屬公司的一名董事的貸款及股東貸款。若干附屬公司的一名董事的貸款按固定利率計息且使本集團面臨公平值利率風險。若干附屬公司的一名董事的貸款及股東貸款的利率概況於綜合財務報表附註29及附註38披露。銀行存款按現行市場利率產生利息。

於二零一八年及二零一九年十二月三十一日，並無以浮動利率計息之計息借款。

截至二零一八年及二零一九年十二月三十一日止年度，董事認為，股東貸款及若干附屬公司的一名董事的貸款的公平值預期變動並不重大，因此無敏感性分析須予呈列。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

Credit risk is managed at business segment level and overall monitored by Group management. Management has policies in place and exposures to these credit risks are monitored on an ongoing basis.

To mitigate the risk arising from bank deposits, the Group places bank deposits to reputable banks with a minimum rating of "investment grade" ranked by an independent party or financial institutions with high credit quality. The directors of the Company does not expect any loss arising from non-performance by these counterparties.

Trade receivables, contract assets, other receivables and deposits are continuously monitored by assessing the credit quality of respective counterparties, taking into account its financial position, past experience and other factors. When necessary, the Group will make specific provision for those balances which cannot be recovered apart from the general provision arise from the expected credit loss model. The Group does not obtain collateral from customers.

The maximum exposure to credit risk is represented by the carrying amounts of each financial assets in the consolidated balance sheet.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險

信貸風險乃於業務分部層面管理並受本集團管理層整體監督。管理層訂有政策，故該等信貸風險得持續監控。

為減少銀行存款所帶來的風險，本集團將銀行存款存置於獨立機構所給予信貸評級最低為「投資級別」的信譽良好之銀行或高信用資質的金融機構。本公司董事預期不會因該等對手方違約而產生任何虧損。

貿易應收款項、合約資產、其他應收款項及按金透過評估有關對手方的信貸質素，同時計及其財務狀況、過往記錄及其他因素進行持續監控。於必要情況下，除預期信貸虧損模式產生的一般撥備外，本集團將對無法收回的該等結餘計提具體撥備。本集團並無取得客戶的抵押品。

最大信貸風險為綜合資產負債表內各項金融資產的賬面值。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets

The Group has the following types of financial assets that are subject to the expected credit loss model:

- Other receivables and deposits
- Trade receivables and contract assets
- Cash and cash equivalents

The Group applies the simplified approach to provide expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss model for all trade receivables from third parties and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled revenue and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are reasonable approximation of the loss rates for the contract assets.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

金融資產減值

本集團擁有以下須應用預期信貸虧損模式類別之金融資產：

- 其他應收款項及按金
- 貿易應收款項及合約資產
- 現金及現金等價物

本集團應用香港財務報告準則第9號訂明之簡化方法就預期信貸虧損計提撥備，該準則允許就所有來第三方及合約資產的貿易應收款項採用整個期限的預期虧損模式。

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信貸風險特徵及逾期日數進行分組。合約資產與未出賬單的收益有關，且就同類型合約而言與貿易應收款項擁有大致相同的風險特徵。因此，本集團認為，有關貿易應收款項的預期虧損率為合約資產虧損率的合理約數。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

The loss allowances of trade receivables are based on assumptions about the risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, mainly based on the historical payment profiles of sales and the corresponding historical credit losses rate, current and forward-looking information on macro-economic factors at the end of each reporting period.

The Group's revenue from its Chinese restaurant operation is mainly conducted in cash or by credit cards. The credit period granted by the Group to its customers for its environmental maintenance business and its tenants range from 30 to 90 days. As at 31 December 2019 and 2018, all trade receivables are current in nature.

As at 31 December 2019 and 31 December 2018, management has used the lifetime expected loss model for assessing the loss allowance provision for trade receivables and contract assets from third parties and concluded that no loss allowance was made. The expected credit loss rate applied is close to 0% for current to 180 days past due, and 100% for over 180 days past due, respectively.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

金融資產減值 (續)

貿易應收款項的虧損撥備乃根據有關違約風險及預期虧損率之假設作出。本集團於作出該等假設及選擇減值計算之輸入數據時運用判斷，主要根據過往銷售付款情況及相應過往信貸虧損率、於各報告期末有關宏觀經濟因素的現時及前瞻性資料。

本集團來自中式酒樓經營的收益主要乃以現金或信用卡方式進行。本集團向其環境維護業務的客戶及其租戶所授出的信貸期介乎30至90日。於二零一九年及二零一八年十二月三十一日，所有貿易應收款項均屬流動性質。

於二零一九年十二月三十一日及二零一八年十二月三十一日，管理層已採用整個期限的預期虧損模式評估有關貿易應收款項及來自第三方的合約資產的虧損撥備並確認並無計提虧損撥備。適用於即期至逾期180日及逾期超過180日的預期信貸虧損率分別為接近0%及100%。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

Impairment of financial assets (Continued)

Trade receivables and contract assets 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 upon termination of projects.

The Group has applied the general approach and recorded 12-month expected credit losses on its other receivables and deposits based on the estimated loss of possible default events within the next 12 months. The directors of the Group has considered that the allowance on impairment loss is immaterial as at 31 December 2019 and 2018.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss by the directors of the Company was determined to be immaterial.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

金融資產減值 (續)

貿易應收款項及合約資產於並無收回的合理預期時撇銷。並無收回的合理預期的跡象包括(其中包括)·債務人未能與本集團訂立還款計劃及於項目終止後未能作出合約付款。

本集團已應用一般方法·並基於未來十二個月內可能違約事件之估計虧損就其他應收款項及按金錄得十二個月預期信貸虧損。本集團董事認為·於二零一九年及二零一八年十二月三十一日·減值虧損撥備並不重大。

儘管現金及現金等價物亦受香港財務報告準則第9號規定規限·本公司董事已識別的減值虧損乃釐定為並不重大。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with debt covenant, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from banks, a director of a subsidiary and a shareholder to meet their liquidity requirements in the short and longer term.

The directors consider that with the availability of these source of funds, the Group is able to mitigate the liquidity risk and to satisfy its future working capital and other financing requirement.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險

本集團訂有政策以定期監控即期及預期流動資金需求以及我們遵守債項契諾的情況，目的為確保其維持充足現金儲備及向銀行、一間附屬公司的一名董事及一名股東獲取充足承擔限額，以滿足彼等短期及長期內的流動資金需求。

董事認為，憑藉此等可得資金，本集團可減輕流動資金風險並滿足其未來營運資金及其他融資需求。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | | Repayable on demand 按要求償還 HK\$'000 千港元 | Less than 1 year 一年內 HK\$'000 千港元 | Between 1 and 2 years 一至兩年 HK\$'000 千港元 | Between 2 and 5 years 兩至五年 HK\$'000 千港元 |
|---|---------------------------|--|---|---|---|
| At 31 December 2019 | 於二零一九年 十二月三十一日 | | | | |
| Trade payables | 貿易應付款項 | - | 29,387 | - | - |
| Accruals and other payables | 應計費用及 其他應付款項 | - | 46,949 | - | - |
| Lease liabilities | 租賃負債 | - | 19,895 | 15,972 | 14,774 |
| Consideration payables | 應付代價 | 14,278 | 60,293 | - | - |
| Amount due to a related company | 應付一間關聯公司 款項 | 3,378 | - | - | - |
| Amount due to a director | 應付一名董事款項 | 1,100 | - | - | - |
| Amount due to a director of certain subsidiaries | 應付若干附屬公司 之一名董事款項 | 99 | - | - | - |
| Loans from a shareholder | 股東貸款 | 19,456 | - | - | - |
| Loan from a director of certain subsidiaries | 若干附屬公司的 一名董事的貸款 | 41,000 | - | - | - |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | | | |
| Trade payables | 貿易應付款項 | - | 20,250 | - | - |
| Accruals and other payables | 應計費用及 其他應付款項 | - | 47,226 | - | - |
| Consideration payables | 應付代價 | 52,568 | 60,534 | - | - |
| Amount due to a related company | 應付一間關聯公司 款項 | 3,453 | - | - | - |
| Amount due to a director | 應付一名董事款項 | 1,100 | - | - | - |
| Loans from a shareholder | 股東貸款 | 95,043 | - | - | - |
| Loan from a director of certain subsidiaries | 若干附屬公司的 一名董事的貸款 | 19,000 | - | - | - |

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

下表根據由結算日至合約到期日的剩餘期間，按照相關到期組別分析本集團的非衍生金融負債。表內所披露金額為合約未貼現現金流量。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 財務風險管理 (續)

3.2 資本風險管理

本集團資本管理目標乃為確保本集團能持續經營，以為股東帶來回報，同時兼顧其他權益持有人利益，並維持最優資本架構以減少資金成本。

為維持或調整資本架構，本集團可調整付予股東的股息金額、退還資本予股東、發行新股份或出售資產以減少負債。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as consideration payables, loans from a director of certain subsidiaries, loans from a shareholder and borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The gearing ratio as at 31 December 2019 and 2018 are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------|----------------------------------|----------------------------------|
| Consideration payables | 應付代價 | 74,571 | 113,102 |
| Loans from a director of certain subsidiaries (Note 29) | 若干附屬公司的一名董事的貸款 (附註29) | 41,000 | 19,000 |
| Loans from a shareholder (Note 38) | 股東貸款 (附註38) | 19,456 | 95,043 |
| Borrowings (Note 28) | 借貸 (附註28) | 1,674 | - |
| Less: cash and cash equivalents (Note 23) | 減: 現金及現金等價物 (附註23) | (230,498) | (117,635) |
| Net (cash)/debt | (現金) / 債務淨額 | (93,797) | 109,510 |
| Total equity | 總權益 | 326,890 | 163,068 |
| Total capital | 總資本 | 233,093 | 272,578 |
| Gearing ratio | 資本負債比率 | N/A 不適用 | 40% |

As at 31 December 2019, the Group is at a net cash position, hence the disclosure of gearing ratio is not applicable.

3 財務風險管理 (續)

3.2 資本風險管理 (續)

與業內其他同行一樣，本集團以資本負債比率為基準監察資本。該比率乃按債務淨額除以資本總額計算，而債務淨額乃按應付代價、若干附屬公司的一名董事的貸款、股東貸款及借貸扣減現金及現金等價物計算。資本總額則按綜合資產負債表內列示的「權益」加上債務淨額計算。於二零一九年及二零一八年十二月三十一日的資本負債比率如下：

於二零一九年十二月三十一日，本集團處於淨現金狀況，因此資本負債比率披露並不適用。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

(a) Financial assets

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognized and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

(i) Fair value hierarchy

| Recurring fair value measurements | 經常性公平值計量 | 2019 二零一九年 Level 3 第三層 HK\$'000 千港元 | 2018 二零一八年 Level 3 第三層 HK\$'000 千港元 |
|---|----------------------------------|--|--|
| Financial assets Financial assets at FVPL | 金融資產 按公平值計入損益的 金融資產 | | |
| – Contingent consideration receivable (Note 22) | – 應收或然代價 (附註22) | 537 | 6,878 |

3 財務風險管理 (續)

3.3 公平值估計

(a) 金融資產

本節解釋釐定於綜合財務報表按公平值確認及計量的金融工具公平值時作出的判斷及估計。為得出釐定公平值所用輸入數據的可靠程度指標，本集團根據會計準則將其金融工具分為三個層級。各層級的解釋載於下表。

(i) 公平值層級

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets (Continued)

- (i) Fair value hierarchy (Continued)
- As at 31 December 2019 and 2018, the fair value of the contingent consideration receivable is classified as level 3 fair value measurement and is estimated by applying probability-weighted scenario analysis. The significant unobservable inputs and relationship of the inputs to fair value of the contingent consideration receivable are shown as below:

Significant unobservable input
重大不可觀察輸入數據

Probability of staying above the
Guaranteed Amount – 90%
(2018: 90%)
維持高於保證金額的概率 – 90%
(二零一八年: 90%)

Discount rate – 4.3% (2018: 4.3%)
貼現率 – 4.3% (二零一八年: 4.3%)

Relationship of unobservable input to fair value
不可觀察輸入數據與公平值的關係

The higher the probability, the lower the fair value

概率越高，公平值越低

The higher the discount rate, the lower the fair value
貼現率越高，公平值越低

3 財務風險管理 (續)

3.3 公平值估計 (續)

(a) 金融資產 (續)

- (i) 公平值層級 (續)
- 於二零一九年及二零一八年十二月三十一日，應收或然代價的公平值已分類為第三層公平值計量，並應用概率加權情形分析估計。重大不可觀察輸入數據及輸入數據與應收或然代價的公平值之間的關係列示如下：

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets (Continued)

- (i) Fair value hierarchy (Continued)
The movement of contingent consideration receivables in the balance of Level 3 fair value measurements is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------|----------------------------------|----------------------------------|
| Contingent consideration receivables | 應收或然代價 | | |
| At 1 January | 於一月一日 | 6,878 | - |
| At completion date of acquisition of subsidiaries | 於收購附屬公司之完成日期 | - | 6,836 |
| Exchange difference | 匯兌差額 | 54 | 42 |
| Change in fair value | 公平值變動 | (6,395) | - |
| At 31 December | 於十二月三十一日 | 537 | 6,878 |

There were no transfers against various levels for recurring fair value measurements during the year.

年內，不同層級之間並無轉撥經常性公平值計量。

3 財務風險管理 (續)

3.3 公平值估計 (續)

(a) 金融資產 (續)

- (i) 公平值層級 (續)
於第三層公平值結餘計量中應收或然代價的變動如下：

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets (Continued)

- (i) Fair value hierarchy (Continued)
The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

第一層：於活躍市場買賣的金融工具（如公開買賣的衍生工具、買賣證券及可供出售證券）的公平值乃根據報告期末的市場報價計算。本集團所持金融資產所用的市場報價為當時買入價。該等工具納入第一層。

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

第二層：並無於活躍市場買賣的金融工具（如場外衍生工具）的公平值利用估值技術釐定。估值技術盡量利用可觀察市場數據，盡量少依賴特定主體的估計。如某一工具的公平值所需的所有重大輸入數據均為可觀察數據，則該工具納入第二層。

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

第三層：如一項或多項重大輸入數據並非依據可觀察市場數據，則該工具納入第三層。該情況針對非上市股本證券。

3 財務風險管理（續）

3.3 公平值估計（續）

(a) 金融資產（續）

- (i) 公平值層級（續）
本集團的政策為於報告期末確認公平值等級架構的轉入及轉出數額。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial assets (Continued)

- (ii) Valuation techniques used to determine fair values

As at 31 December 2019 and 2018, the Group measured the fair value of contingent consideration receivable with reference to the valuation performed by an independent qualified valuer, using probability weighted scenario analysis.

(b) Non-financial assets

- (i) Fair value hierarchy
This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is provided in note 3.3(a) above.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(a) 金融資產 (續)

- (ii) 釐定公平值時所用的估值技術
於二零一九年及二零一八年十二月三十一日，本集團使用概率加權情形分析（經參考獨立合資格估值師進行的評估）計量應收或然代價之公平值。

(b) 非金融資產

- (i) 公平值層級
該附註解釋釐定於綜合財務報表按公平值確認及計量的非金融資產公平值時作出的判斷及估計。為得出釐定公平值所用輸入數據的可靠程度指標，本集團根據會計準則將其非金融資產及負債分為三個層級。各層級的解釋載於上文附註3.3(a)。

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

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Non-financial assets (Continued)

(i) Fair value hierarchy (Continued)

| | | Notes | Level 1 第一層 HK\$'000 千港元 | Level 2 第二層 HK\$'000 千港元 | Level 3 第三層 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---------|-------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| At 31 December 2019 | | | | | | |
| 於二零一九年十二月三十一日 | | 附註 | | | | |
| Investment properties | 投資物業 | | | | | |
| Commercial buildings and car parking spaces | 商業大廈及車位 | | | | | |
| - Mainland China | - 中國內地 | 17 | - | - | 95,222 | 95,222 |
| Total non-financial assets | 非金融資產總額 | | - | - | 95,222 | 95,222 |

| | | Notes | Level 1 第一層 HK\$'000 千港元 | Level 2 第二層 HK\$'000 千港元 | Level 3 第三層 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|---------|-------|-----------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| At 31 December 2018 | | | | | | |
| 於二零一八年十二月三十一日 | | 附註 | | | | |
| Investment properties | 投資物業 | | | | | |
| Commercial buildings and car parking spaces | 商業大廈及車位 | | | | | |
| - Mainland China | - 中國內地 | 17 | - | - | 108,423 | 108,423 |
| Total non-financial assets | 非金融資產總額 | | - | - | 108,423 | 108,423 |

3 財務風險管理 (續)

3.3 公平值估計 (續)

(b) 非金融資產 (續)

(i) 公平值層級 (續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Non-financial assets (Continued)

- (ii) Valuation techniques used to determine level 3 fair values
The Group obtains independent valuations for its investment properties at least annually. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including: current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences, discounted cash flow projections based on reliable estimates of future cash flows and capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence.

Refer to Note 17 for further disclosure on quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements at its investment properties.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(b) 非金融資產 (續)

- (ii) 釐定第三層公平值使用的估值技術
本集團至少每年會獲得其投資物業的獨立估值。於各報告期末，經考慮最新的獨立估值後，董事更新彼等對每項物業公平值的評估。董事根據一系列合理的公平值評估來釐定物業價值。

公平值的最好證明為類似物業在交投活躍市場的現時價格。倘該資料不可獲得，則董事可參考資料的來源包括：不同性質物業在交投活躍市場上的現時價格或類似物業在較不活躍市場上的近期價格（作出調整以反映該等差異）、以未來現金流量的可靠估計為基準的貼現現金流量預測，以及以物業的估計市場收入淨額為基準的資本化收入預測及源自市場證明分析的資本化比率。

有關投資物業經常性第三層公平值計量使用的重大不可觀察輸入數據的定量資料，於附註17作出了進一步披露。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments 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, by definition, 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 addressed below.

(a) Impairment assessment of non-financial assets and goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in Note 2.11. The recoverable amounts of CGUs associated with the goodwill have been determined based on value-in-use calculations. Non-financial assets other than goodwill, including property, plant and equipment, right-of-use assets and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of non-financial assets have been determined based on fair value less costs to sell or value-in-use valuations. These calculations require the use of judgments and estimates.

Management judgment is required in impairment test, particularly in assessing: (i) whether an event has occurred that may indicate that the CGUs/asset values may not be recoverable; (ii) whether the carrying amount of the CGU/an asset can be supported by the recoverable amount; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment of goodwill or non-financial assets other than goodwill, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial position and results of its operations.

4 主要會計估計及判斷

本集團根據過往經驗及其他因素（包括在相關情況下認為合理的未來事件預期）持續評估估計及判斷。

本集團對未來作出估計及假設。所得會計估計顧名思義，將甚少與有關實際結果相同。下文討論涉及重大風險導致下個財政年度的資產及負債的賬面值須作出重大調整的估計與假設。

(a) 非金融資產及商譽的減值評估

本集團根據附註2.11所述會計政策每年測試商譽有無減值。有關商譽的現金產生單位的可收回金額根據使用價值的計算釐定。非金融資產（商譽除外，包括物業、廠房及設備、使用權資產以及無形資產）於發生事件或情況改變顯示賬面值可能無法收回時進行減值檢討。非金融資產的可收回金額根據公平值扣減銷售成本或使用價值估值釐定。上述計算方法須運用判斷及估計。

管理層須就減值測試作出判斷，尤其是評估以下各項時：(i)是否已發生事件顯示現金產生單位／資產價值可能無法收回；(ii)可收回金額是否不低於現金產生單位／資產賬面值；及(iii)編製現金流量預測時須應用的適當主要假設，包括有關現金流量預測是否以適當貼現率貼現。管理層評估商譽或非金融資產（商譽除外）減值時選用的假設（包括現金流量預測所用貼現率或增長率假設）如有變化，可能會對減值測試所用淨現值產生重大影響，因而影響本集團的財務狀況及經營業績。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
(Continued)

(a) Impairment assessment of non-financial assets and goodwill *(Continued)*

During the year ended 31 December 2019, impairment charge on goodwill amounted to HK\$2,104,000 (2018: nil) are recognised in profit or loss. No impairment charge on intangible assets are recognised in profit or loss during the year ended 31 December 2019 (2018: same).

For the property, plant and equipment and right-of-use assets of the Group, an impairment loss of HK\$23,172,000 was recognised (2018: HK\$2,831,000) during the year ended 31 December 2019 for the property, plant and equipment and right-of-use assets used in restaurant business. If the discount rate for the Group had been 1 percentage point higher than management's estimate; or the annual growth rate had been 1 percentage point lower, the impairment charge will increase by HK\$581,000 and HK\$762,000, respectively.

(b) Estimated valuation of investment properties

Investment properties are stated at fair value based on the valuation performed by an independent and professionally qualified valuer.

In determining the fair value, the valuer has based on property valuation techniques which involve, inter alia, certain estimates including comparable sales in the relevant market, current market rents for similar properties in the same location and condition, appropriate discount rates and expected future market rents. In relying on the valuation report, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market condition.

4 主要會計估計及判斷 (續)

(a) 非金融資產及商譽的減值評估 (續)

截至二零一九年十二月三十一日止年度，商譽減值支出2,104,000港元（二零一八年：無）已於損益內確認。截至二零一九年十二月三十一日止年度，概無於損益內確認有關無形資產的減值支出（二零一八年：相同）。

就本集團物業、廠房及設備及使用權資產而言，於截至二零一九年十二月三十一日止年度就酒樓業務所用物業、廠房及設備及使用權資產確認減值虧損23,172,000港元（二零一八年：2,831,000港元）。倘本集團之貼現率較管理層估計上升1個百分點；或年度增長率降低1個百分點，減值支出將分別增加581,000港元及762,000港元。

(b) 投資物業的估計估值

投資物業乃按根據由獨立且專業的合資格估值師進行的估值的公平值列賬。

於釐定公平值時，估值師以多種物業估值技術為根據，當中涉及（其中包括）若干估算，包括相關市場上的可比較銷售、相同地點及狀況的類似物業的現時市場租金、適用貼現率及預期未來市場租金。依賴估值報告時，管理層已運用其判斷，並信納估值方法能夠反映現時市況。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
(Continued)

(c) Income tax

The Group is subject to current income tax. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax assets and liabilities in the period in which such determination is made.

The Group's management determines the deferred income tax assets based on the enacted or substantively enacted tax rates (and laws) and the best knowledge of profit projections of the Group for coming years during which the deferred income tax assets are expected to be utilised. In assessing the amount of deferred income tax assets that need to be recognised, the Group considers future taxable income and ongoing prudent and feasible tax planning strategies. In the event that the Group estimates of projected future taxable income and benefits from available tax strategies are changed, or changes in current tax regulations are enacted that would impact the timing or extent of the Group's ability to utilise the tax benefits of net operating loss carried forward in the future, adjustments to the recorded amount of net deferred income tax assets and income tax expense would need to be made.

4 主要會計估計及判斷 (續)

(c) 所得稅

本集團須繳納即期所得稅。釐定所得稅撥備時須作出重大判斷。眾多交易及計算方法最終如何釐定稅項尚不確定。倘有關最終稅項結果與最初入賬的金額不同，則差額會影響釐定稅項期間的即期所得稅及遞延所得稅資產與負債。

本集團管理層根據已頒佈或實質已頒佈的稅率（及法例），及本集團就預期動用遞延所得稅資產的未來年度的最佳溢利預測釐定遞延所得稅資產。評估須予確認的遞延所得稅資產金額時，本集團會考慮未來應課稅收入及現行審慎及可行的稅務規劃策略。倘本集團有關預測未來應課稅收入及現有稅務策略所帶來利益的估計出現任何變動，或現行稅務法規經修訂後會影響本集團日後動用結轉經營虧損淨額的稅務利益的時間或能力範疇，則須對錄得的遞延所得稅資產淨值及所得稅開支作出調整。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS
(Continued)

(c) Income tax *(Continued)*

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment properties and concluded that the Group's investment properties, which are located in Mainland China, are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Management will revisit the assumptions and profit projections at each balance sheet date.

(d) Fair value of contingent consideration

The fair value of the contingent consideration at the date of completion of acquisition and the end of the reporting period were determined using discounted cash flow and probability to meet the target financial performance. Where the estimation on these factors is different from those previously estimated, such differences will impact the fair value gain or loss of the contingent consideration in the period in which such determination is made.

4 主要會計估計及判斷 (續)

(c) 所得稅 (續)

就計量按公平值模式計量之投資物業產生之遞延稅項負債或遞延稅項資產而言，董事已審閱本集團之投資物業並認為本集團位於中國內地之投資物業乃根據目標為隨時間而非透過銷售消耗投資物業所包含之絕大部分經濟利益之商業模式持有。因此，於釐定本集團於投資物業的遞延稅項時，董事已釐定，採用公平值模式計量之投資物業之賬面值乃全部透過出售而收回之假設已被推翻。管理層會於各結算日修訂假設及溢利預測。

(d) 或然代價之公平值

或然代價於收購完成日期及於報告期末之公平值乃使用貼現現金流量及概率釐定，以達致目標財務表現。倘該等因素之估計與先前估計不同，則該等差額將影響或然代價於作出有關釐定期間內之公平值收益或虧損。

5 SEGMENT INFORMATION

The CODM has been identified as the executive directors of the Company who review the Group's internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

Following the acquisition of BYL Group which engages in the environment maintenance service business in the PRC during the year ended 31 December 2018, the Group's reportable segments under HKFRS 8 are as follows:

- (i) Chinese restaurant and wedding business
- (ii) Environmental maintenance business
- (iii) Property leasing business
- (iv) Securities trading business

5 分部資料

主要經營決策者指本公司檢討本集團內部報告以評估表現及分配資源的執行董事。主要經營決策者基於有關報告釐定經營分部。

截至二零一八年十二月三十一日止年度收購於中國從事環境維護服務業務的寶潤來集團後，本集團根據香港財務報告準則第8號的可呈報分部如下：

- (i) 中式酒樓及婚禮業務
- (ii) 環境維護業務
- (iii) 物業租賃業務
- (iv) 證券買賣業務

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

5 SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

| | | Chinese restaurant and wedding business 中式酒樓及婚禮業務 | | Environmental maintenance business 環境維護業務 | | Property leasing business 物業租賃業務 | | Securities trading business 證券買賣業務 | | Total 總計 | |
|---|--------------------|--|--------------------------|--|--------------------------|-------------------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 |
| Segment revenue | 分部收益 | | | | | | | | | | |
| External revenue | 外部收益 | 232,444 | 374,673 | 226,331 | 31,938 | 3,134 | 4,228 | - | 19 | 461,909 | 410,858 |
| Gain on disposal of financial assets at fair value through profit or loss | 出售按公平值計入損益之金融資產之收益 | - | - | - | - | - | - | - | 302 | - | 302 |
| Finance costs (Note) | 財務成本(附註) | (2,051) | - | (58) | - | - | - | - | - | (2,109) | - |
| Segment (loss)/profit | 分部(虧損)/溢利 | (49,219) | (15,969) | 28,564 | 4,654 | (11,181) | 6,377 | (814) | (916) | (32,650) | (5,854) |
| Finance income | 財務收入 | | | | | | | | | 1,516 | 864 |
| Finance costs (Note) | 財務成本(附註) | | | | | | | | | (5,336) | (1,993) |
| Unallocated corporate expenses | 未分配公司開支 | | | | | | | | | (19,568) | (16,296) |
| Loss before tax | 除稅前虧損 | | | | | | | | | (56,038) | (23,279) |

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment (loss)/profit represents the loss incurred by/profit earned by each segment without allocation of central administration costs, depreciation of certain plant and equipment and right-of-use assets, directors' emoluments, finance income, certain finance costs and exchange gain/loss. This is the measure reported to the CODM for purposes of resources allocation and performance assessment.

Note: Upon the adoption of HKFRS 16 since 1 January 2019, finance costs representing interest expenses associated with relevant lease liabilities are included in the segment (loss)/profit of respective segments.

5 分部資料(續)

分部收益及業績

本集團之收益及業績之分析按可呈報及經營分部呈列如下：

經營分部之會計政策與本集團會計政策相同。分部(虧損)/溢利指各分部未分配中央行政費用、若干廠房及設備及使用權資產折舊、董事酬金、財務收入、若干財務成本及匯兌收益/虧損所產生之虧損/獲得之溢利。此乃報告予主要經營決策者用於資源分配及業績評估的措施。

附註：自二零一九年一月一日採納香港財務報告準則第16號後，財務成本(指與相關租賃負債有關的利息開支)計入於各分部之分部(虧損)/溢利。

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

5 SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

5 分部資料 (續)

分部資產及負債

本集團資產及負債之分析按可呈報及經營分部呈列如下：

| | | Chinese restaurant and wedding business 中式酒樓及婚禮業務 | | Environmental maintenance business 環境維護業務 | | Property leasing business 物業租賃業務 | | Securities trading business 證券買賣業務 | | Total 總計 | |
|--|-----------------|--|--------------------------|--|--------------------------|-------------------------------------|--------------------------|---------------------------------------|--------------------------|--------------------------|--------------------------|
| | | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 | 二零一九年 HK\$'000 千港元 | 二零一八年 HK\$'000 千港元 |
| Segment assets | 分部資產 | 57,052 | 62,964 | 268,187 | 245,381 | 114,880 | 130,050 | - | - | 440,119 | 438,395 |
| Cash and cash equivalents | 現金及現金等價物 | | | | | | | | | 230,498 | 117,635 |
| Contingent consideration receivables | 應收或然代價 | | | | | | | | | 537 | 6,878 |
| Deferred income tax assets | 遞延所得稅資產 | | | | | | | | | 5,120 | 6,473 |
| Other unallocated corporate assets | 其他未分配公司資產 | | | | | | | | | 2,084 | 2,118 |
| Total assets | 總資產 | | | | | | | | | 678,358 | 571,499 |
| Segment liabilities | 分部負債 | 93,319 | 79,828 | 55,317 | 30,717 | 275 | 1,724 | 527 | - | 149,438 | 112,269 |
| Loans from a director of certain subsidiaries | 若干附屬公司之一名董事貸款 | | | | | | | | | 41,000 | 19,000 |
| Deferred income tax liabilities | 遞延所得稅負債 | | | | | | | | | 39,480 | 44,048 |
| Amount due to a related company | 應付一間關聯公司款項 | | | | | | | | | 3,378 | 3,453 |
| Amount due to a director | 應付一名董事款項 | | | | | | | | | 1,100 | 1,100 |
| Amount due to a director of certain subsidiaries | 應付若干附屬公司之一名董事款項 | | | | | | | | | 99 | - |
| Consideration payables | 應付代價 | | | | | | | | | 74,571 | 113,102 |
| Loans from a shareholder | 股東貸款 | | | | | | | | | 19,456 | 95,043 |
| Current income tax liabilities | 即期所得稅負債 | | | | | | | | | 16,374 | 14,183 |
| Other unallocated liabilities | 其他未分配負債 | | | | | | | | | 6,572 | 6,233 |
| Total liabilities | 總負債 | | | | | | | | | 351,468 | 408,431 |

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

5 SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain plant and equipment and right-of-use assets, cash and cash equivalents, certain deposits and prepayment, and other receivables, contingent consideration receivables and deferred income tax assets.
- all liabilities are allocated to operating segments other than certain deposits received and accruals and other payables, amount due to a director, amount due to a related company, amount due to a director of certain subsidiaries, current income tax liabilities, deferred income tax liabilities, loans from a director of certain subsidiaries and loans from a shareholder.

Other segment information

The following is an analysis of the Group's assets and liabilities by reportable and operating segment:

| | Chinese restaurant and wedding business 中式酒樓及婚禮業務 | | Environmental maintenance business 環境維護業務 | | Property leasing business 物業租賃業務 | | Securities trading business 證券買賣業務 | | Other unallocated segment 其他未分配分部 | | Total 總計 | |
|---|--|----------|--|----------|-------------------------------------|----------|---------------------------------------|----------|--------------------------------------|----------|-------------|----------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 | 二零一九年 | 二零一八年 |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Depreciation of property, plant and equipment and right-of-use assets 物業、廠房及設備及 使用權資產之折舊 | 50,317 | 13,733 | 10,071 | 1,176 | 31 | 187 | - | - | 480 | 428 | 60,899 | 15,524 |
| Impairment of property, plant and equipment 物業、廠房及設備之減值 | (23,172) | (2,831) | - | - | - | - | - | - | - | - | (23,172) | (2,831) |
| Impairment of goodwill 商譽減值 | - | - | - | - | (2,104) | - | - | - | - | - | (2,104) | - |
| Amortisation of intangible assets 無形資產攤銷 | - | - | 19,594 | 3,190 | - | - | - | - | - | - | 19,594 | 3,190 |
| Fair value changes of investments properties 投資物業公平值變動 | - | - | - | - | (11,184) | 4,565 | - | - | - | - | (11,184) | 4,565 |
| Additions of non-current assets 添置非流動資產 | 90,998 | 2,453 | 15,094 | 7,533 | - | - | - | - | - | 782 | 106,092 | 10,768 |
| Additions of property, plant and equipment and intangible assets through business combination (Note 32) 透過業務合併添置之 物業、廠房及設備 以及無形資產 (附註32) | - | - | - | 108,522 | - | - | - | - | - | - | - | 108,522 |

5 分部資料 (續)

分部資產及負債 (續)

為監控分部業績及在分部之間分配資源：

- 所有資產均分配至經營分部，若干廠房及設備以及使用權資產、現金及現金等價物、若干按金及預付款項、及其他應收款項、應收或然代價及遞延所得稅資產除外。
- 所有負債已分配至經營分部，若干已收取按金及應計費用及其他應付款項、應付一名董事款項、應付一間關聯公司款項、應付若干附屬公司以收取款項、即期所得稅負債、遞延所得稅負債、若干附屬公司之一名董事貸款及股東貸款除外。

其他分部資料

本集團資產及負債之分析按可呈報及經營分部呈列如下：

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

5 SEGMENT INFORMATION (Continued)

Geographical Information

The Group's operations are located in Hong Kong and Mainland China. Information about the Group's revenue from external customers is presented based on the location of the operations. Information about the Group's non-current assets is presented based on the geographical location of the assets.

| | | Revenue from external customers 來自外部客戶的收益 | | Non-current assets 非流動資產 | |
|----------------|------|--|----------------------------------|----------------------------------|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Hong Kong | 香港 | 232,444 | 374,692 | 52,467 | 43,067 |
| Mainland China | 中國內地 | 229,465 | 36,166 | 332,434 | 360,578 |
| Total | 總計 | 461,909 | 410,858 | 384,901 | 403,645 |

The Group had no inter-segment sales for the year ended 31 December 2018 and 2019.

For the year ended 31 December 2019, there is one (2018: nil) external customer contributed to more than 10% of revenue of the Group.

5 分部資料 (續)

地區資料

本集團主要於香港及中國內地經營。本集團來自外部客戶之收益資料乃按經營所在地呈列。本集團非流動資產資料乃按地區所在地呈列。

截至二零一八年及二零一九年十二月三十一日止年度，本集團概無分部間銷售。

截至二零一九年十二月三十一日止年度，有一名（二零一八年：零名）外部客戶對本集團收益的貢獻超過10%。

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

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

An analysis of revenue, which is also the Group's turnover, is as follows:

6 來自客戶合約之收益

本集團收益（即營業額）的分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| Chinese restaurant and wedding business: | 中式酒樓及婚禮業務： | | |
| Revenue from Chinese restaurant operations | 中式酒樓經營業務的收益 | 232,444 | 374,673 |
| Property leasing business: | 物業租賃業務： | | |
| Rental income | 租金收入 | 3,134 | 4,228 |
| Securities trading business: | 證券買賣業務： | | |
| Dividend income | 股息收入 | - | 19 |
| Environmental maintenance business: | 環境維護業務： | | |
| Services income for provision of environmental maintenance services | 提供環境維護服務的 服務收入 | 226,331 | 31,938 |
| Total revenue | 總收益 | 461,909 | 410,858 |

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

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Assets and liabilities related to contracts with customers

The Group has recognised the following revenue-related contract assets and liabilities

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-----------------------------|-------------|----------------------------------|----------------------------------|
| Contract assets | 合約資產 | | |
| Classified under: | 分類如下： | | |
| – non-current assets | – 非流動資產 | 27,543 | 13,204 |
| – current assets | – 流動資產 | – | 1,742 |
| | | 27,543 | 14,946 |
| Contract liabilities | 合約負債 | | |
| Classified under: | 分類如下： | | |
| – non-current liabilities | – 非流動負債 | 2,103 | 2,260 |
| – current liabilities | – 流動負債 | 23,915 | 36,272 |
| | | 26,018 | 38,532 |

As at 31 December 2019, contract assets increased by HK\$12,597,000 as the Group has completed a service contract with a customer of its environmental maintenance business in which the Group has provided the relevant services ahead of the agreed payment schedule of 8 years. The Group has yet to receive all the relevant completion certificates from the customer and therefore does not have an unconditional right to payment. Accordingly, the contract assets have yet to be converted to trade receivables as at 31 December 2019 and 2018. Contract assets of HK\$27,543,000 are classified under non-current assets, respectively, based on the agreed payment schedule as at 31 December 2019.

6 來自客戶合約之收益 (續)

客戶合約相關之資產及負債

本集團確認以下收益相關合約資產及負債

於二零一九年十二月三十一日，由於本集團完成與一名客戶的環境維護業務之服務合約，其中本集團較協定的付款時間表提前八年提供相關服務，故合約資產增加12,597,000港元。本集團尚未自客戶收取所有相關竣工證書，因此並無無條件付款權利。因此，於二零一九年及二零一八年十二月三十一日，合約資產尚未轉換為貿易應收款項。合約資產27,543,000港元按於二零一九年十二月三十一日協定的付款時間表分別分類為非流動資產。

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

6 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

Assets and liabilities related to contracts with customers (Continued)

As at 31 December 2019, contract liabilities mainly include deposits received from customers under the contracts for banquet and wedding banquet services of the Group's Chinese restaurant business. Revenue recognised during the year ended 31 December 2019 that was included in the contract liabilities balance at the beginning of the period is HK\$35,553,000.

As at 31 December 2019, aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied is HK\$26,018,000.

7 OTHER INCOME AND OTHER GAIN, NET

6 來自客戶合約之收益 (續)

客戶合約相關之資產及負債 (續)

於二零一九年十二月三十一日，合約負債主要包括根據本集團中式酒樓業務的宴席及婚宴服務合約自客戶收取的按金。截至二零一九年十二月三十一日止年度確認並計入期初合約負債結餘的收益為35,553,000港元。

於二零一九年十二月三十一日分配給部分或全部未履行的合約的總交易價格為26,018,000港元。

7 其他收入及其他收益，淨額

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------------------|-------------|----------------------------------|----------------------------------|
| Other income | 其他收入 | | |
| Forfeiture of contract liabilities | 沒收合約負債 | 939 | 1,153 |
| Miscellaneous income | 雜項收入 | 1,104 | 719 |
| | | 2,043 | 1,872 |

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

7 OTHER INCOME AND OTHER GAIN, NET (Continued)

7 其他收入及其他收益，淨額 (續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Other gain, net | 其他收益，淨額 | | |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備之收益 | - | 206 |
| Gain on disposal of subsidiaries (Note 33) | 出售附屬公司之收益 (附註33) | 5,107 | - |
| Foreign exchange losses, net | 外匯虧損，淨額 | (1,166) | - |
| | | 3,941 | 206 |

8 COST OF REVENUE

8 收益成本

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------------------|----------|----------------------------------|----------------------------------|
| Cost of materials consumed | 所耗材料成本 | | |
| - Chinese restaurant business | - 中式酒樓業務 | 57,372 | 103,690 |
| - Environmental maintenance business | - 環境維護業務 | 32,051 | 2,992 |
| - Others | - 其他 | 390 | 575 |
| | | 89,813 | 107,257 |

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

9 OTHER EXPENSES

9 其他開支

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Auditors' remuneration | 核數師酬金 | | |
| – Audit services | – 審計服務 | 1,650 | 1,500 |
| – Non-audit services | – 非審計服務 | – | 950 |
| Advertising and promotions | 廣告及推廣 | 10,276 | 11,707 |
| Cleaning and laundry expenses | 清潔及洗衣開支 | 7,393 | 7,201 |
| Credit card charges | 信用卡費用 | 2,992 | 4,222 |
| Kitchen consumables | 廚房耗材 | 429 | 835 |
| Repairs and maintenance | 維修及維護 | 6,322 | 5,730 |
| Consumable stores | 消耗品 | 1,874 | 2,651 |
| Insurance | 保險 | 2,649 | 1,940 |
| Legal and professional fee | 法律及專業費用 | 3,754 | 2,938 |
| Printing and stationery | 印刷及文具 | 1,068 | 1,284 |
| Staff messing | 員工福食 | 915 | 1,559 |
| Service fee to temporary workers | 付予臨時工的服務費 | 4,085 | 4,639 |
| Consultancy service fee (Note 25) | 顧問服務費(附註25) | – | 3,582 |
| Wedding banquet expenses | 婚宴開支 | 934 | 996 |
| Transportation | 運輸 | 2,058 | 1,226 |
| Share-based payment expenses granted to consultants (Note 35) | 授予顧問之以股份為基礎的 付款開支(附註35) | 1,473 | 3,390 |
| Motor car expenses | 汽車開支 | 2,291 | 271 |
| Security charges | 擔保費用 | 1,224 | 316 |
| Donation | 捐款 | 3,322 | 87 |
| Others | 其他 | 11,712 | 8,062 |
| | | 66,421 | 65,086 |

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

10 EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

10 僱員福利開支（包括董事酬金）

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-----------------------|----------------------------------|----------------------------------|
| Wages, salaries and bonuses | 工資、薪金及獎金 | 186,080 | 128,475 |
| Pension costs – defined contribution plans (Reversal)/accrual for annual leave | 退休金成本—界定供款計劃（撥回）／應計年假 | 8,361 | 4,957 |
| (Reversal)/accrual of long service payments | （撥回）／應計長期服務金 | (394) | 141 |
| Share-based payment expenses (Note 35) | 以股份為基礎的付款開支（附註35） | (649) | 390 |
| | | 423 | 1,175 |
| | | 193,821 | 135,138 |

(a) Pensions – defined contribution plans

The Group's net contributions to pension plans are mainly for employees in Hong Kong and Mainland China. Summary of the pension plans are as follows:

- (i) The Group contributes to an MPF Scheme for its employees in Hong Kong, under which the Group and each employee each makes monthly contribution to the scheme at 5% of the qualifying earnings of the employee, subject to a maximum of HK\$1,500 (2018: HK\$1,500) per month. As at 31 December 2019, contributions totaling approximately HK\$2,624,000 (2018: HK\$3,930,000) were paid or payable to the MPF Scheme.
- (ii) The Group's subsidiaries in Mainland China also contribute to retirement plans for its employees in Mainland China at a percentage of their salaries in compliance with the requirements of the respective municipal governments in Mainland China. The municipal governments undertake to assume the retirement benefit obligation of all existing and future retired employees of the Group in Mainland China. As at 31 December 2019, contributions totaling approximately HK\$5,737,000 (2018: HK\$1,028,000) which are denominated in RMB were paid or payable to the retirement plans.

(a) 退休金—界定供款計劃

本集團之退休金計劃供款淨額主要乃為於香港及中國內地僱員而設。退休金計劃概述如下：

- (i) 本集團為其香港僱員設立強積金計劃，據此，本集團及各僱員均須按僱員之合資格收入5%作每月供款，惟每月供款額上限為1,500港元（二零一八年：1,500港元）。於二零一九年十二月三十一日，合共約2,624,000港元（二零一八年：3,930,000港元）之供款已付或應付予強積金計劃。
- (ii) 本集團於中國內地之附屬公司亦遵守中國內地各市政府之規定為其於中國內地的僱員作出為彼等薪金一定百分比之退休計劃供款。市政府保證承擔所有現有及未來本集團於中國內地退休僱員之退休福利責任。於二零一九年十二月三十一日，合共約5,737,000港元（二零一八年：1,028,000港元）以人民幣計值之供款已付或應付予退休計劃。

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

10 EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year included three (2018: three) directors whose emoluments are reflected in the analysis presented in Note 11 to the consolidated financial statements. The emoluments payable to the remaining two (2018: two) individuals during the year are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Basic salaries, allowances and benefits | 基本薪金、津貼及福利 | 1,549 | 1,192 |
| Employer's contribution to pension scheme | 退休金計劃僱主供款 | 36 | 29 |
| Share-based payment expenses | 以股份為基礎的付款開支 | 74 | 339 |
| | | 1,659 | 1,560 |

The emoluments of the above two (2018: two) individuals above fell within the band of Nil – HK\$1,000,000 during the year.

No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the year ended 31 December 2019 (2018: same).

10 僱員福利開支（包括董事酬金）（續）

(b) 五位最高薪人士

年內，本集團五位最高薪人士包括三名（二零一八年：三名）董事，彼等酬金見綜合財務報表附註11之分析。年內應付餘下兩名（二零一八年：兩名）人士的酬金如下：

年內，上述兩名（二零一八年：兩名）人士的薪酬範圍介乎零至1,000,000港元。

截至二零一九年十二月三十一日止年度，並無已付或應付予五位最高薪人士款項作為加入本集團之獎勵或離職補償（二零一八年：相同）。

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

11 BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of each of the directors for the year ended 31 December 2019 is set out below:

| | | Basic salaries, allowances and benefits 袍金 津貼及福利 HK\$'000 千港元 | Discretionary bonuses 酌情花紅 HK\$'000 千港元 | Share-based payment expenses 以股份為基礎 的付款開支 HK\$'000 千港元 | Employer's contribution to a retirement benefit scheme 僱主退休金 福利計劃供款 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 | |
|--|----------------|---|---|--|--|--------------------------------|--------------|
| Chairman | 主席 | | | | | | |
| Mr. Sang Kangqiao | 桑康喬先生 | - | 770 | - | 78 | 18 | 866 |
| Executive directors | 執行董事 | | | | | | |
| Mr. Xu Wenzhe | 許文澤先生 | - | 770 | - | 78 | 18 | 866 |
| Mr. Cui Peng | 崔鵬先生 | - | 630 | - | 78 | 15 | 723 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Mr. Xu Zhihao | 徐志浩先生 | 120 | - | - | 78 | - | 198 |
| Mr. Lam Ka Tak | 林嘉德先生 | 120 | - | - | 78 | - | 198 |
| Mr. Wong Sincere | 黃誠思先生 | 120 | - | - | - | - | 120 |
| | | 360 | 2,170 | - | 390 | 51 | 2,971 |

11 董事利益及權益

(a) 董事酬金

截至二零一九年十二月三十一日止年度，各董事薪酬載列如下：

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

11 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

The remuneration of each of the directors for the year ended 31 December 2018 is set out below:

| | | Basic salaries, allowances and benefits | Discretionary bonuses | Share-based payment expenses | Employer's contribution to a retirement benefit scheme | Total | |
|--|-----------------|---|--------------------------|------------------------------------|--|-----------------|-------|
| | Fees | 袍金 津貼及福利 | 酌情花紅 | 以股份為基礎 的付款開支 | 僱主退休金 福利計劃供款 | 總計 | |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | |
| Chairman | 主席 | | | | | | |
| Mr. Sang Kangqiao | 桑康喬先生 | - | 715 | - | 181 | 18 | 914 |
| Executive directors | 執行董事 | | | | | | |
| Mr. Xu Wenze | 許文澤先生 | - | 715 | - | 181 | 18 | 914 |
| Mr. Cui Peng | 崔鵬先生 | - | 585 | - | 181 | 16 | 782 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Mr. Xu Zhihao | 徐志浩先生 | 120 | - | - | 181 | - | 301 |
| Mr. Lam Ka Tak | 林嘉德先生 | 120 | - | - | 181 | - | 301 |
| Ms. Liu Yan (note (i)) | 劉艷女士 (附註(i)) | 89 | - | - | (34) | - | 55 |
| Mr. Wong Sincere (note (ii)) | 黃誠思先生 (附註(ii)) | 31 | - | - | - | - | 31 |
| | | 360 | 2,015 | - | 871 | 52 | 3,298 |

Note:

- (i) Ms. Liu Yan resigned as an independent non-executive director on 27 September 2018.
- (ii) Mr. Wong Sincere were appointed as an independent non-executive director on 27 September 2018.

11 董事利益及權益 (續)

(a) 董事酬金 (續)

截至二零一八年十二月三十一日止年度，各董事薪酬載列如下：

| | | Basic salaries, allowances and benefits | Discretionary bonuses | Share-based payment expenses | Employer's contribution to a retirement benefit scheme | Total | |
|--|-----------------|---|--------------------------|------------------------------------|--|-----------------|-------|
| | Fees | 袍金 津貼及福利 | 酌情花紅 | 以股份為基礎 的付款開支 | 僱主退休金 福利計劃供款 | 總計 | |
| | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | |
| Chairman | 主席 | | | | | | |
| Mr. Sang Kangqiao | 桑康喬先生 | - | 715 | - | 181 | 18 | 914 |
| Executive directors | 執行董事 | | | | | | |
| Mr. Xu Wenze | 許文澤先生 | - | 715 | - | 181 | 18 | 914 |
| Mr. Cui Peng | 崔鵬先生 | - | 585 | - | 181 | 16 | 782 |
| Independent non-executive directors | 獨立非執行董事 | | | | | | |
| Mr. Xu Zhihao | 徐志浩先生 | 120 | - | - | 181 | - | 301 |
| Mr. Lam Ka Tak | 林嘉德先生 | 120 | - | - | 181 | - | 301 |
| Ms. Liu Yan (note (i)) | 劉艷女士 (附註(i)) | 89 | - | - | (34) | - | 55 |
| Mr. Wong Sincere (note (ii)) | 黃誠思先生 (附註(ii)) | 31 | - | - | - | - | 31 |
| | | 360 | 2,015 | - | 871 | 52 | 3,298 |

附註：

- (i) 劉艷女士已於二零一八年九月二十七日辭任獨立非執行董事。
- (ii) 黃誠思先生已於二零一八年九月二十七日獲委任為獨立非執行董事。

11 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

No directors waived or agreed to waive any emoluments during the year ended 31 December 2019 (2018: same). No incentive payment for joining the Group or compensation for loss of office was paid or payable to any directors during the year ended 31 December 2019 (2018: same).

(b) Directors' retirement benefits

No retirement benefits were paid to the directors of the Company during the year ended 31 December 2019 by a defined contribution plan operated by the Group in respect of their services as directors of the Company (2018: same). No other retirement benefits were paid to the directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2018: same).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2019 (2018: same).

11 董事利益及權益 (續)

(a) 董事酬金 (續)

截至二零一九年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金（二零一八年：相同）。截至二零一九年十二月三十一日止年度，概無已付或應付任何董事加入本集團的獎勵或離職補償（二零一八年：相同）。

(b) 董事退休福利

截至二零一九年十二月三十一日止年度，本集團營運之界定供款計劃並無就本公司董事所提供服務向其支付任何退休福利（二零一八年：相同）。概無就董事管理本公司或其附屬公司事務而提供之其他服務向其支付其他退休福利（二零一八年：相同）。

(c) 董事離職福利

截至二零一九年十二月三十一日止年度，概無董事已收取或將收取任何離職福利（二零一八年：相同）。

11 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, the Company did not pay any considerations to any third parties for making available the services of themselves as directors of the Company (2018: same).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans and other dealings were entered into by the Company or its subsidiary undertaking in favour of the directors of the Company, a controlled body corporate or a connected entity of such directors at any time during the year (2018: same).

(f) Directors' material interests in transactions, arrangements or contracts

Save for transactions disclosed elsewhere in the notes to these consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: same).

11 董事利益及權益 (續)

(d) 就獲取董事服務而向第三方支付之代價

截至二零一九年十二月三十一日止年度，本公司並無就獲取本公司董事服務而向任何第三方支付任何代價（二零一八年：相同）。

(e) 有關以董事、董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易之資料

於本年度任何時間內，本公司或其附屬公司概無以本公司董事、董事之受控制法團或關連實體為受益人進行貸款、準貸款或其他交易（二零一八年：相同）。

(f) 董事於交易、安排或合約中之重大權益

除本綜合財務報表其它附註所披露之交易外，並無有關本集團業務而本公司作為其中一方且本公司董事於其中（不論直接或間接）擁有重大權益（於本年年底或於年內任何時間）的重大交易、安排及合約（二零一八年：相同）。

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

12 FINANCE COSTS – NET

12 財務成本－淨額

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------------|----------------------------------|----------------------------------|
| Finance income | 財務收入 | | |
| – Interest income on short-term bank deposits | – 短期銀行存款的利息收入 | 218 | 50 |
| – Interest income arising from discount of non-current rental deposits | – 非流動租金按金貼現產生的利息收入 | 607 | 688 |
| – Interest income on contract asset | – 合約資產的利息收入 | 691 | 126 |
| | | 1,516 | 864 |
| Finance costs | 財務成本 | | |
| – Interest expense on bank borrowings | – 銀行借款利息開支 | (101) | – |
| – Interest expense on loans from a director of certain subsidiaries (Note 38) | – 若干附屬公司之一名董事之貸款利息開支 (附註38) | (1,853) | (1,084) |
| – Interest expense on lease liabilities | – 租賃負債的利息開支 | (3,827) | – |
| – Interest expense on loans from a shareholder (Note 38) | – 股東貸款利息開支 (附註38) | (1,637) | (853) |
| – Unwinding of discount of provision for reinstatement costs (Note 31) | – 解除修復成本撥備的貼現 (附註31) | (27) | (56) |
| | | (7,445) | (1,993) |
| Finance costs – net | 財務成本－淨額 | (5,929) | (1,129) |

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

13 INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2018: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The applicable corporate income tax rate for the Group's PRC subsidiaries is 25% on the estimated assessable profits.

13 所得稅開支

香港利得稅按16.5%（二零一八年：16.5%）的稅率就年內香港產生的估計應課稅溢利計提撥備。本集團的中國附屬公司針對估計應課稅溢利的適用企業所得稅稅率為25%。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Current income tax | 即期所得稅 | | |
| Hong Kong profit tax | 香港利得稅 | - | - |
| PRC enterprise income tax | 中國企業所得稅 | 7,756 | 2,438 |
| Deferred income tax (Note 30) | 遞延所得稅（附註30） | | |
| Origination and reversal of temporary differences | 暫時差額的產生及撥回 | (3,973) | (472) |
| Income tax expense | 所得稅開支 | 3,783 | 1,966 |

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using weighted average tax rate applicable to profits of the consolidated entities as follows:

本集團除所得稅前虧損的稅項與理論上按各綜合入賬計算實體之溢利所適用加權平均稅率計算的金額之間的差異如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------|----------------------------------|----------------------------------|
| Loss before income tax | 除所得稅前虧損 | (56,038) | (23,279) |
| Tax calculated at the applicable tax rates | 按適用稅率計算所得之稅項 | (7,709) | (2,867) |
| Income not subject to tax | 毋須課稅收入 | (1,788) | (504) |
| Expenses not deductible for tax purposes | 不可扣稅開支 | 5,702 | 3,399 |
| Deferred tax not recognised for tax losses | 稅項虧損未確認遞延稅項 | 11,389 | 4,495 |
| Utilisation of previously unrecognised tax losses | 動用先前未確認之稅項虧損 | - | (2,557) |
| Recognition of previously unrecognised tax | 確認先前未確認之稅項 | (2,130) | - |
| Write-off of deferred tax previously recognised | 撇銷先前確認之遞延稅項 | (1,681) | - |
| | | (3,783) | 1,966 |

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

14 LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

| | | 2019 二零一九年 | 2018 二零一八年 |
|---|------------------|---------------------|---------------|
| Loss attributable to owners of the Company (HK\$'000) | 本公司擁有人應佔虧損 (千港元) | (71,003) | (27,260) |
| Weighted average number of ordinary shares in issue (thousands) | 已發行普通股加權平均數 (千股) | 578,712 | 533,570 |
| Basic loss per share (HK\$) | 每股基本虧損 (港元) | (12 cents 仙) | (5 cents 仙) |

The weighted average number of ordinary shares used in the calculation of basic loss per share for the year ended 31 December 2018 excluded contingent returnable shares.

(b) Diluted

For the year ended 31 December 2019 and 2018, the Company's dilutive potential ordinary shares had an anti-dilutive effect on the basic loss per share, hence no diluted earnings per share was presented.

15 DIVIDENDS

The directors do not recommend the payment of final dividends for the year ended 31 December 2019 (2018: Nil).

14 每股虧損

(a) 基本

每股基本虧損乃採用本公司擁有人應佔虧損除以於年內已發行普通股的加權平均數計算。

用於計算截至二零一八年十二月三十一日止年度的每股基本虧損之普通股加權平均數不包括或然可退還股份。

(b) 攤薄

截至二零一九年及二零一八年十二月三十一日止年度，本公司的潛在攤薄普通股對每股基本虧損具有反攤薄效應，因此並無呈報每股攤薄盈利。

15 股息

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

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

16(a) PROPERTY, PLANT AND EQUIPMENT

16(a) 物業、廠房及設備

| | | Leasehold improvements 租賃裝修 HK\$'000 千港元 | Air-conditioning 空調 HK\$'000 千港元 | Equipment 設備 HK\$'000 千港元 | Furniture and fixtures 傢俬及固定裝置 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------------------|---|---|------------------------------------|--|---|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | | | | | | |
| Cost | 成本 | 69,094 | 9,350 | 23,017 | 33,651 | 6,144 | 141,256 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (43,098) | (6,780) | (18,565) | (26,769) | (2,784) | (97,996) |
| Net book amount | 賬面淨值 | 25,996 | 2,570 | 4,452 | 6,882 | 3,360 | 43,260 |
| Year ended 31 December 2018 | 截至二零一八年十二月三十一日止年度 | | | | | | |
| Opening net book amount | 期初賬面淨值 | 25,996 | 2,570 | 4,452 | 6,882 | 3,360 | 43,260 |
| Acquisition of subsidiaries (Note 32) | 收購附屬公司(附註32) | - | - | - | 6 | 27,861 | 27,867 |
| Additions | 添置 | 19 | - | 190 | 1,630 | 8,008 | 9,847 |
| Disposal | 出售 | - | - | - | - | (174) | (174) |
| Depreciation charge | 折舊費用 | (8,314) | (723) | (1,376) | (2,522) | (2,589) | (15,524) |
| Impairment charge | 減值費用 | (2,714) | (117) | - | - | - | (2,831) |
| Exchange difference | 匯兌差額 | - | - | - | - | 222 | 222 |
| Closing net book amount | 期終賬面淨值 | 14,987 | 1,730 | 3,266 | 5,996 | 36,688 | 62,667 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | | | | | | |
| Cost | 成本 | 69,113 | 9,350 | 23,207 | 35,304 | 58,875 | 195,849 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (54,126) | (7,620) | (19,941) | (29,308) | (22,187) | (133,182) |
| Net book amount | 賬面淨值 | 14,987 | 1,730 | 3,266 | 5,996 | 36,688 | 62,667 |
| Year ended 31 December 2019 | 截至二零一九年十二月三十一日止年度 | | | | | | |
| Opening net book amount | 期初賬面淨值 | 14,987 | 1,730 | 3,266 | 5,996 | 36,688 | 62,667 |
| Additions | 添置 | 21,703 | 2,476 | 1,876 | 10,719 | 12,268 | 49,042 |
| Write-off | 撇銷 | (454) | (24) | (34) | (48) | (40) | (600) |
| Disposal of subsidiaries (Note 33) | 出售附屬公司(附註33) | (16,464) | (1,703) | (1,619) | (6,118) | - | (25,904) |
| Depreciation charge | 折舊費用 | (7,165) | (768) | (1,274) | (2,412) | (9,214) | (20,833) |
| Impairment charge | 減值費用 | (7,130) | (174) | (308) | (862) | - | (8,474) |
| Exchange difference | 匯兌差額 | - | - | - | (92) | (1,104) | (1,196) |
| Closing net book amount | 期終賬面淨值 | 5,477 | 1,537 | 1,907 | 7,183 | 38,598 | 54,702 |
| At 31 December 2019 | 於二零一九年十二月三十一日 | | | | | | |
| Cost | 成本 | 27,072 | 5,016 | 9,767 | 14,477 | 69,159 | 125,491 |
| Accumulated depreciation and impairment | 累計折舊及減值 | (21,595) | (3,479) | (7,860) | (7,294) | (30,561) | (70,789) |
| Net book amount | 賬面淨值 | 5,477 | 1,537 | 1,907 | 7,183 | 38,598 | 54,702 |

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

16(a) PROPERTY, PLANT AND EQUIPMENT (Continued)

Due to the continuing unsatisfactory performance of certain restaurants, management recognised an impairment loss of HK\$8,474,000 (2018: HK\$2,831,000) for certain property, plant and equipment during the year ended 31 December 2019, which was estimated based on the recoverable amount of each individual restaurant cash generating unit. The recoverable amounts of the three (2018: one) restaurant cash generating units are determined based on the value-in-use calculation using cash flow projections based on financial budgets covering a period of the remaining lease term. The recoverable amounts of the restaurant cash generating units which have indicators of impairment and being tested for impairment were HK\$39,401,000 (2018: HK\$715,000) as at 31 December 2019. The pre-tax discount rate applied to the cash flow projections was 12.8% (2018: 12.8%).

16(b) LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

| | | 31 December 2019 二零一九年 十二月 三十一日 HK\$'000 千港元 | 1 January 2019 二零一九年 一月 一日 HK\$'000 千港元 |
|----------------------------|--------------|--|---|
| Right-of-use assets | 使用權資產 | | |
| Leased properties | 租賃物業 | 29,673 | 86,095 |
| Lease liabilities | 租賃負債 | | |
| Current | 流動 | 18,648 | 36,056 |
| Non-current | 非流動 | 29,440 | 56,476 |
| | | 48,088 | 92,532 |

Additions to the right-of-use assets during the year ended 31 December 2019 were HK\$57,050,000.

16(a) 物業、廠房及設備 (續)

由於若干酒樓的表現一直未如人意，管理層於截至二零一九年十二月三十一日止年度就若干物業、廠房及設備確認減值虧損8,474,000港元（二零一八年：2,831,000港元），其乃根據各酒樓現金產生單位的可收回金額估計。三家（二零一八年：一家）酒樓現金產生單位的可收回金額乃以採用按涵蓋餘下租賃期之財務預算為依據之現金流量預測之使用價值計算而釐定。有減值跡象之酒樓現金產生單位的可收回金額於二零一九年十二月三十一日經減值測試為39,401,000港元（二零一八年：715,000港元）。現金流量預測所用之稅前貼現率為12.8%（二零一八年：12.8%）。

16(b) 租賃

本附註就租賃（倘本集團為承租人）提供資料。

(i) 於綜合資產負債表確認的金額

綜合資產負債表列示下列有關租賃的金額：

截至二零一九年十二月三十一日止年度，使用權資產增加為57,050,000港元。

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

16(b) LEASES (Continued)

(ii) Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Depreciation charge of right-of-use assets | 使用權資產折舊費用 | | |
| Leased properties | 租賃物業 | 40,066 | - |
| Impairment of right-of-use assets | 使用權資產減值 | 14,698 | - |
| Interest expense (included in finance cost) | 利息開支 (於財務成本入賬) | 3,827 | - |
| Expense relating to short-term leases | 短期租賃之相關開支 | 19,399 | - |
| Expense relating to variable lease payments not included in lease liabilities | 未包括於租賃負債之可變租賃付款之相關開支 | 45 | - |

Total cash flows for leases in 2019 was HK\$44,060,000.

於二零一九年，租賃之現金流量總額為44,060,000港元。

16(b) 租賃 (續)

(ii) 於綜合全面收益表確認的金額

綜合全面收益表列示下列有關租賃的金額：

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

16(b) LEASES (Continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices and restaurant stores. Rental contracts are typically made for fixed period of 3 years, but may have extension options as described in (iv) below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

(iv) Extension and termination options

Extension and termination options are included in a number of offices and restaurant stores across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

16(b) 租賃 (續)

(iii) 本集團租賃活動及其入賬方式

本集團租賃各種辦公室及酒樓店舖。租賃合約一般固定為期三年，惟可能包括下文(iv)所述之續租選擇權。

租賃條款個別磋商，條款與條件各有不同。

(iv) 續租及終止選擇權

本集團內多個辦公室和酒樓店舖均包含續租及終止租賃選擇權。該等續租及終止選擇權用於盡可能提高管理用於本集團營運的資產之營運靈活性。大部分所持有的續租及終止選擇權僅可由本集團而非由相應的出租人行使。

17 INVESTMENT PROPERTIES

17 投資物業

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------------------------|------------|----------------------------------|----------------------------------|
| At 1 January | 於一月一日 | 108,423 | 108,865 |
| Fair value (loss)/gain | 公平值(虧損)/收益 | (11,184) | 4,565 |
| Exchange difference | 匯兌差額 | (2,017) | (5,007) |
| At 31 December | 於十二月三十一日 | 95,222 | 108,423 |

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

17 INVESTMENT PROPERTIES (Continued)

The following amounts have been recognised in the consolidated statement of comprehensive income for the investment properties:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Rental income | 租金收入 | 3,134 | 4,228 |
| Direct operating expenses from properties that generated rental income | 產生租金收入之物業之直接經營開支 | (390) | (575) |
| | | 2,744 | 3,653 |

Valuation process of the Group

As at 31 December 2019, investment properties were revalued by an independent professionally qualified valuer, CHFT Advisory and Appraisal Limited (2018: same) using direct comparison approach. As at 31 December 2019, the Group's interests in investment properties are held on leases of 30-31 years (2018: 31-32 years) and are located in the PRC (2018: same).

The Group reviews the valuation performed by independent valuer for financial reporting purposes. Discussion of valuation processes and results are held between management and independent professional qualified valuer for financial reporting purposes.

17 投資物業 (續)

下列金額已於綜合全面收益表內就投資物業作出確認：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------------|----------------------------------|----------------------------------|
| Rental income | 租金收入 | 3,134 | 4,228 |
| Direct operating expenses from properties that generated rental income | 產生租金收入之物業之直接經營開支 | (390) | (575) |
| | | 2,744 | 3,653 |

本集團的估值程序

於二零一九年十二月三十一日，投資物業已由獨立專業合資格估值師華坊諮詢評估有限公司（二零一八年：相同）採用直接比較法進行重估。於二零一九年十二月三十一日，本集團於投資物業之權益乃根據30年至31年（二零一八年：31年至32年）之租約持有，該等物業位於中國（二零一八年：相同）。

就財務申報目的而言，本集團審閱獨立估值師作出之估值。管理層與獨立專業合資格估值師討論估值程序及結果，以供財務申報之用。

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

17 INVESTMENT PROPERTIES (Continued)

Valuation process of the Group (Continued)

17 投資物業 (續)

本集團的估值程序 (續)

| Description 概況 | Fair value measurements using 使用以下輸入數據之公平值計量方式 | | |
|--|--|--|--|
| | Quoted prices in active markets for identical assets 相同資產 於活躍市場 的報價 (Level 1) (第一層) HK\$'000 千港元 | Significant other observable inputs 其他重大 可觀察 輸入數據 (Level 2) (第二層) HK\$'000 千港元 | Significant unobservable inputs 重大 不可觀察 輸入數據 (Level 3) (第三層) HK\$'000 千港元 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | | |
| Investment properties: Commercial buildings and car parking spaces – Mainland China | 投資物業： 商業大廈及車位 – 中國內地 | | |
| | - | - | 95,222 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | | |
| Investment properties: Commercial buildings and car parking spaces – Mainland China | 投資物業： 商業大廈及車位 – 中國內地 | | |
| | - | - | 108,423 |

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during the year.

本集團的政策乃於導致該轉撥之事件發生或狀況出現變動當日確認公平值層級的轉入及轉出。

年內，第一層、第二層及第三層之間並無轉撥。

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

17 INVESTMENT PROPERTIES (Continued)

Information about fair value measurements using significant unobservable input (Level 3) are as follows:

Valuation techniques

| Description | Fair value | Valuation technique | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|---|------------------------|---|---------------------------|--|---|
| 概況 | 公平值 HK\$'000 千港元 | 估值技術 | 不可觀察輸入數據 | 不可觀察 輸入數據範圍 | 不可觀察輸入數據 與公平值的關係 |
| At 31 December 2019 | | | | | |
| 於二零一九年十二月三十一日 | | | | | |
| Commercial buildings and car parking spaces – No.8, Fuchengmen Road, Xicheng District, Beijing, the PRC | 95,222 | Direct comparison approach (Cross-checked with income approach) | Comparable sales evidence | Commercial buildings: RMB80,000 to RMB90,000 per square metre Car parking spaces: RMB380,000 to RMB500,000 per unit | The higher the comparable market price, the higher the fair value |
| 商業大樓及車位 – 中國北京市西城區阜成門外大街8號樓 | | 直接比較法 (與收入法交叉檢查) | 可資比較 銷售憑證 | 商業大樓：每平方米人民幣80,000元至人民幣90,000元 車位：每單位人民幣380,000元至人民幣500,000元 | 可資比較市價與公平值成正比 |
| At 31 December 2018 | | | | | |
| 於二零一八年十二月三十一日 | | | | | |
| Commercial buildings and car parking spaces – No.8, Fuchengmen Road, Xicheng District, Beijing, the PRC | 108,423 | Direct comparison approach (Cross-checked with income approach) | Comparable sales evidence | Commercial buildings: RMB80,816 to RMB90,000 per square metre Car parking spaces: RMB200,000 to RMB480,000 per unit | The higher the comparable market price, the higher the fair value |
| 商業大樓及車位 – 中國北京市西城區阜成門外大街8號樓 | | 直接比較法 (與收入法交叉檢查) | 可資比較 銷售憑證 | 商業大樓：每平方米人民幣80,816元至人民幣90,000元 車位：每單位人民幣200,000元至人民幣480,000元 | 可資比較市價與公平值成正比 |

Under direct comparison approach, fair values of the investment properties are derived from comparing the property to be valued directly with other comparable properties, which have recently transacted. However, given the heterogeneous nature of the properties, appropriate adjustments are usually required to allow for any qualitative differences that may affect the price likely to be achieved by the property under consideration. The most significant impact into this valuation approach is price per square metre/price per unit.

17 投資物業 (續)

有關使用重大不可觀察輸入數據 (第三層) 的公平值計量之資料如下：

估值技術

| Description | Fair value | Valuation technique | Unobservable inputs | Range of unobservable inputs | Relationship of unobservable inputs to fair value |
|---|------------------------|---|---------------------------|--|---|
| 概況 | 公平值 HK\$'000 千港元 | 估值技術 | 不可觀察輸入數據 | 不可觀察 輸入數據範圍 | 不可觀察輸入數據 與公平值的關係 |
| At 31 December 2019 | | | | | |
| 於二零一九年十二月三十一日 | | | | | |
| Commercial buildings and car parking spaces – No.8, Fuchengmen Road, Xicheng District, Beijing, the PRC | 95,222 | Direct comparison approach (Cross-checked with income approach) | Comparable sales evidence | Commercial buildings: RMB80,000 to RMB90,000 per square metre Car parking spaces: RMB380,000 to RMB500,000 per unit | The higher the comparable market price, the higher the fair value |
| 商業大樓及車位 – 中國北京市西城區阜成門外大街8號樓 | | 直接比較法 (與收入法交叉檢查) | 可資比較 銷售憑證 | 商業大樓：每平方米人民幣80,000元至人民幣90,000元 車位：每單位人民幣380,000元至人民幣500,000元 | 可資比較市價與公平值成正比 |
| At 31 December 2018 | | | | | |
| 於二零一八年十二月三十一日 | | | | | |
| Commercial buildings and car parking spaces – No.8, Fuchengmen Road, Xicheng District, Beijing, the PRC | 108,423 | Direct comparison approach (Cross-checked with income approach) | Comparable sales evidence | Commercial buildings: RMB80,816 to RMB90,000 per square metre Car parking spaces: RMB200,000 to RMB480,000 per unit | The higher the comparable market price, the higher the fair value |
| 商業大樓及車位 – 中國北京市西城區阜成門外大街8號樓 | | 直接比較法 (與收入法交叉檢查) | 可資比較 銷售憑證 | 商業大樓：每平方米人民幣80,816元至人民幣90,000元 車位：每單位人民幣200,000元至人民幣480,000元 | 可資比較市價與公平值成正比 |

根據直接比較法，投資物業之公平值乃通過將待估值物業與近期交易之其他可資比較物業進行直接比較而得出。然而，由於各物業之性質互不相同，通常須作出適當調整，而允許存在可能影響標的物業可能達致之價格之質化差異。使用該估值方法的最重大影響為每平方米價格／每單位價格。

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

18 GOODWILL AND INTANGIBLE ASSETS

18 商譽及無形資產

| | | Goodwill | Customer backlog | Customer relationship | Total |
|---|--------------|--------------------------|------------------|-----------------------|-----------------|
| | | 商譽 | 未完成客戶合約 | 客戶關係 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | 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 | | | |
| Opening net book amount | 期初賬面淨值 | 21,720 | – | – | 21,720 |
| Acquisition of subsidiaries (Note 32) | 收購附屬公司(附註32) | 89,019 | 47,913 | 32,742 | 169,674 |
| Amortisation charge | 攤銷支出 | – | (2,651) | (539) | (3,190) |
| Exchange differences | 匯兌差額 | 508 | 368 | 248 | 1,124 |
| Closing net book amount | 期終賬面淨值 | 111,247 | 45,630 | 32,451 | 189,328 |
| At 31 December 2018 | | 於二零一八年十二月三十一日 | | | |
| Cost | 成本 | 111,247 | 48,281 | 32,990 | 192,518 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | – | (2,651) | (539) | (3,190) |
| Net book amount | 賬面淨值 | 111,247 | 45,630 | 32,451 | 189,328 |
| Year ended 31 December 2019 | | 截至二零一九年十二月三十一日止年度 | | | |
| Opening net book amount | 期初賬面淨值 | 111,247 | 45,630 | 32,451 | 189,328 |
| Amortisation charge | 攤銷支出 | – | (16,260) | (3,334) | (19,594) |
| Impairment | 減值 | (2,104) | – | – | (2,104) |
| Exchange differences | 匯兌差額 | (2,369) | (477) | (608) | (3,454) |
| Closing net book amount | 期終賬面淨值 | 106,774 | 28,893 | 28,509 | 164,176 |
| At 31 December 2019 | | 於二零一九年十二月三十一日 | | | |
| Cost | 成本 | 108,878 | 47,804 | 32,382 | 189,064 |
| Accumulated amortisation and impairment | 累計攤銷及減值 | (2,104) | (18,911) | (3,873) | (24,888) |
| Net book amount | 賬面淨值 | 106,774 | 28,893 | 28,509 | 164,176 |

During the year ended 31 December 2019, amortisation of intangible assets charged to the consolidated statement of comprehensive income is HK\$19,594,000 (2018: HK\$3,190,000).

截至二零一九年十二月三十一日止年度，於綜合全面收益表扣除的無形資產的攤銷為19,594,000港元（二零一八年：3,190,000港元）。

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

18 GOODWILL AND INTANGIBLE ASSETS (Continued)

Note:

The fair values at acquisition date of the customer backlogs of HK\$47,913,000 and customer relationships of HK\$32,742,000 acquired through the business combination of BYL Group during the year ended 31 December 2018 was determined by directors of the Company, with reference to the valuation report prepared by CHFT Advisory and Appraisal Limited, an independent valuer.

The customer backlogs represent the total estimated customer contracts that has been secured and remain to be completed as at the acquisition date. The customer relationships refer to the long-time business relationship and history with key customers in Chengdu, Sichuan, the PRC. The fair values of customer backlogs and customer relationships are determined using multi-period excess earnings method under the income approach which is widely adopted when market participants consider current customer contracts and relationships of a company to be one of the core competence. The key assumptions used in estimating the fair values of the intangible assets are as follows:

| | 2018 |
|-------------------------------------|-------|
| Sales amount (% annual growth rate) | 2% |
| Gross margin (% of revenue) | 28% |
| Discount rate | 15.3% |

The directors determined that, after having made all reasonable and careful enquiries, the valuation methods, basis and key assumptions applied in the valuation report prepared by the independent valuer, and after considering the nature, prospects, financial condition and business risks of the underlying business of the intangible assets, they are not aware of any indication of impairment of intangible assets as at the acquisition date and as at 31 December 2018.

The directors of the Company, to the best of their knowledge information and belief are not aware of any indications that an impairment of intangible assets of BYL Group CGU is required as at 31 December 2019.

18 商譽及無形資產 (續)

附註：

截至二零一八年十二月三十一日止年度，於收購日期未完成客戶合約的公平值47,913,000港元及透過寶潤來集團的業務合併所取得的客戶關係32,742,000港元由本公司董事釐定，並經參考獨立估值師華坊諮詢評估有限公司所編製的估值報告。

未完成客戶合約指已取得且在收購日期仍尚未完成的客戶合約的估計總額。客戶關係指與位在中國四川成都主要客戶的長期商業關係及歷史。未完成客戶合約及客戶關係的公平值乃根據收入法使用多期超額盈利法釐定，而收入法乃當市場參與者認為一間公司的現時客戶合約及關係為核心競爭力會被廣泛採納。於估計無形資產之公平值時所採用的主要假設如下：

| | 二零一八年 |
|---------------|-------|
| 銷售額 (年增長率百分比) | 2% |
| 毛利率 (佔收益百分比) | 28% |
| 貼現率 | 15.3% |

董事經作出一切合理及審慎查詢 (獨立估值師所編製的估值報告中所應用的估值方法、基準及主要假設) 後，且經考慮無形資產的相關業務的性質、前景、財務狀況及業務風險後，彼等並不知悉於收購日期及於二零一八年十二月三十一日有任何跡象表明無形資產出現減值。

據本公司董事所深知及盡悉，彼等並不知悉任何跡象表明，須於二零一九年十二月三十一日對寶潤來集團現金產生單位的無形資產作出減值。

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

18 GOODWILL AND INTANGIBLE ASSETS (Continued)

Impairment assessments of Goodwill and intangible assets

Goodwill acquired through business combinations in previous years are allocated to cash generating units, namely New Fortune Group CGU and BYL Group CGU (see Note 32 for details) respectively, for impairment test. The recoverable amounts of the New Fortune Group CGU and BYL Group CGU have been determined by reference to the value-in-use calculation, which are higher than their respective fair value less costs of disposal.

| | | Opening 期初 HK\$'000 | Addition 添置 HK\$'000 | Impairment 減值 HK\$'000 | Exchange difference 匯兌差額 HK\$'000 | Closing 期終 HK\$'000 |
|---|-------------------------|---------------------------|----------------------------|------------------------------|--|---------------------------|
| As at 31 December 2019 | 於二零一九年 十二月三十一日 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| Property leasing business – New Fortune Group CGU | 物業租賃業務 – 裕祥集團現金產生單位 | 21,522 | – | (2,104) | (422) | 18,996 |
| Environmental maintenance business – BYL Group CGU | 環境維護業務 – 寶潤來集團現金產生單位 | 89,725 | – | – | (1,947) | 87,778 |
| | | 111,247 | – | (2,104) | (2,369) | 106,774 |

Property leasing business – New Fortune Group CGU

In assessing the value-in-use calculation, references were made to the valuation of the investment properties and the carrying amount of the business unit's other assets and liabilities which approximated to their fair values, excluding any deferred tax liabilities initially recognised on acquisition relevant to this business unit. Fair values of the properties were determined based on valuations performed by independent valuer at year end (See Note 17 for details).

18 商譽及無形資產 (續)

商譽及無形資產之減值評估

於過往年度透過業務合併收購的商譽已分配至現金產生單位，分別為裕祥集團現金產生單位及寶潤來集團現金產生單位（詳情參閱附註32）以進行減值測試。裕祥集團現金產生單位及寶潤來集團現金產生單位的可收回金額乃參考使用價值計算（其乃高於彼等各自公平值減出售成本）而釐定。

物業租賃業務 – 裕祥集團現金產生單位

於評估使用價值計算時，已參考投資物業估值及業務單位之其他資產及負債的賬面值（與其公平值相若），不包括與本業務單位相關的任何初始確認收購的遞延稅項負債。物業之公平值乃根據獨立估值師於年末進行之估值而釐定（詳情請參閱附註17）。

18 GOODWILL AND INTANGIBLE ASSETS (Continued)

Impairment assessments of Goodwill and intangible assets (Continued)

Property leasing business – New Fortune Group CGU (Continued)

The directors determined that after having made all reasonable and careful enquiries, the valuation methods, basis and key assumptions applied in the valuation of the investment properties held by the New Fortune Group CGU, the significant drop in fair value of the investment properties was an impairment indicator to the goodwill of the New Fortune Group CGU. An impairment loss on the New Fortune Group CGU of HK\$2,104,000 was charged to the consolidated statement of comprehensive income, relevant key assumptions are stated in Note 17 to this consolidated financial statements.

Environmental maintenance business – BYL Group CGU

In assessing the value-in-use calculation, references were made to the calculations use pre-tax cash flow projections based on financial plans approved by management covering a forecast period of 5 years. Cash flows beyond the forecast period are extrapolated using the estimated long-term growth rates. The long-term growth rate of the CGU does not exceed the long-term average growth rate for the environmental maintenance business in which the CGU operates. The key assumptions applied includes pre-tax discount rate of 15.9% (2018: 14.3%), annual revenue growth rate of 28% (2018: 96%) for the first year of projection, and 2% (2018: 2%) for the remaining years of the five year budget period and terminal growth rate of 2% (2018: 2%), and an average gross profit margin of 27.8% (2018: 28.3%). The revenue growth rate in the first year of projection was arrived at by taking into account of the expected renewal of existing service contracts, the committed services contracts awarded to BYL Group and the successful bidding and execution of new potential services contracts as at the date of the assessment by management.

The recoverable amount of the BYL Group CGU calculated based on value-in-use was determined based on valuation performed by CHFT Advisory and Appraisal Limited, an independent professional valuer, which exceeded the carrying amount by HK\$113,111,000 (2018: HK\$145,441,000).

18 商譽及無形資產 (續)

商譽及無形資產之減值評估 (續)

物業租賃業務 – 裕祥集團現金產生單位 (續)

董事經作出一切合理及審慎查詢(裕祥集團現金產生單位所持有的投資物業估值中所應用的估值方法、基準及主要假設)後,認為投資物業公平值的大幅下跌為裕祥集團現金產生單位商譽的減值指標。裕祥集團現金產生單位的減值虧損2,104,000港元自綜合全面收益表扣除,而相關主要假設呈列於本綜合財務報表附註17。

環境維護業務 – 寶潤來集團現金產生單位

於評估使用價值計算時,已參考按管理層所批准五年預測期財務計劃使用除稅前現金流量預測計算。預測期以後的現金流量使用估計長期增長率推測,該現金產生單位的長期增長率並無超過現金產生單位運作的環境維護業務的長期平均增長率。所應用的主要假設包括除稅前貼現率15.9%(二零一八年:14.3%)、首年預測的年度營收增長率28%(二零一八年:96%)以及五年預算期餘下年度2%(二零一八年:2%)及長期增長率2%(二零一八年:2%)及平均毛利率27.8%(二零一八年:28.3%)。首年預測的營收增長率乃經計及於管理層評估日期預期續新現有服務合約、授予寶潤來集團的承諾服務合約及成功競投及簽立新潛在服務合約後達致。

根據由獨立專業估值師華坊諮詢評估有限公司進行之估值釐定之使用價值計算之寶潤來集團現金產生單位之可收回金額超出賬面值113,111,000港元(二零一八年:145,441,000港元)。

18 GOODWILL AND INTANGIBLE ASSETS (Continued)

Impairment assessments of Goodwill and intangible assets
(Continued)

Environmental maintenance business – BYL Group CGU
(Continued)

Since the carrying amount of the BYL Group CGU is not sensitive to the change in assumption, no sensitivity analysis is disclosed.

The directors of the Company, to the best of their knowledge information and belief, are not aware of any indications that an impairment of the goodwill and intangible asset of BYL Group CGU is required as at 31 December 2019 and 2018 after considering the above value-in-use calculation and the nature, prospects, financial condition and business risks of the respective CGUs. Accordingly, no impairment loss was considered necessary as at 31 December 2019 and 2018.

18 商譽及無形資產 (續)

商譽及無形資產減值評估
(續)

環境維護業務－寶潤來集團
現金產生單位 (續)

由於寶潤來集團現金產生單位之賬面值對假設變動不敏感，故並無披露敏感性分析。

經考慮裕祥集團現金產生單位及寶潤來集團現金產生單位的上述使用價值計算以及性質、前景、財務狀況及業務風險後，據本公司董事所深知、盡悉及確信，彼等並不知悉於二零一九年及二零一八年十二月三十一日有任何跡象顯示寶潤來集團現金產生單位出現商譽及無形資產減值，因此，彼等認為於二零一九年及二零一八年十二月三十一日無需計提減值虧損。

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

19 FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

19 按類別劃分的金融工具

金融工具的會計政策已應用於下列項目：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Assets as per consolidated balance sheet | | | |
| <i>Finance assets at FVPL</i> | | | |
| Contingent consideration receivables | | 537 | 6,878 |
| Liabilities as per consolidated balance sheet | | | |
| <i>Other financial liabilities at amortised cost</i> | | | |
| Trade payables | 貿易應付款項 | 29,387 | 20,250 |
| Accruals, provisions and other payables | 應計費用、撥備及其他應付款項 | 46,580 | 47,226 |
| Amount due to a related company | 應付一間關聯公司款項 | 3,378 | 3,453 |
| Consideration payables | 應付代價 | 74,571 | 113,102 |
| Loans from a shareholder | 股東貸款 | 19,456 | 95,043 |
| Loans from a director of certain subsidiaries | 若干附屬公司之 一名董事貸款 | 41,000 | 19,000 |
| Amount due to a director | 應付一名董事款項 | 1,100 | 1,100 |
| Amount due to a director of certain subsidiaries | 應付若干附屬公司之 一名董事款項 | 99 | - |

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

20 TRADE RECEIVABLES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------|--------|--|----------------------------------|
| Trade receivables | 貿易應收款項 | 36,020 | 12,024 |

The ageing analysis of trade receivables based on invoice date is as follows:

按發票日期呈列的貿易應收款項賬齡分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------|--------|--|----------------------------------|
| 0 to 30 days | 0至30日 | 19,826 | 8,592 |
| 31 to 60 days | 31至60日 | 8,806 | 3,432 |
| 61 to 90 days | 61至90日 | 7,388 | - |
| | | 36,020 | 12,024 |

20 TRADE RECEIVABLES (Continued)

The Group's revenue from its Chinese restaurant operations is mainly conducted in cash or by credit cards. The credit periods granted by the Group to its customers for its newly acquired environmental maintenance business and its tenants range from 30 to 90 days. As at 31 December 2019, the Group's trade receivables mainly comprised credit card receivables in restaurant business and receivables from the Group's environmental maintenance business. These receivables were not past due nor impaired and amounted to approximately HK\$36,020,000 (2018: HK\$12,024,000). They are related to customers for whom there was no recent history of default.

The Group applies the HKFRS 9 simplified approach to measure the expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No loss allowance were made as at 31 December 2019 and 2018.

The carrying amounts of trade receivables approximate their fair values and are denominated in RMB except for HK\$227,000 (2018: HK\$825,000) which are denominated in HK\$. The maximum exposure to credit risk at the balance sheet date is the carrying values of trade receivables mentioned above. The Group does not hold any collateral as security.

20 貿易應收款項 (續)

本集團中式酒樓營運收益主要以現金或信用卡進行。本集團向新收購環境維護業務客戶及其租戶授出的信貸期介乎30至90日。於二零一九年十二月三十一日，本集團的貿易應收款項主要包括酒樓業務之信用卡應收款項及來自本集團環境維護業務之應收款項。該等應收款項既無逾期亦無減值，金額約為36,020,000港元（二零一八年：12,024,000港元）。與近期並無違約記錄的客戶有關。

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，該準則就所有貿易應收款項採用整個期限的預期虧損撥備。截至二零一九年及二零一八年十二月三十一日，概無作出任何虧損撥備。

貿易應收款項的賬面值與其公平值相若，並以人民幣計值，惟227,000港元（二零一八年：825,000港元）乃以港元計值除外。於結算日所面對的最大信貸風險為上述貿易應收款項的賬面值。本集團並無持有任何抵押品作為擔保。

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

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

21 按金、預付款項及其他應收款項

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|-------------------|----------------------------------|----------------------------------|
| Performance deposits (Note) | 履約保證金 (附註) | 12,184 | 10,257 |
| Rental deposits | 租金按金 | 7,229 | 19,987 |
| Utilities deposits | 公用設施按金 | 1,484 | 4,868 |
| Other deposits | 其他按金 | 3,811 | 8,005 |
| Other receivables | 其他應收款項 | 4,282 | 2,156 |
| Prepaid insurance | 預付保險 | 760 | 1,505 |
| Prepayment for advertising and promotions | 廣告及推廣預付款項 | 452 | 474 |
| Prepaid rent | 預付租金 | - | 2,072 |
| Other prepayments | 其他預付款項 | 4,665 | 3,801 |
| | | 34,867 | 53,125 |
| Less: Non-current portion | 減：非即期部分 | | |
| – rental deposits | – 租金按金 | (4,656) | (7,616) |
| – performance deposits (Note) | – 履約保證金 (附註) | (2,428) | (8,135) |
| – prepayment for acquisition of property, plants and equipment | – 收購物業、廠房及設備的預付款項 | (844) | (921) |
| Current portion | 即期部分 | 26,939 | 36,453 |

The carrying amounts of deposits, prepayments and other receivable approximate their fair values and are denominated in HK\$, except for HK\$19,181,000 (2018: HK\$16,991,000) which was denominated in RMB.

按金、預付款項及其他應收款項的賬面值與其公平值相若，並以港元計值，惟19,181,000港元（二零一八年：16,991,000港元）以人民幣計值。

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

21 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

Note:

In accordance with the service contracts with customers and the common practice in the environmental maintenance industry in the PRC, certain customers request the Group to maintain deposits with them. These deposits will be released and refunded to the Group when the relevant environmental maintenance services contract expired, normally in one to three years. The balances are regularly reviewed by management with reference to the historical default rates or forfeiture rate. No loss allowance were made on these deposits as at 31 December 2019 and 2018.

22 FINANCIAL ASSETS AT FVPL

As at 31 December 2019, the fair values of the contingent consideration receivables are determined by an independent valuer. Details of the contingent consideration receivables and key assumptions of valuation are disclosed in Note 32 to the consolidated financial statements.

During the year ended 31 December 2019, fair value loss on financial assets at FVPL of HK\$6,395,000 in relation to contingent consideration receivables (2018: nil) was recognised in the consolidated statement of comprehensive income.

21 按金、預付款項及其他應收款項 (續)

附註：

根據與客戶的服務合約及中國環境維護行業的一般慣例，若干客戶要求本集團存放保證金。該等保證金將於相關環境維護服務合約屆滿（通常為一至三年）時解除並退還予本集團。管理層定期參考過往拖欠率或沒收率審閱結餘。於二零一九年及二零一八年十二月三十一日，概無就該等保證金作出虧損撥備。

22 按公平值計入損益的金融資產

| | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------------|----------------------------------|
| Contingent consideration receivables 應收或然代價 | 537 | 6,878 |

於二零一九年十二月三十一日，應收或然代價之公平值乃由獨立估值師釐定。應收或然代價及估值主要假設詳情於綜合財務報表附註32披露。

截至二零一九年十二月三十一日止年度，有關應收或然代價之按公平值計入損益的金融資產之公平值虧損為6,395,000港元（二零一八年：零港元），於綜合全面收益表確認。

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

23 CASH AND CASH EQUIVALENTS

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------------------------|----------|----------------------------------|----------------------------------|
| Short-term bank deposits | 短期銀行存款 | 190,173 | – |
| Cash at banks | 銀行現金 | 40,035 | 114,395 |
| Cash on hand | 手頭現金 | 290 | 3,240 |
| Cash and cash equivalents | 現金及現金等價物 | 230,498 | 117,635 |
| Maximum exposure to credit risk | 最高信貸風險 | 230,208 | 114,395 |

Cash at banks earn interest at floating rates based on daily bank deposit rates. Cash and cash equivalents are denominated in the following currencies:

銀行現金按銀行存款每日息率的浮動利率賺取利息。現金及現金等價物以下列貨幣計值：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|------|-----|----------------------------------|----------------------------------|
| RMB | 人民幣 | 47,726 | 28,133 |
| HK\$ | 港元 | 182,772 | 89,502 |
| | | 230,498 | 117,635 |

The year-end effective interest rate on short-term bank deposits was 2.33% per annum (2018: nil). These deposits have an average maturity of 1.09 month (2018: nil).

短期銀行存款的年末實際利率為每年2.33%（二零一八年：無）。該等存款的平均到期日為1.09個月（二零一八年：無）。

As at 31 December 2019, out of the total cash and bank balances denominated in RMB as stated above, approximately HK\$47,726,000 (2018: HK\$28,133,000) were kept in Mainland China. The remittance of these funds out of Mainland China is subject to applicable foreign exchange restrictions imposed by the respective local governments.

於二零一九年十二月三十一日，上文所述以人民幣計值的現金及銀行結餘總額中，約47,726,000港元（二零一八年：28,133,000港元）存放於中國內地。該等資金匯出中國內地須受各地方政府實施之適用外匯管制所規限。

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

24 SHARE CAPITAL AND SHARE PREMIUM

24 股本及股份溢價

| | | Number of ordinary shares 普通股數目 Thousand 千股 | Nominal value of ordinary shares 普通股面值 HK\$'000 千港元 | Share premium 股份溢價 HK\$'000 千港元 |
|---|---|--|--|---|
| Authorised: Ordinary shares of HK\$0.01 each as at 31 December 2018 and 31 December 2019 | 法定： 於二零一八年十二月 三十一日及二零一九 年十二月三十一日 每股面值0.01港元之 普通股 | 10,000,000 | 100,000 | - |
| Issued and fully paid: At 1 January 2018 | 已發行及繳足： 於二零一八年一月一日 | 558,000 | 5,580 | 236,120 |
| Transfer from share-based payment reserve to share premium (Note 25) | 自以股份為基礎的 付款儲備轉撥至 股份溢價(附註25) | - | - | 18,950 |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 558,000 | 5,580 | 255,070 |
| At 1 January 2019 | 於二零一九年一月一日 | 558,000 | 5,580 | 255,070 |
| Issue of ordinary shares by subscription (Note) | 通過認購發行 普通股(附註) | 30,000 | 300 | 49,300 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 588,000 | 5,880 | 304,370 |

Note:

On 29 March 2019, the Company entered into a subscription agreement ("Subscription Agreement") with an independent third party (the "Subscriber"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has agreed to allot and issue 30,000,000 new ordinary shares at a price of HK\$1.70 per share to the Subscriber.

On 24 April 2019, all the conditions precedent under the Subscription Agreement was fulfilled and the share subscription was completed on the same date. The net proceeds of HK\$49,600,000 (after deducting the expenses incurred in the subscription from the gross proceeds of HK\$51,000,000) were raised from the subscription and credited to the share capital and share premium account of the Company.

附註：

於二零一九年三月二十九日，本公司與一名獨立第三方（「認購人」）訂立認購協議（「認購協議」），據此，認購人有條件同意認購而本公司有條件同意按每股1.70港元的價格向認購人配發及發行30,000,000股新普通股。

於二零一九年四月二十四日，認購協議項下之所有先決條件均已達成，且股份認購已於同日完成。認購所得款項淨額為49,600,000港元（自所得款項總額51,000,000港元扣除認購產生的開支後）並計入本公司股本及股份溢價賬。

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

25 RESERVES

25 儲備

| | | Capital reserve | Exchange reserve | Share-based payment reserve | Accumulated losses | Statutory Reserve | Total |
|--|----------------------------|--------------------|---------------------|-----------------------------------|-----------------------|----------------------|------------------|
| | | 資本儲備 | 匯兌儲備 | 以股份 為基礎的 付款儲備 | 累計虧損 | 法定儲備 | 總計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 4,986 | 3,206 | 23,428 | (142,359) | - | (110,739) |
| Comprehensive income: | 全面收益: | | | | | | |
| Loss attributable to owners of the Company | 本公司擁有人應佔虧損 | - | - | - | (27,260) | - | (27,260) |
| Other comprehensive income: | 其他全面收益: | | | | | | |
| Currency translation differences | 貨幣換算差額 | - | (3,599) | - | - | - | (3,599) |
| Comprehensive income: | 全面收益: | - | (3,599) | - | (27,260) | - | (30,859) |
| Transactions with owners in their capacity as owners: | 與擁有人以其擁有人身份進行的交易: | | | | | | |
| Share-based payment (Note 35) | 以股份為基礎的付款(附註35) | - | - | 4,565 | - | - | 4,565 |
| Lapsed of share options | 購股權失效 | - | - | (247) | 247 | - | - |
| Transfer from share-based payment reserve to share premium (Note(i)) | 轉撥自以股份為基礎的付款儲備至股份溢價(附註(i)) | - | - | (18,950) | - | - | (18,950) |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | - | - | (331) | 650 | 319 |
| At 31 December 2018 | 於二零一八年十二月三十一日 | 4,986 | (393) | 8,796 | (169,703) | 650 | (155,664) |

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

25 RESERVES (Continued)

25 儲備 (續)

| | | Capital reserve | Exchange reserve | Share-based payment reserve | Accumulated losses | Statutory Reserve | Total |
|--|----------------------------|--------------------|---------------------|-----------------------------------|-----------------------|----------------------|-----------------|
| | | 資本儲備 | 匯兌儲備 | 以股份 為基礎的 付款儲備 | 累計虧損 | 法定儲備 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2019 | 於二零一九年一月一日 | 4,986 | (393) | 8,796 | (169,703) | 650 | (155,664) |
| Comprehensive income: | 全面收益: | | | | | | |
| Loss attributable to owners of the Company | 本公司擁有人應佔 虧損 | - | - | - | (71,003) | - | (71,003) |
| Other comprehensive income: | 其他全面收益: | | | | | | |
| Currency translation differences | 貨幣換算差額 | - | (3,853) | - | - | - | (3,853) |
| Comprehensive income: | 全面收益: | - | (3,853) | - | (71,003) | - | (74,856) |
| Transactions with owners in their capacity as owners: | 與擁有人以其擁 有人的身份進行 的交易: | | | | | | |
| Share-based payment (Note 35) | 以股份為基礎的 付款 (附註35) | - | - | 1,896 | - | - | 1,896 |
| Lapsed of share options | 購股權失效 | - | - | (283) | 283 | - | - |
| Transfer to statutory reserve | 轉撥至法定儲備 | - | - | - | (1,923) | 3,771 | 1,848 |
| Shares to be issued (Note (ii)) | 股份溢價 (附註(ii)) | 177,000 | - | - | - | - | 177,000 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 181,986 | (4,246) | 10,409 | (242,346) | 4,421 | (49,776) |

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

25 RESERVES (Continued)

Note (i):

On 10 May 2013, Choi Fook Holdings Limited, a subsidiary of the Company, allotted and issued 75,000 new shares to Century Great Investments Limited ("Century Great"), which was entirely exchanged to the shares of the Company upon completion of the reorganisation on 19 November 2013 at a consideration of HK\$75,000 and the services to be provided by Century Great which include, inter alia, reviewing the Group's business operations and development and management policies from time to time, devising the Group's marketing plan, seeking strategic investors for the Group and arranging regular trainings for directors and members of the senior management for a term of five full financial years after the listing ("the vesting period"). Century Great is liable to compensate the Group for all losses and damages resulting from its failure to provide the abovementioned services at any time during the vesting period.

Century Great undertakes that within the five full financial years after the listing, it will not, for each year, sell, or dispose of more than 20% of the entire shares which are beneficially owned by it upon the listing. Non-vesting condition refers to the lock-up period for the shares which are taken into account by adjusting the fair value of the shares so that the amount reflects the discount for the lock-up period. The shares in Century Great were converted into the shares of the Company of 24,430,000 shares and are restricted for a period of 5 years.

The fair value of the shares issued in return for services received approximates the fair value of services received by the Group. The estimate of fair value of services received was measured based on the discounted cash flow model. The fair value of the shares issued as at 10 May 2013 as determined by using the discounted cash flow was approximately HK\$18,950,000, discount rate of 15.0%, lack of control discount of 26.7% and terminal growth rate of 2.8%.

The services received by the Group commenced upon the listing. Consultancy service fee of HK\$18,950,000 was recognised as prepayment which is to be amortised over the vesting period of 5 years. During the year ended 31 December 2019, no amortisation charge of the consultancy service fee was recognised in "other expenses" in the consolidated statement of comprehensive income (2018: HK\$3,582,000).

Upon the completion of the 5 years service period during the year ended 31 December 2018, the share based payment reserve of HK\$18,950,000 was transferred to share premium.

25 儲備 (續)

附註(i)：

於二零一三年五月十日，本公司附屬公司彩福控股有限公司向Century Great Investments Limited (「Century Great」)配發及發行75,000股新股份，該等股份已於二零一三年十一月十九日完成重組後悉數轉換成本公司股份，代價為75,000港元，而Century Great將予提供的服務包括(其中包括)於上市後五個完整財政年度內(「歸屬期間」)，不時審閱本集團的業務營運、發展及管理政策、制訂本集團的市場推廣方案、為本集團尋求策略投資者及為董事及高級管理層成員安排定期培訓。於歸屬期間任何時間內，Century Great須就未能提供上述服務令本集團蒙受的所有損失及損害作出賠償。

Century Great承諾，於上市後五個完整財政年度內各個年度，其將不會銷售或處理超過於上市後由其實益擁有的全部股份的20%。非歸屬條件涉及股份禁售期，並透過調整股份的公平值以使金額反映禁售期的貼現。Century Great的股份已轉換為24,430,000股本公司股份，限期為五年。

為換取所獲取服務而發行的股份的公平值與本集團已獲取服務的公平值相若。已獲取服務的公平值估計根據貼現現金流量模式計量。於二零一三年五月十日已發行股份的公平值乃使用貼現現金流量約18,950,000港元，貼現率15.0%、缺乏控制折讓26.7%及長期增長率2.8%釐定。

本集團所獲取的服務自上市後開始。18,950,000港元顧問服務費用確認為預付款項，將於五年歸屬期內攤銷。截至二零一九年十二月三十一日止年度，並無諮詢服務費用之攤銷支出於綜合全面收益表確認為「其他開支」(二零一八年：3,582,000港元)。

截至二零一八年十二月三十一日止年度，五年服務期完成後，以股份為基礎的付款儲備18,950,000港元已轉撥至股份溢價。

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

25 RESERVES (Continued)

Note (ii):

On 16 December 2019, the Company entered into a subscription agreement (“Second Subscription Agreement”) with an independent third party (the “Second Subscriber”), pursuant to which the Second Subscriber has conditionally agreed to subscribe for and the Company has agreed to allot and issue 117,000,000 new ordinary shares at a price of HK\$1.53 per share to the Second Subscriber.

As at 31 December 2019, all the conditions precedent under the Second Subscription Agreement were fulfilled and the net proceeds of HK\$177,000,000 (after deducting the expenses incurred in the subscription from the gross proceeds of HK\$179,010,000) were raised from the subscription.

However, the share certificates were delivered to the Second Subscriber and the share subscription was completed after the year end date on 7 January 2020. Accordingly, the raised capital before year end date was credited to an equity account as shares to be issued and was subsequently credited to share capital and share premium on 7 January 2020.

26 TRADE PAYABLES

The ageing analysis of trade payables based on invoice date is as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---------------|--------|----------------------------------|----------------------------------|
| 0 to 30 days | 0至30日 | 9,695 | 12,492 |
| 31 to 60 days | 31至60日 | 13,737 | 7,595 |
| 61 to 90 days | 61至90日 | 5,955 | 163 |
| | | 29,387 | 20,250 |

The carrying amounts of trade payables approximate their fair values and are denominated in HK\$, except that HK\$21,984,000 (2018: HK\$4,463,000) are denominated in RMB.

25 儲備 (續)

附註(ii):

於二零一九年十二月十六日，本公司已與一名獨立第三方（「第二認購人」）訂立認購協議（「第二份認購協議」），據此，第二認購人已有條件同意認購而本公司已同意向第二認購人按每股股份1.53港元之價格配發及發行117,000,000股新普通股。

於二零一九年十二月三十一日，第二份認購協議項下的所有先決條件已獲達成，認購事項的所得款項淨額為177,000,000港元（自所得款項總額179,010,000港元中扣除認購事項所產生的開支後）。

然而，股票已交付予第二認購人而股份認購乃於年結日後於二零二零年一月七日完成。因此，年結日前所籌集的資金作為將予發行的股份計入權益賬戶並隨後於二零二零年一月七日計入股本及股份溢價。

26 貿易應付款項

按發票日期呈列的貿易應付款項賬齡分析如下：

貿易應付款項的賬面值與其公平值相若，並以港元計值，惟21,984,000港元（二零一八年：4,463,000港元）以人民幣計值。

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

27 ACCRUALS, PROVISIONS AND OTHER PAYABLES AND DEPOSITS RECEIVED

27 應計費用、撥備及其他應付款項以及已收按金

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------------------|----------------------------------|----------------------------------|
| Accruals, provisions and other payables | 應計費用、撥備及其他應付款項 | | |
| Accrued wages, salaries and bonuses | 應計工資、薪金及獎金 | 12,042 | 13,380 |
| Accrued rental expenses | 應計租金開支 | - | 4,515 |
| Accrued utilities expenses | 應計公用設施開支 | 526 | 541 |
| Payables for purchases of property, plant and equipment | 購買物業、廠房及設備的應付款項 | 11,862 | 13,309 |
| Other accrued expenses | 其他應計開支 | 15,253 | 13,707 |
| Other tax payable | 其他應付稅項 | 9,272 | 6,288 |
| Provision for unutilised annual leave | 未動用年假撥備 | 309 | 1,109 |
| Provision for long service payment | 長期服務金撥備 | 554 | 1,651 |
| Total accruals, provisions and other payables | 應計費用、撥備及其他應付款項總額 | 49,818 | 54,500 |
| Less: | 減： | | |
| Non-current portion – accrued rental expenses | 非即期部分 – 應計租金開支 | - | (2,997) |
| Current portion of accruals, provisions and other payables | 應計費用、撥備及其他應付款項的即期部分 | 49,818 | 51,503 |
| Deposits received | 已收按金 | | |
| Tenants' deposits received | 已收租戶按金 | 276 | 1,300 |
| Other deposits received | 其他已收按金 | 302 | 803 |
| Total deposits received | 已收按金總額 | 578 | 2,103 |

The carrying amounts of accruals, provisions and other payables and deposits received approximate their fair values and are denominated in HK\$, except that HK\$43,893,000 (2018: HK\$28,565,000) are denominated in RMB.

應計費用、撥備及其他應付款項以及已收按金的賬面值與其公平值相若，並以港元計值，惟43,893,000港元（二零一八年：28,565,000港元）以人民幣計值。

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

28 BORROWINGS

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------|-----------|----------------------------------|----------------------------------|
| Bank loans (Note) | 銀行貸款 (附註) | 1,674 | - |

Note:

Bank borrowings have an effective interest rate of 4.79% per annum (2018: nil). The carrying amounts of the borrowings were denominated in RMB (2018: nil).

As at 31 December 2019 bank borrowings were secured by a personal guarantee from Mr. Wan Zhong, the non-controlling shareholder of a subsidiary of the Group. By the date of approval of these consolidated financial statements, the Group has repaid all of its bank borrowings carried as at 31 December 2019.

28 借貸

附註：

銀行借貸之實際年利率為4.79%（二零一八年：零）。借貸之賬面值以人民幣計值（二零一八年：零）。

於二零一九年十二月三十一日，銀行借貸由萬忠先生（本集團附屬公司之非控股股東）之個人擔保作抵押。於該等綜合財務報表獲核准日期前，本集團已償還於二零一九年十二月三十一日的所有銀行借貸。

29 LOANS FROM A DIRECTOR OF CERTAIN SUBSIDIARIES

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Current Loans from a director of certain subsidiaries – Unsecured | 即期 若干附屬公司之 一名董事貸款—無抵押 | 41,000 | 19,000 |

On 9 May 2017, U Banquet Group Limited, a subsidiary of the Company, entered into a loan facility agreement with a director of certain subsidiaries of which the director has agreed to make available to the Group from time to time an unsecured loan facility amounting to HK\$60,000,000 with an interest rate of 4.5% per annum for a term of 2.5 years from 9 May 2017. As at 31 December 2019, a total of HK\$41,000,000 (2018: HK\$19,000,000) was drawn down and the carrying amounts approximate their fair values, denominated in HK\$ and repayable on demand.

29 若干附屬公司之一名董事貸款

於二零一七年五月九日，本公司的附屬公司譽宴集團有限公司與若干附屬公司的一名董事訂立一份貸款融資協議，據此，該董事同意不時向本集團提供一筆最多60,000,000港元、年利率為4.5%的無抵押貸款融資，自二零一七年五月九日起計為期2.5年。於二零一九年十二月三十一日，總共41,000,000港元（二零一八年：19,000,000港元）已提取，且賬面值與其公平值相若，以港元計值並須按要求償還。

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

29 LOANS FROM A DIRECTOR OF CERTAIN SUBSIDIARIES (Continued)

The loan facility agreement was renewed on 9 November 2019 for a further period up to 8 April 2020, all other terms and conditions remained the same as the original loan facility agreement.

30 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

29 若干附屬公司之一名董事貸款 (續)

貸款融資協議於二零一九年十一月九日進一步續期直至二零二零年四月八日，所有其他條款及條件維持與原貸款融資協議相同。

30 遞延所得稅

遞延所得稅資產與遞延所得稅負債分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|----------------------------------|
| Deferred income tax assets: | | | |
| | 遞延所得稅資產： | | |
| – Deferred income tax assets to be recovered after more than 12 months | – 將於12個月後收回的遞延所得稅資產 | (5,118) | (5,705) |
| – Deferred income tax assets to be recovered within 12 months | – 將於12個月內收回的遞延所得稅資產 | (2) | (768) |
| | | (5,120) | (6,473) |
| Deferred income tax liabilities: | | | |
| | 遞延所得稅負債： | | |
| – Deferred income tax liabilities to be recovered after more than 12 months | – 將於12個月後收回的遞延所得稅負債 | 19,298 | 23,328 |
| – Deferred income tax liabilities to be recovered within 12 months | – 將於12個月內收回的遞延所得稅負債 | 20,182 | 20,720 |
| | | 39,480 | 44,048 |
| | | 34,360 | 37,575 |

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

30 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax assets

| | | Decelerated tax depreciation 減速 稅項折舊 HK\$'000 千港元 | Tax losses 稅項虧損 HK\$'000 千港元 | Provisions 撥備 HK\$'000 千港元 | Lease liabilities 租賃負債 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|--|-----------------------------|---|---------------------------------------|-------------------------------------|---|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 2,574 | 3,561 | 32 | - | 6,167 |
| Acquisition of subsidiaries (Note 32) | 收購附屬公司(附註32) | - | - | 191 | - | 191 |
| Charged to the consolidated statement of comprehensive income | 扣除自綜合全面收益表 | (159) | (326) | (40) | - | (525) |
| Exchange difference | 匯兌差額 | - | - | 2 | - | 2 |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日 及二零一九年一月一日 | 2,415 | 3,235 | 185 | - | 5,835 |
| Credited to the consolidated statement of comprehensive income | 計入綜合全面收益表 | 1,299 | - | 226 | 6,670 | 8,195 |
| Disposal of subsidiaries (Note 33) | 出售附屬公司(附註33) | (1,477) | - | - | (1,654) | (3,131) |
| Exchange difference | 匯兌差額 | - | - | (13) | (4) | (17) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 2,237 | 3,235 | 398 | 5,012 | 10,882 |

30 遞延所得稅 (續)

年內遞延所得稅資產與負債的變動(並無計及同一稅務司法權區的結餘抵銷)如下:

遞延所得稅資產

30 DEFERRED INCOME TAX (Continued)

Deferred income tax assets (Continued)

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of HK\$25,237,000 (2018: HK\$13,848,000) in respect of its losses amounting to HK\$152,952,000 (2018: HK\$83,927,000) that can be carried forward against future taxable income. The tax losses can be carried forward against future taxable income.

The retained earnings of the Group's subsidiaries in the PRC would be subject to additional taxation if they are distributed to the holding companies incorporated outside the PRC. In the opinion of the directors, these retained earnings, at the present time, are required for financing the continuing operation and expansion of the Group's business in the PRC and no distribution would be made in the foreseeable future. Accordingly, no deferred liabilities in respect of withholding tax on dividend have been provided. As at 31 December 2019, the Group has not recognized deferred tax liabilities in respect of withholding tax on dividend of HK\$9,049,400 (2018: HK\$4,838,000).

30 遞延所得稅 (續)

遞延所得稅資產 (續)

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現的程度而就所結轉之稅項虧損作確認。本集團並無確認與其虧損152,952,000港元(二零一八年: 83,927,000港元)有關遞延所得稅項資產25,237,000港元(二零一八年: 13,848,000港元)。稅務虧損可結轉用以抵銷未來應課稅收入。

倘於中國境外註冊成立的控股公司獲分派保留盈利，則本集團中國附屬公司的保留盈利須繳納額外稅項。董事認為，目前而言，該等保留盈利須為持續經營業務以及本集團在中國拓展業務撥付資金，且概不會在可見將來作出分配。因此，概無就股息預扣稅作出遞延負債撥備。於二零一九年十二月三十一日，本集團並無就股息預扣稅9,049,400港元(二零一八年: 4,838,000港元)確認遞延稅項負債。

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

30 DEFERRED INCOME TAX (Continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred income tax liabilities

30 遞延所得稅 (續)

年內遞延所得稅資產與負債的變動（並無計及同一稅務司法權區的結餘抵銷）如下：

遞延所得稅負債

| | | Accelerated tax depreciation | Revaluation arising from investments properties | Fair value gains through business combination | Right-of- use assets | Total |
|--|-------------------------|------------------------------------|--|--|-------------------------|-----------------|
| | | 加速 稅項折舊 | 投資物業 產生的重估 | 通過 業務合併 產生的 公平值收益 | 使用權資產 | 總計 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| At 1 January 2018 | 於二零一八年一月一日 | 3,010 | - | - | - | 3,010 |
| Acquisition of subsidiaries (Note 32) | 收購附屬公司 (附註32) | 69 | - | 20,163 | - | 20,232 |
| (Credited)/charged to the consolidated statement of comprehensive income | (計入)/扣除自綜合全面收益表 | (1,341) | 1,141 | (797) | - | (997) |
| Exchange difference | 匯兌差額 | - | (1,593) | 177 | - | (1,416) |
| At 31 December 2018 and 1 January 2019 | 於二零一八年十二月三十一日及二零一九年一月一日 | 1,268 | 22,599 | 19,543 | - | 43,410 |
| Charged/(credited) to the consolidated statement of comprehensive income | 扣除自/(計入)綜合全面收益表 | 5,217 | (2,796) | (4,897) | 6,698 | 4,222 |
| Disposal of subsidiaries (Note 33) | 出售附屬公司 (附註33) | (81) | - | - | (1,369) | (1,450) |
| Exchange difference | 匯兌差額 | (159) | (504) | (273) | (4) | (940) |
| At 31 December 2019 | 於二零一九年十二月三十一日 | 6,245 | 19,299 | 14,373 | 5,325 | 45,242 |

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

31 PROVISION FOR REINSTATEMENT COSTS

31 修復成本撥備

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------|--|----------------------------------|
| At 1 January | 於一月一日 | 3,117 | 3,451 |
| Unwinding of discount of provision (Note 12) | 解除撥備的貼現 (附註12) | 27 | 56 |
| Utilisation | 動用 | (2,697) | (390) |
| At 31 December | 於十二月三十一日 | 447 | 3,117 |
| Less: Non-current portion | 減：非即期部分 | (447) | (1,565) |
| Current portion | 即期部分 | - | 1,552 |

Provision for reinstatement costs is recognised for the present value of costs to be incurred for the reinstatement of the properties used by the Group for its Chinese restaurant business operations upon expiration of the relevant leases. As at 31 December 2019, the Group expected that the total undiscounted costs required in the future amount to approximately HK\$472,000 (2018: HK\$3,541,000).

修復成本撥備乃就本集團於相關租賃到期後修復其中式酒樓業務營運所用物業所產生成本的現值而確認。於二零一九年十二月三十一日，本集團預期未來所需的未貼現成本總額約為472,000港元（二零一八年：3,541,000港元）。

32 BUSINESS COMBINATIONS

(a) Acquisition of environmental maintenance business

On 9 February 2018, a wholly owned subsidiary of the Company (the "Purchaser") and Mr. Wan Zhong (the "Vendor") entered into a sale and purchase agreement in which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell 51% of the entire issued share capital of BYL Property Holdings Group Limited ("BYL"), at aggregate consideration of RMB132,600,000 (subject to adjustments) (equivalent to approximately HK\$154,106,000). BYL and its subsidiaries (collectively as "BYL Group") is principally engaged in the environmental maintenance business in the PRC. The completion of the agreement is subject to certain conditions precedent.

On 22 October 2018, upon the fulfillment of the conditions precedent set out in the sale and purchase agreement, the Group has completed the above acquisition. As a result of the acquisition, the Group expands its business scope to environmental maintenance business in the PRC which, the directors of the Company believe, will enjoy a sustainable growth in the future.

32 業務合併

(a) 收購環境維護業務

於二零一八年二月九日，本公司之全資附屬公司（「買方」）與萬忠先生（「賣方」）訂立買賣協議，其中買方有條件同意購買而賣方有條件同意出售於寶潤來置業控股集團有限公司（「寶潤來」）全部已發行股本之51%，總代價為人民幣132,600,000元（可予調整）（相當於約154,106,000港元）。寶潤來及其附屬公司（統稱「寶潤來集團」）主要於中國從事環境維護業務。協議須待若干先決條件達成後方可作實。

於二零一八年十月二十二日，於載於買賣協議的先決條件達成後，本集團已完成上述收購。由於收購，本集團將其於中國的業務規模擴張至環境維護業務，本公司董事認為，該業務將於日後享受可持續發展。

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

32 BUSINESS COMBINATIONS (Continued)

(a) Acquisition of environmental maintenance business (Continued)

The following table summaries the consideration paid for the acquisition, the fair value of assets acquired and liabilities assumed at the acquisition date.

| | | 2018 二零一八年 HK\$'000 千港元 |
|---|-----------------------------|----------------------------------|
| Recognised amounts of identifiable assets acquired and liabilities assumed | 所收購可識別資產及所承擔負債之已確認金額 | |
| Plant and equipment | 廠房及設備 | 27,867 |
| Intangible assets (Note 18) | 無形資產(附註18) | 80,655 |
| Deferred income tax assets | 遞延所得稅資產 | 122 |
| Amount due from related companies | 應收關聯公司款項 | 540 |
| Trade receivables | 貿易應收款項 | 31,897 |
| Contract assets | 合約資產 | 14,705 |
| Deposits, prepayments and other receivables | 按金、預付款項及其他應收款項 | 22,456 |
| Cash and cash equivalents | 現金及現金等價物 | 2,841 |
| Trade payables | 貿易應付款項 | (12,544) |
| Accruals, provisions and other payables | 應計費用、撥備及其他應付款項 | (23,060) |
| Current income tax liabilities | 即期所得稅負債 | (11,099) |
| Deferred income tax liabilities | 遞延所得稅負債 | (20,163) |
| Total identifiable net assets at fair values | 按公平值計量之可識別資產淨值總額 | 114,217 |
| Non-controlling interest | 非控股權益 | (55,966) |
| Purchase consideration | 購買代價 | 58,251 |
| – Consideration paid | – 已付代價 | 41,875 |
| – Consideration payables | – 應付代價 | 52,163 |
| – Contingent consideration payables (Note (i)) | – 應付或然代價(附註(i)) | 60,068 |
| – Contingent consideration receivables (Note (ii)) | – 應收或然代價(附註(ii)) | (6,836) |
| Goodwill (Note 18) | 商譽(附註18) | 89,019 |

32 業務合併(續)

(a) 收購環境維護業務 (續)

下表概述於收購日期已付收購之代價、所收購資產及所承擔負債之公平值。

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

32 BUSINESS COMBINATIONS (Continued)

(a) Acquisition of environmental maintenance business (Continued)

Note:

- (i) At the acquisition date, other than the agreed consideration of RMB79,560,000 (equivalent to HK\$94,038,000), contingent consideration payables of RMB53,040,000 (equivalent to HK\$60,068,000) was recognised and shall be settled within seven business days upon the fulfilment of certain payment conditions as stipulated in the sale and purchase agreement.
- (ii) In accordance with the sale and purchase agreement, the Vendor irrevocably and unconditionally warrants and guarantees to the Purchaser that the audited profit of the BYL Group for the three financial years ending 31 December 2020 as stated in the audited consolidated financial statements of the BYL Group for the underlying years shall not be less than the total sum of RMB94,500,000 (equivalent to approximately HK\$118,125,000) (the "Guaranteed Amount"). If the audited profit is less than the Guaranteed Amount, the Vendor will pay the Purchaser a compensation based on the formula prescribed in the sale and purchase agreement.

At 22 October 2018, the fair value of the contingent consideration receivables is determined by a professional valuation conducted by an independent valuer, at RMB6,036,000 (equivalent to HK\$6,836,000) using probability-weighted scenario analysis and with reference to a discount rate of 4.3%. The fair value of the contingent consideration receivables is considered as a level 3 measurement and the movement is presented in Note 3.3(a) to the consolidated financial statements.

32 業務合併 (續)

(a) 收購環境維護業務 (續)

附註：

- (i) 於收購日期，除協定代價人民幣79,560,000元（相當於94,038,000港元）外，應付或然代價人民幣53,040,000元（相當於60,068,000港元）已確認，並將於買賣協議所載之若干付款條件達成後七個營業日內結清。
- (ii) 根據買賣協議，賣方不可撤銷及無條件地向買方保證及擔保，寶潤來集團截至二零二零年十二月三十一日止三個財政年度之經審核綜合財務報表當中所述寶潤來集團於有關年度之經審核溢利合共將不低於人民幣94,500,000元（相當於約118,125,000港元）（「擔保金額」）。倘經審核溢利低於擔保金額，賣方將根據買賣協議所述公式向買方支付賠償。

於二零一八年十月二十二日，應收或然代價之公平值由獨立估值師所進行的專業估值中按機率加權情形分析並參考貼現率4.3%，為人民幣6,036,000元（相當於6,836,000港元）。應收或然代價之公平值被認為屬第三層計量，有關變動於綜合財務報表附註3.3(a)內呈列。

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

32 BUSINESS COMBINATIONS (Continued)

(a) Acquisition of environmental maintenance business (Continued)

An analysis of the cash flows in respect of the above acquisition is as follows:

| | | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|
| Cash outflow on the acquisition | 收購產生的現金流出 | |
| – Total purchase consideration settled in cash | – 以現金償付的總購買代價 | 41,875 |
| – Cash and cash equivalents in the subsidiaries acquired | – 於所收購附屬公司的現金及現金等價物 | (2,841) |
| | | 39,034 |

Acquisition-related costs of HK\$1,396,000 have been charged to other expenses in the consolidated statement of comprehensive income for the year ended 31 December 2018.

Goodwill mainly represents the reputation and future potential growth of the acquired subsidiaries for providing wide array of cleaning and environmental maintenance services for local government authorities in the PRC. None of the goodwill recognised is expected to be deductible for income tax purposes.

The revenue and net profit contributed by the newly acquired subsidiaries and recognised in the consolidated statement of comprehensive income since 22 October 2018 are HK\$31,938,000 and HK\$4,654,000 respectively.

Had BYL Group been consolidated from 1 January 2018, the Group's consolidated statement of comprehensive income would show pro-forma revenue of HK\$516,921,000 and loss for the year of HK\$6,520,000 for the year ended 31 December 2018.

32 業務合併 (續)

(a) 收購環境維護業務 (續)

就上述收購之現金流量分析如下：

| | | 2018 二零一八年 HK\$'000 千港元 |
|---------------------|--|----------------------------------|
| 收購產生的現金流出 | | |
| – 以現金償付的總購買代價 | | 41,875 |
| – 於所收購附屬公司的現金及現金等價物 | | (2,841) |
| | | 39,034 |

截至二零一八年十二月三十一日止年度，收購相關成本1,396,000港元已計入綜合全面收益表項下其他開支。

商譽主要指收購附屬公司為中國當地政府機關提供各類清潔及環境維護服務的聲譽及未來潛在增長。預期已確認商譽就所得稅而言不可扣減。

新收購附屬公司所貢獻及自二零一八年十月二十二日起於綜合全面收益表確認之收益及純利分別為31,938,000港元及4,654,000港元。

假若寶潤來集團於二零一八年一月一日起已合併入賬，則本集團截至二零一八年十二月三十一日止年度綜合全面收益表的年內備考收益及虧損將分別為516,921,000港元及6,520,000港元。

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

33 DISPOSAL OF SUBSIDIARIES

On 7 November 2019, the Group completed the disposal of 100% of the equity interest of Elite Rainbow Corporation Limited ("Elite Rainbow") and Vast Rainbow Limited ("Vast Rainbow") to an independent third party.

The following table summarises the consideration received for the disposal and the carrying net amounts of net assets at the disposal date.

Gain on disposal of subsidiaries of HK\$5,107,000 (2018: nil) was recognised in the consolidated statement of comprehensive income within "Other gain".

33 出售附屬公司

於二零一九年十一月七日，本集團已完成向獨立第三方出售韻彩有限公司（「韻彩」）及偉彩有限公司（「偉彩」）100%股權。

下表概述自出售收取的代價及於出售日期的資產淨值的賬面淨值。

出售附屬公司的收益5,107,000港元（二零一八年：無）已於綜合全面收益表的「其他收益」中確認。

| | | 2019 二零一九年 HK\$'000 千港元 |
|---|---------------------|----------------------------------|
| Net liabilities disposed of: | 出售下列各項的負債淨額： | |
| Property, plant and equipment | 物業、廠房及設備 | 25,904 |
| Debtors, prepayments and deposits | 應收款項、預付款項及按金 | 11,770 |
| Deferred tax assets | 遞延稅項資產 | 1,681 |
| Right-of-use assets | 使用權資產 | 58,699 |
| Cash and cash equivalents | 現金及現金等價物 | 636 |
| Creditors, accruals and deposits received | 應付賬款、應計費用及已收按金 | (8,086) |
| Lease liabilities | 租賃負債 | (60,877) |
| Contract liabilities | 合約負債 | (20,687) |
| Due to a director/related company | 應付一名董事／ 一間關聯公司款項 | (13,676) |
| Provision of reinstatement cost | 修復成本撥備 | (271) |
| | | (4,907) |
| Gain on disposal | 出售之收益 | 5,107 |
| | | 200 |
| Satisfied by: | 以下列方式支付： | |
| Cash consideration received | 已收現金代價 | 200 |

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

33 DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of the net outflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

33 出售附屬公司 (續)

有關出售附屬公司的現金及現金等價物的流出淨額的分析如下：

| | | 2019 二零一九年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|
| Cash consideration received | 已收現金代價 | 200 |
| Cash and cash equivalents disposed of | 已出售的現金及現金等價物 | (636) |
| Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries | 有關出售附屬公司的現金及現金 等價物流出淨額 | (436) |

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

34 NOTES TO THE CONSOLIDATED CASH FLOWS STATEMENT

34 綜合現金流量表附註

(a) Cash generated from operations

(a) 經營所得現金

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------------------------|----------------------------------|----------------------------------|
| Loss before income tax | 除所得稅前虧損 | (56,038) | (23,279) |
| Adjustments for: | 調整： | | |
| – Depreciation of property, plant and equipment and right-of-use assets (Note 16(a) and Note 16(b)) | – 物業、廠房及設備及使用權資產折舊(附註16(a)及附註16(b)) | 60,899 | 15,524 |
| – Finance costs (Note 12) | – 財務成本(附註12) | 7,445 | 1,993 |
| – Finance income (Note 12) | – 財務收入(附註12) | (1,516) | (864) |
| – Amortisation of consultancy service fee (Note 25) | – 顧問服務費用攤銷(附註25) | – | 3,582 |
| – Share-based payment expenses (Note 35) | – 以股份為基礎的付款開支(附註35) | 1,896 | 4,565 |
| – Forfeiture of contract liabilities (Note 7) | – 沒收合約負債(附註7) | (939) | (1,153) |
| – Amortisation of intangible assets (Note 18) | – 無形資產攤銷(附註18) | 19,594 | 3,190 |
| – Gain on disposal of property, plant and equipment (Note 7) | – 出售物業、廠房及設備之收益(附註7) | – | (206) |
| – Fair value loss/(gain) of investment properties | – 投資物業之公平值虧損/(收益) | 11,184 | (4,565) |
| – Impairment of property, plant and equipment and right-of-use assets (Note 16(a) and 16(b)) | – 物業、廠房及設備及使用權資產減值(附註16(a)及附註16(b)) | 23,172 | 2,831 |
| – Write-off of property, plant and equipment (Note 16(a)) | – 物業、廠房及設備撇銷(附註16(a)) | 600 | – |
| – Impairment of goodwill (Note 18) | – 商譽減值(附註18) | 2,104 | – |
| – Gain on disposal of financial assets at fair value through profit or loss | – 出售按公平值計入損益的金融資產之收益 | – | (302) |
| – Fair value loss of financial assets at fair value through profit or loss | – 按公平值計入損益的金融資產之公平值虧損 | 6,395 | – |
| – Gain on disposal of subsidiaries (Note 7) | – 出售附屬公司之收益(附註7) | (5,107) | – |
| Operating loss before changes in working capital | 營運資金變動前的經營虧損 | 69,689 | 1,316 |
| Changes in working capital: | 營運資金變動： | | |
| – Trade receivables | – 貿易應收款項 | (25,244) | 22,069 |
| – Deposits, prepayments, other receivables and contract assets | – 按金、預付款項、其他應收款項及合約資產 | (5,933) | 5,881 |
| – Trade payables | – 貿易應付款項 | 13,083 | (9,941) |
| – Accruals, provisions, other payables and contract liabilities | – 應計費用、撥備、其他應付款項及合約負債 | 17,605 | 2,656 |
| – Deposits received | – 已收按金 | (1,497) | (3,282) |
| – Provision for reinstatement costs | – 修復成本撥備 | (2,426) | (390) |
| – Amount due to a related company | – 應付一間關聯公司款項 | 1,505 | 538 |
| – Amount due to a director of certain subsidiaries | – 應付若干附屬公司之一名董事款項 | 12,195 | – |
| Cash generated from operations | 經營所得現金 | 78,977 | 18,847 |

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

34 NOTES TO THE CONSOLIDATED CASH FLOWS STATEMENT (Continued)

(b) During the year ended 31 December 2019, the principal non-cash transactions were:

- (i) Share-based payment expenses of HK\$1,473,000 (2018: HK\$3,390,000) and HK\$423,000 (2018: HK\$1,175,000) granted to consultants and directors and certain employees, respectively are charged to the consolidated statement of comprehensive income during the year.

(c) In the consolidated cash flows statement, proceeds from disposal of property, plant and equipment comprise:

34 綜合現金流量表附註 (續)

(b) 截至二零一九年十二月三十一日止年度，主要非現金交易為：

- (i) 授予顧問及董事及若干僱員以股份為基礎的付款開支分別為1,473,000港元(二零一八年：3,390,000港元)及423,000港元(二零一八年：1,175,000港元)，該等開支於年內分別自綜合全面收益表扣除。

(c) 於綜合現金流量表中，出售物業、廠房及設備之所得款項包含：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--------------------|--|----------------------------------|
| Net book amount (Note 16) | 賬面淨值(附註16) | - | 174 |
| Gain on disposal of property, plant and equipment (Note 7) | 出售物業、廠房及設備之收益(附註7) | - | 206 |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備之所得款項 | - | 380 |

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

34 NOTES TO THE CONSOLIDATED CASH FLOWS STATEMENT (Continued)

(d) Reconciliation of liabilities arising from financing activities

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

34 綜合現金流量表附註 (續)

(d) 融資活動產生的負債對賬

本節載列各所示期間的債務淨額及債務淨額變動之分析。

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|--------------------------|----------------------------------|----------------------------------|
| Cash and cash equivalents (Note 23) | 現金及現金等價物 (附註23) | 230,498 | 117,635 |
| Loans from a shareholder (Note 38) | 股東貸款 (附註38) | (19,456) | (95,043) |
| Loans from a director of certain subsidiaries (Note 29) | 若干附屬公司之 一名董事貸款 (附註29) | (41,000) | (19,000) |
| Borrowings (Note 28) | 借貸 (附註28) | (1,674) | - |
| Lease liabilities (Note 16(b)) | 租賃負債 (附註16(b)) | (48,088) | - |
| Net cash | 現金淨額 | 120,280 | 3,592 |

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

34 NOTES TO THE CONSOLIDATED CASH FLOWS STATEMENT (Continued)

(d) Reconciliation of liabilities arising from financing activities (Continued)

34 綜合現金流量表附註 (續)

(d) 融資活動產生的負債對賬 (續)

| | | Cash and cash equivalents | Lease liabilities | Bank borrowings due for repayment within 1 year | Consideration payable | Loan from a director of certain subsidiaries | Loans from a shareholder |
|---|---------------------------|---------------------------|-------------------|---|-----------------------|--|--------------------------|
| | | 現金及現金等價物 | 租賃負債 | 於一年內到期償還的銀行借款 | 應付代價 | 若干附屬公司之一名董事貸款 | 股東貸款 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| As at 1 January 2018 | 於二零一八年一月一日 | 196,335 | - | - | - | 45,000 | 150,690 |
| Cash (outflows)/inflow | 現金(流出)/流入 | (77,851) | - | - | 113,102 | (26,000) | (55,647) |
| Foreign exchange adjustments | 外匯調整 | (849) | - | - | - | - | - |
| As at 31 December 2018 | 於二零一八年十二月三十一日 | 117,635 | - | - | 113,102 | 19,000 | 95,043 |
| Recognised on adoption of HKFRS 16 (see Note 2.2) | 採納香港財務報告準則第16號時確認(見附註2.2) | - | 92,532 | - | - | 19,000 | - |
| Restated as at 1 January 2019 | 於二零一九年一月一日 | 117,635 | 92,532 | - | 113,102 | 19,000 | 95,043 |
| Cash inflow/(outflows) | 現金流入/(流出) | 111,359 | (40,233) | 1,730 | (38,531) | - | - |
| Proceeds from loans | 貸款所得款項 | - | - | - | - | 51,000 | 44,447 |
| Repayment of loans | 償還貸款 | - | - | - | - | (29,000) | (120,034) |
| Non-cash items: | 非現金項目: | - | - | - | - | - | - |
| Addition of leases | 添置租賃 | - | 56,676 | - | - | - | - |
| Disposal of subsidiaries (Note 33) | 出售附屬公司(附註33) | - | (60,877) | - | - | - | - |
| Foreign exchange adjustments | 外匯調整 | 1,504 | (10) | (56) | - | - | - |
| As at 31 December 2019 | 於二零一九年十二月三十一日 | 230,498 | 48,088 | 1,674 | 74,571 | 41,000 | 19,456 |

35 SHARE OPTION SCHEME

The share option scheme of the Company ("Scheme") was adopted pursuant to a resolution passed by the Company's shareholders on 19 November 2013 for the primary purpose of providing eligible participants an opportunity to have a personal stake in the Company and to motivate, attract and retain the eligible participants whose contributions are important to the long-term growth and profitability of the Group. Eligible participants of the Scheme include any employees, any executives, non-executive directors (including independent non-executive directors), advisors, consultants of the Company or any of its subsidiaries.

The maximum number of shares which may be issued under the Scheme and any other schemes of the Company (excluding options lapsed pursuant to the Scheme and any other schemes of the Company) must not exceed 10% of the issued shares of the Company. The total number of shares issued and to be issued to each eligible participant under the Scheme in any 12-month period must not exceed 1% of the issued shares of the Company unless approved in advance by the shareholders of the Company in general meeting.

Any option to be granted under the Scheme to a director, chief executive officer or substantial shareholder of the Company or to any of their respective associates must be approved by all independent non-executive directors of the Company (excluding independent non-executive director who is the grantee). In addition, any option to be granted to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates which will result in the shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by the shareholders of the Company in general meeting.

The offer of a grant of options under the Scheme may be accepted within 28 days from the date of the offer and by payment of HK\$1.00 as consideration for the grant of an option. An option may be exercised in accordance with the terms of the Scheme at any time during a period as to be determined and notified by the directors to each grantee, but shall end in any event not later than 10 years from the date of the grant of option.

35 購股權計劃

本公司的購股權計劃（「計劃」）乃根據本公司股東於二零一三年十一月十九日通過的決議案而獲採納，主要旨在向合資格參與者提供機會可於本公司中擁有個人股權，以及激勵、吸引及留任其貢獻對本集團長期發展及盈利尤為重要之合資格參與者。計劃的合資格參與者包括本公司或其任何附屬公司的任何僱員、任何執行及非執行董事（包括獨立非執行董事）、顧問及諮詢人。

根據計劃及本公司任何其他計劃可發行的股份數目上限（惟不計及根據計劃或本公司任何其他計劃已失效的購股權）本公司已發行股份的10%。在任任何12個月期間，根據計劃向各合資格者的已發行及將予發行股份總數不得超過本公司已發行股份的1%，除非事先獲本公司股東於股東大會上批准。

任何根據計劃將授予本公司一名董事、主要行政人員或主要股東或任何彼等各自之聯繫人的任何購股權須經本公司全體獨立非執行董事（為承授人的獨立非執行董事除外）批准。此外，任何將授予本公司一名主要股東或一名獨立非執行董事或任何彼等各自之聯繫人的購股權，倘在任任何12個月期間會導致已發行或將予發行股份超過已發行股份0.1%或其總價值（基於授出日期之股份收市價）超過5,000,000港元，則須經本公司股東於股東大會上批准。

根據計劃授出購股權之要約可於要約當日起計28日內接納，且須支付1.00港元作為獲授購股權的代價。在董事決定及通知各承授人的期間內，可隨時根據計劃的條款行使購股權，惟無論如何不得超出授出購股權日期起計10年。

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

35 SHARE OPTION SCHEME (Continued)

The Scheme will be valid and effective for a period of ten years commencing on the listing date of the Company. The exercise price is determined by the directors and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant of an option, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant of an option; and (iii) the nominal value of the Company's shares.

Details of the movement of the share options under Share Option Scheme are as follows:

35 購股權計劃 (續)

計劃將自本公司上市日期起十年期間內有效及生效。行使價由董事釐定，且不得低於以下各項之最高者：(i)於授出購股權要約之日（須為交易日）聯交所每日報價表所列本公司股份之收市價；(ii)緊接授出購股權要約之日前五個交易日聯交所每日報價所列本公司股份之平均收市價；及(iii)本公司股份面值。

購股權計劃項下之購股權變動詳情如下：

| | | 2019 二零一九年 | | 2018 二零一八年 | |
|---------------------------|----------|--|------------|--|------------|
| | | Weighted average exercise price in HK\$ per share | Number | Weighted average exercise price in HK\$ per share | Number |
| | | 加權平均 行使價 每股港元 | 數目 | 加權平均 行使價 每股港元 | 數目 |
| At January | 於一月 | 1.99 | 10,800,000 | 1.99 | 11,600,000 |
| Granted during the year | 年內授出 | - | - | - | - |
| Forfeited during the year | 年內沒收 | - | (280,000) | - | (560,000) |
| Lapsed during the year | 年內失效 | - | (120,000) | - | (240,000) |
| At 31 December | 於十二月三十一日 | 1.99 | 10,400,000 | 1.99 | 10,800,000 |

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

35 SHARE OPTION SCHEME (Continued)

As at 31 December 2019, 7,280,000 (2018: 3,240,000) outstanding options granted under the Scheme were exercisable. Terms of share options at the end of the reporting period were as follows:

| | | Exercise price per share 每股行使價 | Number of share options 購股權數目 | |
|----------------------------|---------------------------|-----------------------------------|----------------------------------|---------------|
| | | | 2019 二零一九年 | 2018 二零一八年 |
| 17 May 2018 to 17 May 2027 | 二零一八年五月十七日 至二零二七年五月十七日 | 1.99 | 3,120,000 | 3,240,000 |
| 17 May 2019 to 17 May 2027 | 二零一九年五月十七日 至二零二七年五月十七日 | 1.99 | 4,160,000 | 4,320,000 |
| 17 May 2020 to 17 May 2027 | 二零二零年五月十七日 至二零二七年五月十七日 | 1.99 | 3,120,000 | 3,240,000 |
| | | 1.99 | 10,400,000 | 10,800,000 |

During the year ended 31 December 2017, the Company offered to grant two consultants, several directors and employees of 8,000,000, 2,400,000 and 1,200,000 share options respectively of HK\$0.01 each in the capital of the Company on 17 May 2017 ("2017 Grant").

於截至二零一七年十二月三十一日止年度，本公司向兩名顧問、若干董事及僱員分別授出本公司於二零一七年五月十七日股本中每股面值0.01港元之8,000,000份、2,400,000份及1,200,000份購股權（「二零一七年授出」）。

35 購股權計劃（續）

於二零一九年十二月三十一日，7,280,000份（二零一八年：3,240,000份）計劃項下尚未行使購股權已予行使。於報告期末的購股權的年期如下：

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

35 SHARE OPTION SCHEME (Continued)

The valuation was based on a Binomial Model with the following data and assumptions:

| | | 2017 Grant 二零一七年授出 |
|-----------------------------------|------------|--------------------------|
| Fair value of share options | 購股權之公平值 | HK\$12,094,000 港元 |
| Closing share price at grant date | 於授出日期之收市股價 | HK\$1.98 港元 |
| Exercise price | 行使價 | HK\$1.99 港元 |
| Annual risk free interest rate | 年度無風險利率 | 1.39% |
| Expected option life | 預期購股權年期 | 10 years 十年 |
| Expected dividend yield | 預期股息率 | 0% |
| Expected volatility | 預期浮動率 | 52.5% |

During the year ended 31 December 2019, HK\$1,473,000 (2018: HK\$3,390,000) share-based payment expenses granted to consultants and HK\$423,000 (2018: HK\$1,175,000) share-based payment expenses granted to certain directors and employees were included in "other expenses" and "employee benefits expenses" of the consolidated statement of comprehensive income, respectively.

36 CONTINGENCIES

The Group did not have any significant contingent liabilities as at 31 December 2019 (2018: same).

35 購股權計劃 (續)

估值根據二項式模式以下列數據及假設計算：

於截至二零一九年十二月三十一日止年度，授予顧問的以股份為基礎的付款開支1,473,000港元（二零一八年：3,390,000港元）及授予若干董事及僱員的以股份為基礎的付款開支423,000港元（二零一八年：1,175,000港元）分別計入綜合全面收益表項下的「其他開支」及「僱員福利開支」。

36 或然事項

於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年：相同）。

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

37 COMMITMENTS

(a) Operating lease commitments

The Group leases various restaurant properties and equipment under non-cancellable operating lease agreements. The lease agreements are between two and four years, and majority of lease arrangements are renewable at the end of the lease period with either pre-set increment rate or market rate to be agreed with landlords.

The operating leases of certain restaurant properties also subject to turnover rent, which will be based on a certain percentage of revenue of the operation being undertaken therein pursuant to the terms and conditions as stipulated in the respective rental agreements. As the future revenue of these restaurants could not be accurately determined as at the balance sheet date, the relevant contingent rent have not been included.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term leases, see Note 16(b) for further information.

The future aggregate minimum lease payments under non-cancellable operating leases not recognised in the consolidated financial statements are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| No later than 1 year | 不遲於一年 | - | 62,590 |
| Later than 1 year and no later than 5 years | 遲於一年但不遲於五年 | - | 63,250 |
| | | - | 125,840 |

37 承擔

(a) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租賃多項酒樓物業及設備。該等租賃協議為期二至四年，大部分租賃安排可於租期結束後按預定遞增比率或與業主協定的市場比率予以重續。

若干酒樓物業的經營租賃亦要求按營業額支付租金，有關租金根據各租約訂明的條款及條件按將從事業務之收益的一定百分比計算。由於該等酒樓未來的收益無法於各結算日準確釐定，故並無列賬相關或然租金。

自二零一九年一月一日起，除短期租賃外，本集團就該等租賃確認使用權資產，進一步資料見附註16(b)。

根據不可撤銷經營租賃而未於綜合財務報表中確認的未來最低租賃付款總額如下：

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

37 COMMITMENTS (Continued)

(a) Operating lease commitments (Continued)

The future aggregate lease payments under optional operating leases in respect of properties are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|------------|----------------------------------|----------------------------------|
| Later than 1 year and no later than 5 years | 遲於一年但不遲於五年 | - | 76,503 |
| Later than 5 years | 遲於五年 | - | 13,626 |
| | | - | 90,129 |

(b) Operating lease receivables

The Group leases out certain commercial buildings under non-cancellable operating lease agreements. The lease terms are between one to two years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future minimum lease receivables under non-cancellable operating leases in respect of the commercial buildings classified as investment properties are as follows:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|----------------------|-------|----------------------------------|----------------------------------|
| No later than 1 year | 不遲於一年 | 292 | 3,075 |

(c) The Group did not have any significant capital commitment as at 31 December 2019 (2018: same)

37 承擔 (續)

(a) 經營租賃承擔 (續)

根據可選擇經營租賃應付的物業未來租賃付款總額如下：

(b) 應收經營租賃款項

本集團根據不可撤銷經營租賃協議出租若干商業大廈，租期介乎一至二年，大部分有關租賃協議可於租期結束後按市場比率予以重續。

不可撤銷經營租賃項下有關分類為投資物業的商業大廈的應收未來最低租賃款項如下：

(c) 於二零一九年十二月三十一日，本集團並無任何重大資本承擔（二零一八年：相同）。

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

38 RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise control or significant influence over the Group in making financial and operating decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Related parties

The directors of the Company are of the view that the following companies were considered related parties that had transactions or balances with the Group during the year:

| Name 姓名／名稱 | Relationship with the Group 與本集團的關係 |
|--|---|
| Mr. Sang Kangqiao 桑康喬先生 | Controlling shareholder and chairman of the Board of director 控股股東兼董事會主席 |
| Mr. Xu Wenze 許文澤先生 | Controlling shareholder and executive director 控股股東兼執行董事 |
| Mr. Cheung Ka Ho 張家豪先生 | Director of certain subsidiaries of the Group 本集團若干附屬公司董事 |
| Guorun Construction Group Co. Ltd. 國潤建設集團有限公司 | A company controlled by Mr. Xu Wenze 由許文澤先生控制的公司 |

38 關聯方交易

倘有關方可直接或間接對本集團作出財務及經營決策行使控制權或施加重大影響，該方均視為與本集團有關，反之亦然。關聯方可為個人（即主要管理人員、主要股東及／或彼等近親家屬成員）或其他實體，包括受本集團關聯方（為個人）重大影響的實體。倘有關方受共同控制，則亦視為相關連。

(a) 關聯方

本公司董事認為以下公司被視作於年內與本集團有交易或結餘的關聯方：

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

38 RELATED PARTY TRANSACTIONS (Continued)

(b) Transactions with related parties

Except for the transactions disclosed elsewhere in this report, the Group had the following significant transactions with its related parties during the year:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------------------------|----------------------------------|----------------------------------|
| Interest expense to a shareholder (Note (c)(iv)) | 支付予股東的利息開支 (附註(c)(iv)) | 1,637 | 853 |
| Interest expense to a director of certain subsidiaries (Note (c)(v)) | 支付予若干附屬公司 的一名董事的利息開支 (附註(c)(v)) | 1,853 | 1,084 |

(c) Balances with related parties

The Group had the following balances with related parties:

(i) Amount due to a related company

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Non-trade payable to a related company: – Guorun Construction Group Co. Ltd | 應付一間關聯公司 非貿易款項: – 國潤建設集團 有限公司 | 3,378 | 3,453 |

As at 31 December 2019 and 2018, payable to a related company is unsecured, interest-free and repayable on demand. The carrying amount of amount due to a related company approximated its fair value and is denominated in HK\$.

38 關聯方交易 (續)

(b) 與關聯方的交易

年內，除本報告其他部分所披露之交易外，本集團與其關聯方訂有以下重大交易：

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|---------------------------------------|----------------------------------|----------------------------------|
| Interest expense to a shareholder (Note (c)(iv)) | 支付予股東的利息開支 (附註(c)(iv)) | 1,637 | 853 |
| Interest expense to a director of certain subsidiaries (Note (c)(v)) | 支付予若干附屬公司 的一名董事的利息開支 (附註(c)(v)) | 1,853 | 1,084 |

(c) 與關聯方的結餘

本集團與關聯方有以下結餘：

(i) 應付一間關聯公司

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|--|----------------------------------|----------------------------------|
| Non-trade payable to a related company: – Guorun Construction Group Co. Ltd | 應付一間關聯公司 非貿易款項: – 國潤建設集團 有限公司 | 3,378 | 3,453 |

於二零一九年及二零一八年十二月三十一日，應付一間關聯公司款項為無抵押、免息及須在要求時償還。應付一間關聯公司款項的賬面值與其公平值相若，並以港元計值。

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

38 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

(ii) Amount due to a director

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|---------------------|----------------------------------|----------------------------------|
| Amount due to a director – Mr. Xu Wenze | 應付一名董事款項 – 許文澤先生 | 1,100 | 1,100 |

As at 31 December 2019 and 2018, amount due to a director is unsecured, interest-free and repayable on demand. The carrying amount of amount due to a director approximate its fair value and is denominated in HK\$.

於二零一九年及二零一八年十二月三十一日，應付一名董事款項為無抵押、免息及須在要求時償還。應付一名董事款項的賬面值與其公平值相若，並以港元計值。

(iii) Amount due to a director of certain subsidiaries

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--|----------------------------|----------------------------------|----------------------------------|
| Amount due to a director of certain subsidiaries – Mr. Cheung Ka Ho | 應付若干附屬公司之一名董事款項 – 張家豪先生 | 99 | – |

As at 31 December 2019, amount due to a director of certain subsidiaries is unsecured, interest-free and repayable on demand. The carrying amount of amount due to a director of certain subsidiaries approximate its fair value and is denominated in HK\$.

於二零一九年十二月三十一日，應付若干附屬公司之一名董事款項為無抵押、免息及須在要求時償還。應付若干附屬公司之一名董事款項的賬面值與其公平值相若，並以港元計值。

38 關聯方交易 (續)

(c) 與關聯方的結餘 (續)

(ii) 應付一名董事款項

(iii) 應付若干附屬公司之一名董事款項

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

38 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

(iv) Loans from a shareholder

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|--------------------------|------|----------------------------------|----------------------------------|
| Loans from a shareholder | 股東貸款 | 19,456 | 95,043 |

On 1 November 2016, the Company and Mr. Sang Kangqiao, entered into a loan facility agreement under which Mr. Sang Kangqiao has agreed to make available to the Company from time to time an unsecured loan facility amounted to HK\$300,000,000 with an interest rate of 4.5% per annum. As at 31 December 2019, a total of HK\$19,456,000 (2018: HK\$95,043,000) were drawn down. The carrying amounts of loans from a shareholder approximate their fair values, denominated in HK\$ and repayable on demand.

Mr. Sang Kangqiao had confirmed his intention not to demand for repayment of the outstanding balances as at 31 December 2019 and all the fund subsequently remitted to the Group for coming twelve months from the date of this report.

38 關聯方交易 (續)

(c) 與關聯方的結餘 (續)

(iv) 股東貸款

於二零一六年十一月一日，本公司與桑康喬先生訂立一項貸款融資協議，據此，桑康喬先生同意不時向本公司提供一筆最多300,000,000港元、年利率為4.5%的無抵押貸款融資。於二零一九年十二月三十一日，總共19,456,000港元（二零一八年：95,043,000港元）已提取。股東貸款的賬面值與其公平值相若，以港元計值並須按要求償還。

桑康喬先生確認，彼無意於本報告日期起計未來十二個月內要求償還於二零一九年十二月三十一日的未償還結餘及其後匯入本集團之全部資金。

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

38 RELATED PARTY TRANSACTIONS (Continued)

(c) Balances with related parties (Continued)

(v) Loans from a director of certain subsidiaries

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Loans from a director of certain subsidiaries | 若干附屬公司的一名董事的貸款 | 41,000 | 19,000 |

As disclosed in Note 29 to the consolidated financial statements, on 9 May 2017, the Group entered into a loan facility agreement with a director of certain subsidiaries in which the director has agreed to make available to the Group, a subsidiary of the Company, from time to time an unsecured loan facility amounted to HK\$60,000,000 with an interest rate of 4.5% per annum for a term of 2.5 years and repayment on demand.

The loan facility agreement was renewed on 9 November 2019 for a further period up to 8 April 2020, all other terms and conditions remained the same as the original loan facility agreement.

38 關聯方交易 (續)

(c) 與關聯方的結餘 (續)

(v) 若干附屬公司的一名董事的貸款

誠如綜合財務報表附註29所披露，於二零一七年五月九日，本集團與若干附屬公司的一名董事訂立貸款融資協議，據此，該董事已同意不時向本集團（本公司的一間附屬公司）提供金額為60,000,000港元、年利率為4.5%的無抵押貸款融資，為期2.5年並須按要求償還。

貸款融資協議於二零一九年十一月九日進一步續期直至二零二零年四月八日，所有其他條款及條件維持與原貸款融資協議相同。

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

38 RELATED PARTY TRANSACTIONS (Continued)

(d) Key management compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. During the year, key management includes three (2018: three) executive directors and one (2018: one) senior management. The remuneration paid or payable to key management for employee services is shown below:

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------|----------------------------------|----------------------------------|
| Basic salaries, allowances and benefits | 基本薪金、津貼及福利 | 3,150 | 2,795 |
| Employer's contribution to pension scheme | 僱主退休金計劃供款 | 70 | 72 |
| Share-based payment expenses | 以股份為基礎的付款開支 | 307 | 712 |
| | | 3,527 | 3,579 |

The remuneration of key management fell within the following bands:

| | | Number of individuals 人數 | |
|--|------------------------|-----------------------------|---------------|
| | | 2019 二零一九年 | 2018 二零一八年 |
| Remuneration bands: Nil – HK\$1,000,000 | 薪酬範圍： 零至1,000,000港元 | 4 | 4 |

38 關聯方交易 (續)

(d) 主要管理人員薪酬

主要管理人員指有權及有責任規劃、主管及控制本集團活動的人士。於年內，主要管理人員包括三名執行董事（二零一八年：三名）及一名高級管理層（二零一八年：一名）。已付或應付主要管理人員僱員服務的薪酬列示如下：

主要管理人員的薪酬範圍如下：

39 BANKING FACILITIES

As at 31 December 2019, the Group had total banking facilities of HK\$20,656,000 (2018: HK\$14,000,000) available for use, of which HK\$7,274,000 (2018: HK\$11,086,000) was utilised for letters of bank guarantee for rental and utility deposits. The unutilised portion amounted to HK\$13,382,000 (2018: HK\$2,914,000).

40 EVENTS AFTER BALANCE SHEET DATE

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the People's Republic of China (the "PRC").

As at the date on which this set of consolidated financial statements were authorised for issue, the Group was not aware of any material adverse effects to its environmental maintenance, property leasing and security trading business businesses.

In light of the negative impact brought upon by the COVID-19 outbreak in Hong Kong, the Chinese restaurant and wedding business is expected to experience a downturn in 2020. The Group will negotiate with the landlord of each of its restaurant for rent concession on a monthly basis. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the overall financial position and operating results of the Group.

39 銀行融資

於二零一九年十二月三十一日，本集團可供使用的銀行融資合計為20,656,000港元（二零一八年：14,000,000港元），其中7,274,000港元（二零一八年：11,086,000港元）用於租金及公用設施按金之銀行擔保函。未動用部分為13,382,000港元（二零一八年：2,914,000港元）。

40 結算日後事項

於二零二零年初爆發二零一九年新型冠狀病毒（「二零一九年新冠病毒疫情」）後，中華人民共和國（「中國」）已經及持續實施一系列預防及控制措施。

於授權刊發該等綜合財務報表之日，本集團並不知悉對其環境維護、物業租賃及證券買賣業務業務的任何重大不利影響。

鑒於二零一九年新冠病毒疫情給香港帶來的不利影響，預計中式酒樓及婚禮業務將於二零二零年出現低迷。本集團將每月與其各酒樓業主就租金減免進行磋商。本集團將密切關注二零一九年新冠病毒疫情的發展並評估其對本集團整體財務狀況及經營業績的影響。

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

41 SUBSIDIARIES

The following is a list of the principal subsidiaries as at 31 December 2019:

41 附屬公司

以下為於二零一九年十二月三十一日
主要附屬公司名單：

| Company name 公司名稱 | Country/ place of incorporation 註冊成立 國家／地點 | Date of incorporation 註冊成立日期 | Particulars of issued share capital 已發行股本詳情 | Interest held 2019 二零一九年 所持權益 | Interest held 2018 二零一八年 所持權益 | Principal activities 主要業務 |
|---|--|------------------------------------|--|---|---|---------------------------------|
| Directly held subsidiaries 直接持有附屬公司 | | | | | | |
| YuYan Group (HK) Investment Limited 譽宴集團(香港)投資有限公司 | British Virgin Islands 英屬處女群島 | 1 March 2013 二零一三年三月一日 | 10,000 ordinary shares of US\$1 each 10,000股每股面值1美元的普通股 | 100% | 100% | Investment holding 投資控股 |
| YuYan Group Trading Limited 譽宴集團貿易有限公司 | British Virgin Islands 英屬處女群島 | 1 March 2013 二零一三年三月一日 | 1 ordinary share of US\$1 each 1股每股面值1美元的普通股 | 100% | 100% | Investment holding 投資控股 |
| YuYan Group Distribution Limited 譽宴集團批發有限公司 | British Virgin Islands 英屬處女群島 | 1 March 2013 二零一三年三月一日 | 1 ordinary share of US\$1 each 1股每股面值1美元的普通股 | 100% | 100% | Investment holding 投資控股 |
| YuYan Group Wedding Limited 譽宴集團婚禮有限公司 | British Virgin Islands 英屬處女群島 | 1 March 2013 二零一三年三月一日 | 1 ordinary share of US\$1 each 1股每股面值1美元的普通股 | 100% | 100% | Investment holding 投資控股 |

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

41 SUBSIDIARIES (Continued)

41 附屬公司 (續)

| Company name 公司名稱 | Country/ place of incorporation 註冊成立 國家/地點 | Date of incorporation 註冊成立日期 | Particulars of issued share capital 已發行股本詳情 | Interest held 2019 二零一九年 所持權益 | Interest held 2018 二零一八年 所持權益 | Principal activities 主要業務 |
|--|--|-------------------------------------|--|---|---|--|
| Kind Access Development Limited | British Virgin Islands 英屬處女群島 | 23 July 2014 二零一四年 七月二十三日 | 1 ordinary share of US\$1 each 1股每股面值 1美元的普通股 | 100% | 100% | Investment holding 投資控股 |
| Wild South Limited | British Virgin Islands 英屬處女群島 | 4 November 2016 二零一六年 十一月四日 | 1 ordinary share of US\$1 each 1股每股面值 1美元的普通股 | 100% | 100% | Investment holding 投資控股 |
| New Fortune Holdings Group Limited 裕祥控股集團有限公司 | British Virgin Islands 英屬處女群島 | 17 November 2016 二零一六年 十一月十七日 | 1 ordinary share of US\$1 each 1股每股面值 1美元的普通股 | 100% | 100% | Investment holding 投資控股 |
| Indirectly held subsidiaries 間接持有附屬公司 | | | | | | |
| U Banquet Group Limited 譽宴集團有限公司 | Hong Kong 香港 | 18 June 2010 二零一零年 六月十八日 | 100 ordinary shares 100股普通股 | 100% | 100% | Investment holding 投資控股 |
| Choi Fook Holdings Limited 彩福控股有限公司 | Hong Kong 香港 | 25 June 2009 二零零九年 六月二十五日 | 1,075,003 ordinary shares 1,075,003股普通股 | 100% | 100% | Investment holding 投資控股 |
| Step Up Corporation Limited 進展有限公司 | Hong Kong 香港 | 2 December 2005 二零零五年 十二月二日 | 3,000,000 ordinary shares 3,000,000股普通股 | 100% | 100% | Restaurant operations and licence holding 酒樓業務及牌照持有 |

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

41 SUBSIDIARIES (Continued)

41 附屬公司 (續)

| Company name 公司名稱 | Country/ place of incorporation 註冊成立 國家/地點 | Date of incorporation 註冊成立日期 | Particulars of issued share capital 已發行股本詳情 | Interest held 2019 二零一九年 所持權益 | Interest held 2018 二零一八年 所持權益 | Principal activities 主要業務 |
|---|--|------------------------------------|--|---|---|---|
| Indirectly held subsidiaries 間接持有附屬公司 | | | | | | |
| Million Talent Investment Limited | Hong Kong | 4 November 2006 | 4,000,000 ordinary shares | 100% | 100% | Restaurant operations and licence holding |
| 百駿投資有限公司 | 香港 | 二零零六年十一月四日 | 4,000,000股普通股 | | | 酒樓業務及牌照持有 |
| Choi Fook Seafood Restaurant Limited | Hong Kong | 9 January 2002 | 800,000 ordinary shares | 100% | 100% | Restaurant operations and licence holding |
| 彩福海鮮酒家有限公司 | 香港 | 二零零二年一月九日 | 800,000股普通股 | | | 酒樓業務及牌照持有 |
| Vast Rainbow Limited | Hong Kong | 16 August 2007 | 100 ordinary shares | 0% (Note 33) | 100% | Restaurant operations and licence holding |
| 偉彩有限公司 | 香港 | 二零零七年八月十六日 | 100股普通股 | (附註33) | | 酒樓業務及牌照持有 |
| Elite Rainbow Corporation Limited | Hong Kong | 27 March 2009 | 100 ordinary shares | 0% (Note 33) | 100% | Restaurant operations and licence holding |
| 韻彩有限公司 | 香港 | 二零零九年三月二十七日 | 100股普通股 | (附註33) | | 酒樓業務及牌照持有 |
| Smiling Profit Limited | Hong Kong | 11 December 2009 | 100 ordinary shares | 100% | 100% | Restaurant operations and licence holding |
| 慶彩有限公司 | 香港 | 二零零九年十二月十一日 | 100股普通股 | | | 酒樓業務及牌照持有 |

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

41 SUBSIDIARIES (Continued)

41 附屬公司 (續)

| Company name 公司名稱 | Country/ place of incorporation 註冊成立 國家/地點 | Date of incorporation 註冊成立日期 | Particulars of issued share capital 已發行股本詳情 | Interest held 2019 二零一九年 所持權益 | Interest held 2018 二零一八年 所持權益 | Principal activities 主要業務 |
|---|--|------------------------------------|--|---|---|--|
| Indirectly held subsidiaries 間接持有附屬公司 | | | | | | |
| Choi Fook Royal Banquet Limited | Hong Kong | 6 July 2009 | 100 ordinary shares | 100% | 100% | Restaurant operations and licence holding |
| 彩福皇宴有限公司 | 香港 | 二零零九年七月六日 | 100股普通股 | | | 酒樓業務及牌照持有 |
| Good Fortress Inc Limited | Hong Kong | 11 December 2012 | 100 ordinary shares | 100% | 100% | Restaurant operations and licence holding |
| 豐勝有限公司 | 香港 | 二零一二年十二月十一日 | 100股普通股 | | | 酒樓業務及牌照持有 |
| Great Business (China & HK) Trading Limited | Hong Kong | 17 April 2012 | 10,000 ordinary shares | 100% | 100% | Sales of furniture and fixtures |
| 宏業(中港)貿易有限公司 | 香港 | 二零一二年四月十七日 | 10,000股普通股 | | | 銷售傢俬及固定裝置 |
| Modern Management (Restaurant) Limited | Hong Kong | 26 April 2013 | 4 ordinary shares | 100% | 100% | Investment holding |
| 現代管理(飲食)有限公司 | 香港 | 二零一三年四月二十六日 | 4股普通股 | | | 投資控股 |
| Smart Award Limited | Hong Kong | 23 April 2012 | 10,001 ordinary shares | 100% | 100% | Sales of frozen food and high value dried food |
| 豐美有限公司 | 香港 | 二零一二年四月二十三日 | 10,001股普通股 | | | 銷售冷凍食品及高價值乾貨 |
| General Corporation Limited | Hong Kong | 16 August 2012 | 10,001 ordinary shares | 100% | 100% | Sales of fresh vegetables |
| 浩凌有限公司 | 香港 | 二零一二年八月十六日 | 10,001股普通股 | | | 銷售新鮮蔬菜 |

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

41 SUBSIDIARIES (Continued)

41 附屬公司 (續)

| Company name 公司名稱 | Country/ place of incorporation 註冊成立 國家/地點 | Date of incorporation 註冊成立日期 | Particulars of issued share capital 已發行股本詳情 | Interest held 2019 二零一九年 所持權益 | Interest held 2018 二零一八年 所持權益 | Principal activities 主要業務 |
|--|--|------------------------------------|--|---|---|--|
| Indirectly held subsidiaries 間接持有附屬公司 | | | | | | |
| U Weddings Studio Limited | Hong Kong | 26 April 2013 | 1 ordinary share | 100% | 100% | Provision of wedding services 提供婚禮服務 |
| 譽婚攝影有限公司 | 香港 | 二零一三年四月 二十六日 | 1股普通股 | | | |
| Billion Treasure Property Development Limited | Hong Kong | 24 October 2007 | 3,200,000 ordinary shares | 100% | 100% | Lease of investment properties 投資物業租賃 |
| 億采物業發展有限公司 | 香港 | 二零零七年十月 二十四日 | 3,200,000股普通股 | | | |
| Wah Shuk Holdings Limited | Hong Kong | 30 October 2015 | 10,000 ordinary shares | 100% | 100% | Securities investment 證券投資 |
| 華成控股有限公司 | 香港 | 二零一五年十月 三十日 | 10,000股普通股 | | | |
| Top Fortune Group Limited | Hong Kong | 16 September 2014 | 10,000 ordinary shares | 100% | 100% | Investment holding 投資控股 |
| 裕祥集團股份有限公司 | 香港 | 二零一四年九月 十六日 | 10,000股普通股 | | | |
| Beijing Huashu Property, Development Limited | PRC | 22 October 1999 | RMB10,000,000 | 100% | 100% | Lease of investment properties 租賃投資物業 |
| 北京華樹房地產開發 有限公司 | 中國 | 一九九九年 十月二十二日 | 人民幣10,000,000元 | | | |
| BYL Property Holdings Group Limited | British Virgin Islands | 25 November 2016 | 50,000 original shares of US\$1 each | 51% | 51% | Investment holding 投資控股 |
| 寶潤來置業控股集團 有限公司 | 英屬處女群島 | 二零一六年十一月 二十五日 | 50,000股每股面值 1美元的原始股份 | | | |

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

41 SUBSIDIARIES (Continued)

41 附屬公司 (續)

| Company name 公司名稱 | Country/ place of incorporation 註冊成立 國家/地點 | Date of incorporation 註冊成立日期 | Particulars of issued share capital 已發行股本詳情 | Interest held 2019 二零一九年 所持權益 | Interest held 2018 二零一八年 所持權益 | Principal activities 主要業務 |
|--|--|------------------------------------|--|---|---|--|
| Indirectly held subsidiaries 間接持有附屬公司 | | | | | | |
| BYL Property Holdings Limited | Hong Kong | 26 October 2016 | HK\$10,000 | 51% | 51% | Investment holding 投資控股 |
| 寶潤來置業控股有限公司 | 香港 | 二零一六年 十月二十六日 | 10,000港元 | | | |
| Shenzhen Baorunlai Property Company Limited | PRC | 7 December 2016 | RMB500,000 | 51% | 51% | Investment holding 投資控股 |
| 深圳寶潤來置業有限公司 | 中國 | 二零一六年 十二月七日 | 人民幣500,000元 | | | |
| Chengdu Sanchuang Cityscape Environment Management Company Limited | PRC | 22 October 2004 | RMB60,000,000 | 51% | 51% | Provision of environmental hygiene and cleaning service 提供環境衛生及清潔服務 |
| 成都三創市容環境管理有限責任公司 | 中國 | 二零零四年 十月二十二日 | 人民幣60,000,000元 | | | |

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表所列之本公司附屬公司乃董事認為對本年度業績有重大影響或構成本集團淨值總額之主要部份。董事認為提供其他附屬公司之詳情會令此等資料過於冗長。

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

41 SUBSIDIARIES (Continued)

Note:

Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

41 附屬公司 (續)

附註：

非控股權益 (非控股權益)

擁有對本集團屬重大之非控股權益之各附屬公司的財務資料概述如下。就各附屬公司披露之金額乃為公司內抵銷前金額。

| | | BYL Property Holdings Group Limited 寶潤來置業控股集團有限公司 | |
|---------------------------------|----------------|---|----------------------------------|
| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
| Summarised balance sheet | 資產負債表概要 | | |
| Current assets | 流動資產 | 98,873 | 47,109 |
| Current liabilities | 流動負債 | 68,952 | 44,080 |
| Current net assets | 流動資產淨值 | 29,921 | 3,029 |
| Non-current assets | 非流動資產 | 128,885 | 135,049 |
| Non-current liabilities | 非流動負債 | 23,263 | 19,543 |
| Non-current net assets | 非流動資產淨值 | 105,622 | 115,506 |
| Net assets | 資產淨值 | 135,543 | 118,535 |
| Accumulated NCI | 累計非控股權益 | 66,416 | 58,082 |

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

41 SUBSIDIARIES (Continued)

Note: (Continued)

Non-controlling interests (NCI) (Continued)

| | | 2019 | From 22 October 2018 to 31 December 2018 自二零一八年 十月二十二日至 二零一八年 十二月三十一日 HK\$'000 千港元 |
|---|---------------------|-----------------|---|
| Summarised statement of comprehensive income | 全面收益表概要 | | |
| Revenue | 收益 | 226,331 | 31,938 |
| Profit for the year/period | 年/期內溢利 | 22,821 | 4,112 |
| Other comprehensive income | 其他全面收益 | (2,041) | 857 |
| Total comprehensive income | 全面收益總額 | 20,780 | 4,969 |
| Profit allocated to NCI | 分配至非控股權益之溢利 | 11,182 | 2,015 |
| Summarised cash flows | 現金流量概要 | | |
| Cash flows from operating activities | 經營活動所得現金流量 | 32,858 | 30,427 |
| Cash flows from investing activities | 投資活動所得現金流量 | (14,326) | (8,051) |
| Cash flows from financing activities | 融資活動所得現金流量 | 1,619 | (88) |
| Net increase in cash and cash equivalents | 現金及現金等價物增加淨額 | 20,151 | 22,288 |

41 附屬公司 (續)

附註: (續)

非控股權益 (非控股權益) (續)

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

42 BALANCE SHEET OF THE COMPANY

42 本公司資產負債表

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|---|-------------------|----------------------------------|----------------------------------|
| ASSETS | 資產 | | |
| Non-current assets | 非流動資產 | | |
| Investments in subsidiaries (Note (b)) | 於附屬公司投資(附註(b)) | 158,699 | 116,824 |
| Property, plant and equipment | 物業、廠房及設備 | 611 | 1,092 |
| | | 159,310 | 117,916 |
| Current assets | 流動資產 | | |
| Deposits and prepayments | 按金及預付款項 | 1,299 | 1,054 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 20,744 | 13,195 |
| Cash and cash equivalents | 現金及現金等價物 | 181,082 | 78,658 |
| | | 203,125 | 92,907 |
| Total assets | 總資產 | 362,435 | 210,823 |
| EQUITY | 權益 | | |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | | |
| Share capital (Note 24) | 股本(附註24) | 5,880 | 5,580 |
| Share premium | 股份溢價 | 285,420 | 236,120 |
| Other reserve (Note (a)) | 其他儲備(附註(a)) | 221,007 | 42,394 |
| Accumulated losses (Note (a)) | 累計虧損(附註(a)) | (179,232) | (166,508) |
| Total equity | 總權益 | 333,075 | 117,586 |

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

42 BALANCE SHEET OF THE COMPANY (Continued)

42 本公司資產負債表 (續)

| | | 2019 二零一九年 HK\$'000 千港元 | 2018 二零一八年 HK\$'000 千港元 |
|-------------------------------------|---------------|----------------------------------|----------------------------------|
| LIABILITIES | 負債 | | |
| Current liabilities | 流動負債 | | |
| Accruals and provisions | 應計費用及撥備 | 8,336 | 4,016 |
| Amount due to subsidiary | 應付附屬公司款項 | 1,568 | 1,368 |
| Loans from a shareholder | 股東貸款 | 19,456 | 87,853 |
| Total liabilities | 總負債 | 29,360 | 93,237 |
| Total equity and liabilities | 總權益及負債 | 362,435 | 210,823 |

The balance sheet of the Company was approved by the Board of directors on 31 March 2020 and was signed on its behalf

本公司資產負債表已於二零二零年三月三十一日獲董事會批准及由以下代表簽署

Sang Kangqiao

桑康喬

Director

董事

Xu Wenze

許文澤

Director

董事

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

42 BALANCE SHEET OF THE COMPANY (Continued)

Note (a): Reserve movement of the Company

| | | Share-based payment reserve 以股份為 基礎的付款儲備 HK\$'000 千港元 | Other reserve 其他儲備 HK\$'000 千港元 | Accumulated losses 累計虧損 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|---|--------------------------------|---|---|--|--------------------------------|
| At 1 January 2018 | 於二零一八年一月一日 | 4,478 | 33,598 | (148,809) | (110,733) |
| Loss and total comprehensive loss for the year | 年度虧損及 全面虧損總額 | - | - | (17,946) | (17,946) |
| Transaction with owners in their capacity as owners: | 與擁有人以其擁有人 的身份進行的交易： | | | | |
| Share-based payment | 以股份為基礎的付款 | 4,565 | - | - | 4,565 |
| Lapse of share option | 購股權失效 | (247) | - | 247 | - |
| At 31 December 2018 | 於二零一八年 十二月三十一日 | 8,796 | 33,598 | (166,508) | (124,114) |
| At 1 January 2019 | 於二零一九年一月一日 | | | | |
| Loss and total comprehensive loss for the year | 年度虧損及 全面虧損總額 | - | - | (13,007) | (13,007) |
| Transaction with owners in their capacity as owners: | 與擁有人以其擁有人 的身份進行的交易： | | | | |
| Share-based payment | 以股份為基礎的付款 | 1,896 | - | - | 1,896 |
| Lapse of share option | 購股權失效 | (283) | - | 283 | - |
| Shares to be issued (Note 25(ii)) | 將予發行股份 (附註25(ii)) | - | 177,000 | - | 177,000 |
| At 31 December 2019 | 於二零一九年 十二月三十一日 | 10,409 | 210,598 | (179,232) | 41,775 |

Note (b): Investments in subsidiaries

Due to the continued weakness in sales performance of restaurants and wedding business segment, an impairment testing of investment in subsidiaries was performed by the directors of the Company. No impairment charge was recognised in the Company's income statement for the year ended 31 December 2019 (2018: HK\$956,000).

42 本公司資產負債表 (續)

附註(a)：本公司之儲備變動

附註(b)：於附屬公司投資

酒樓及婚禮業務分部因銷售表現持續疲弱，本公司董事對於附屬公司投資作出減值測試。本公司概無於截至二零一九年十二月三十一日止年度收入表確認減值支出（二零一八年：956,000港元）。



**U BANQUET GROUP
HOLDING LIMITED**
譽宴集團控股有限公司

