



道和環球
DAOHE GLOBAL

DAOHE GLOBAL GROUP LIMITED 道和環球集團有限公司

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限公司)

(Stock Code 股份代號: 915)

2019

年報

ANNUAL REPORT



CONTENTS

目錄

Chairman’s Statement 主席報告書	3
Management Discussion and Analysis 管理層討論及分析	5
Biographical Details of Directors and Senior Management 董事及高級管理層資料	12
Corporate Governance Report 公司管治報告	20
Environmental, Social and Governance Report 環境、社會及管治報告	43
Reports and Financial Statements 報告書及財務報表	
– Report of the Directors 董事會報告書	87
– Independent Auditor’s Report 獨立核數師報告書	116
– Consolidated Statement of Profit or Loss 綜合損益表	123
– Consolidated Statement of Comprehensive Income 綜合全面收益表	124
– Consolidated Statement of Financial Position 綜合財務狀況表	125
– Consolidated Statement of Changes in Equity 綜合權益變動表	127
– Consolidated Statement of Cash Flows 綜合現金流量表	129
– Notes to the Financial Statements 財務報表附註	131
Five-Year Financial Summary 五年財務概要	228
Corporate Information 公司資料	230
Shareholder Information 股東資料	232

CREATING
**Shareholder
Value**

為股東創造
更高價值



Chairman's Statement 主席報告書

On behalf of the board (the “**Board**”) of directors (“**Director(s)**”) of Daohe Global Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the annual results of the Company for the year ended 31 December 2019.

During the past year, the global economy continued to face stiff headwinds. According to The World Bank, global growth decelerated to 2.4% in 2019, the slowest pace since the global financial crisis, amid weakening trade and investment, with key indicators such as industrial production and trade both declining. In the People's Republic of China (“**PRC**”), the economic picture was equally unflattering, as gross domestic product grew by just 6.1% in 2019, the slowest economic growth rate since 1990, affected considerably by the trade war with the United States (“**US**”).

The deteriorating economic climate duly impacted on the Group as we experienced a decline in orders from certain customers of our trading and supply chain management services, which led to a corresponding decline in revenue.

As for our second pillar operation, the online social platforms business, and more specifically, internet value-added services (“**IVAS**”), also fared poorly due to a combination of intense competition and tighter government regulations on users and online social platforms, which were introduced in August 2018. Such policies have also led to a decline in the popularity of live streaming and games. Conversely, the advertising and other services segment has achieved outstanding growth during the year, up by around 186.4%. In view of declining prospects for IVAS — a segment that has also been impacted by fast changing consumer and industry trends, and growing opportunities available to the advertising business, we have elected to allocate greater energy and resources to the latter, and will also examine other growth opportunities to capitalise on, such as Blind Box.

On a separate note, we have terminated the money lending business during the year. We will therefore be directing our focus on advancing the Group's two principal business operations going forward.

本人謹代表道和環球集團有限公司(「**本公司**」，連同其附屬公司統稱「**本集團**」)董事(「**董事**」)會(「**董事會**」)欣然提呈本公司截至二零一九年十二月三十一日止年度的年度業績。

於過去一年，全球經濟仍然面對著艱巨挑戰。世界銀行指出，在貿易和投資轉弱之下，二零一九年的全球增長放緩至2.4%，是自全球金融危機以來的最低水平，而主要指標如工業生產及貿易等均出現下跌。同樣地，中華人民共和國(「**中國**」)亦面對著險峻的經濟環境。受到中美貿易戰帶來的巨大影響，二零一九年中國國內生產總值僅增長6.1%，這是自一九九零年以來最低的經濟增長率。

由於本集團來自貿易及供應鏈管理服務的有關訂單減少，以致該業務的收益下降。因此，經濟環境轉差對本集團亦造成了一定的衝擊。

至於作為本集團第二大支柱的網上社交平台業務(即互聯網增值服務)的表現亦頗為遜色，原因是市場競爭激烈和政府於二零一八年八月實施了收緊有關用戶及網上社交平台的條例。此外，上述政策亦導致網上直播及遊戲的受歡迎程度下降。相反地，廣告及其他服務業務於年內錄得約186.4%的強勁增長。有見互聯網增值服務的前景稍遜(此業務一直受到迅速轉變的消費者及行業趨勢所影響)，以及廣告業務的機會持續增加，本集團決定投放更多人力物力於廣告業務上，未來亦會探討其他增長機會，例如盲盒等。

此外，本集團於年內已終止貸款業務，因此，未來將轉移重心在促進兩個主要業務的發展。

Chairman's Statement 主席報告書

Looking ahead, the upcoming financial year is expected to remain challenging, if not more so than in 2019. Just as the Sino-US trade war took a positive turn with the signing of a phase 1 trade deal in mid-January, the outbreak of the COVID-19, which has since become a pandemic as of March, looks set to seriously dampen global economic growth.

As increasing number of nations close their borders, the global supply chain will invariably be affected. We therefore expect shipment delays in the first half of 2020, resulting in a global manufacturing recession. Customers have also exercised greater caution. With obstacles on the horizon, we will chart a prudent course that allows us to navigate through the uncertain economic conditions. We will closely monitor the development of the situation, while also maintaining close contacts with our business partners.

With regard to our online social platforms business, we will look to build on the progress made by the advertising services segment in the coming year. At the same time, in view of the rise of a "stay-at-home economy" resulting from COVID-19, we will focus on developing new mobile games to alleviate pressures of a restless public.

Despite the many challenges to come, we will remain vigilant and look forward to making every effort to prepare for a turnaround. In bolstering all facets of operation and seizing opportunities through the guidance of our experienced management team, we will pave the way to long-term growth.

At this time, I would like to express my sincere gratitude to the board, management team and the entire Daohe family for their unequivocal support and diligence over the past year. I wish to also thank all of our customers, business partners and shareholders for their unwavering trust and confidence in the Group.

ZHOU Xijian
Chairman

Hong Kong, 31 March 2020

展望未來，預計下一個財政年度仍然具有挑戰性，甚至超越二零一九年。雖然中美貿易戰於一月中國簽訂了第一階段貿易協議之後情勢似乎有所逆轉，但是，2019冠狀病毒病的爆發於三月升級成為全球大流行的疫症，這似乎為環球經濟增長帶來了沉重一擊。

隨著越來越多國家封鎖其邊境，全球供應鏈將無可避免地受到影響。因此，我們預計二零二零年上半年的付運將被延遲，並導致全球製造業陷入衰退，消費者亦變得更加謹慎。面對重重障礙，我們亦將謹慎行事以穩定渡過不明朗的經濟狀況。未來，我們會密切留意事態發展，同時與業務夥伴保持緊密溝通。

在網上社交平台業務方面，我們希望於來年在廣告業務的基礎上再進一步。與此同時，隨著2019冠狀病毒病帶動了「宅經濟」的興起，我們將集中開發新的手機遊戲，望有助普羅大眾減壓。

雖然挑戰接踵而來，我們仍將保持警惕，並期望為市況逆轉時做好充足準備。我們會在經驗豐富的管理團隊帶領下，提升各方面的營運，及把握機遇，為長遠增長鋪路。

最後，本人謹藉此機會向董事會、管理團隊及員工於過去一年的貢獻及付出致以誠摯的謝意，並由衷感謝所有客戶、業務夥伴及股東對集團堅定不移的信任和信心。

周希儉
主席

香港，二零二零年三月三十一日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Overview

During the year ended 31 December 2019, the Group's revenue declined by approximately 38.9% to approximately US\$65.7 million (2018: approximately US\$107.5 million) due to weaker performance by both the trading and supply chain management services business and online social platforms operation.

Revenue from trading and supply chain management services amounted to approximately US\$35.3 million, falling by approximately 44.7% from approximately US\$64.0 million in 2018. The decline was mainly attributable to fewer orders from certain Australian and US customers.

In respect of the Group's online social platforms operation, its advertising services business achieved an encouraging growth of approximately 187.0%. However, the gamified social and online entertainment business dropped dramatically by approximately 56.0% during the year in the wake of a new government policy that was implemented in August 2018. Consequently, the overall revenue from the online social platforms business slipped by approximately 30.3%.

Gross profit was approximately US\$14.5 million, representing a contraction of approximately 47.5% from approximately US\$27.7 million recorded in 2018. The significant decline in gross profit was mainly attributable to the drop in revenue from the two principal business segments as well as a change in the sales mix.

Operating expenses amounted to approximately US\$24.1 million (2018: approximately US\$33.0 million). The savings in operating expenses was mainly due to lower advertising expenses from the online social platforms business.

業務回顧 概覽

截至二零一九年十二月三十一日止年度，由於貿易及供應鏈管理服務業務以及經營網上社交平台的表現疲弱，故本集團的收益減少約38.9%至約65,700,000美元(二零一八年：約107,500,000美元)。

貿易及供應鏈管理服務的收益由二零一八年約64,000,000美元下降約44.7%至約35,300,000美元。有關下降主要是源自若干澳洲及美國客戶的訂單減少所致。

就本集團的網上社交平台業務而言，其廣告服務業務錄得理想的增長約187.0%。然而，於二零一八年八月政府實施新政策後，年內遊戲化社交及線上娛樂業務急劇下跌約56.0%。因此，網上社交平台業務的整體收益下滑約30.3%。

毛利由二零一八年約27,700,000美元縮減約47.5%至約14,500,000美元。毛利大幅下降乃主要由於兩個主要業務分類的收益下跌以及銷售組合改變所致。

營運開支約為24,100,000美元(二零一八年：約33,000,000美元)。營運開支得以節省的主要原因是網上社交平台業務的廣告開支減少所致。

Management Discussion and Analysis 管理層討論及分析

During the year, the Group recognised non-cash impairment losses on other intangible assets of approximately US\$11.9 million. The impairment losses were made in view of lower revenue from the live streaming business than forecasted for the second half of 2019 due to the challenging macro environment and economic slowdown in the People's Republic of China ("PRC"). Besides, the popularity of live streaming and games has faded in a greater extent than expected since the government imposed a new policy in the second half of 2018 which was implemented by the Public Information Network Security Supervision Branch of the Public Security Bureau of Shenzhen requires that the identities of all online users have to be verified with valid mobile numbers and that the content of online social platforms including live streaming presented to the public are to abide by monitoring and control measures. Furthermore, the Group's online social platforms faced fierce competition within the industry, compounded by fast changing trends and tastes of users that adversely affected business performance and development prospects for the live streaming business. Since the management expects a further decline in business in 2020, the Group revised the forecast based on the latest position, the aforementioned impairment loss on other intangible assets of approximately US\$11.9 million pertaining to this segment has been reported in the financial statements for the year ended 31 December 2019.

Further details about the basis and assumptions of the impairment assessment on other intangible assets are set out in Note 16 to the financial statement.

Loss for the year narrowed to approximately US\$15.5 million (2018: approximately US\$84.2 million). The loss included non-cash amortisation and impairment losses on other intangible assets of approximately US\$17.8 million (2018: non-cash impairment losses on goodwill of approximately US\$66.5 million and amortisation and impairment losses on other intangible assets of approximately US\$35.0 million).

年內，本集團確認其他無形資產非現金減值虧損約11,900,000美元。鑑於中華人民共和國(「中國」)宏觀環境充滿挑戰且經濟放緩，以致二零一九年下半年直播業務的收益低於預測，故作出減值虧損。此外，自政府於二零一八年下半年實施新政策(由深圳市公安局公共信息網絡安全監察分局實施，規定所有線上用戶的身份須通過有效的手機號碼進行核實，而網上社交平台的內容(包括向公眾顯示的直播)均須遵守監察及監控措施)以來，直播及遊戲的受歡迎程度比預期下降的幅度更大。再者，本集團的網上社交平台面臨激烈的行業競爭，加上變幻莫測的趨勢及用戶喜好，均對直播業務的業務表現及發展前景造成不利影響。由於管理層預期二零二零年業務將進一步下滑，本集團已根據最新狀況修訂預測，故有關該分類的上述其他無形資產減值虧損約11,900,000美元已於截至二零一九年十二月三十一日止年度的財務報表中呈報。

有關其他無形資產減值評估的基準及假設的進一步詳情載於財務報表附註16。

年內虧損縮減至約15,500,000美元(二零一八年：約84,200,000美元)。虧損包括其他無形資產非現金攤銷及減值虧損約17,800,000美元(二零一八年：商譽非現金減值虧損約66,500,000美元以及其他無形資產攤銷及減值虧損約35,000,000美元)。

SEGMENTAL ANALYSIS

Operating Segmentation

During the year, the Group terminated the money lending business in order to focus its resources on developing its core businesses. Consequently, the Group's business comprises two operating segments only, namely: (i) trading and supply chain management services; and (ii) the operation of online social platforms.

(i) Trading and supply chain management services

During the year, shipment value for trading and supply chain management services reached approximately US\$146 million, a decline of approximately 21.1% from approximately US\$185.0 million in 2018. This was mainly due to a decline in orders from certain Australian and US customers.

Geographical Analysis

		Shipment value 付運量總值	
		2019 二零一九年 US\$' million 百萬美元	2018 二零一八年 US\$' million 百萬美元
North America	北美洲	85.8	101.9
Europe	歐洲	41.0	48.0
Others	其他	19.2	35.1
Total	合計	146.0	185.0

Shipments to North America dropped by approximately 15.8% to approximately US\$85.8 million due to a decline in orders from US customers as the US-China trade dispute escalated. Nevertheless, North America remained the largest market for the Group, accounting for approximately 58.8% of the Group's total shipment value (2018: approximately 55.1%).

Shipments to Europe fell by approximately 14.6% to approximately US\$41.0 million, and accounted for approximately 28.1% of the Group's total shipment value (2018: approximately 25.9%).

分類分析

經營分類

年內，本集團終止貸款業務，旨在集中資源發展其核心業務。因此，本集團的業務現僅包括兩個經營分類，即：(i)貿易及供應鏈管理服務；及(ii)經營網上社交平台。

(i) 貿易及供應鏈管理服務

年內，貿易及供應鏈管理服務的付運量總值由二零一八年約185,000,000美元下降約21.1%至約146,000,000美元，乃主要源自若干澳洲及美國客戶的訂單減少所致。

地域分析

往北美洲的付運量減少約15.8%至約85,800,000美元，乃由於中美貿易糾紛加劇導致美國客戶訂單減少所致。儘管如此，北美洲仍是本集團的最大市場，佔本集團付運量總值約58.8%(二零一八年：約55.1%)。

往歐洲的付運量減少約14.6%至約41,000,000美元，佔本集團付運量總值約28.1%(二零一八年：約25.9%)。

Management Discussion and Analysis 管理層討論及分析

Shipments grouped under “Others”, comprising mainly shipments to the southern hemisphere represented approximately 13.1% of total shipment value (2018: approximately 19.0%). The decline was mainly due to fewer orders from certain Australian customers.

The trading and supply chain management services segment recorded revenue of approximately US\$35.3 million (2018: approximately US\$64.0 million), representing approximately 53.8% of the Group’s total revenue (2018: approximately 59.5%). The significant decline in revenue of approximately 44.7% was mainly due to the weak performance of the trading of merchandise business, which saw revenue drop by approximately US\$26.8 million during the year.

(ii) Operation of online social platforms

During the year, the online social platforms operation generated approximately US\$30.3 million in revenue, representing a decline of approximately 30.3% from approximately US\$43.5 million recorded in 2018. This was mainly due to a tighter government policy in place and intense competition in the PRC.

「其他」分類項目下的付運量主要為運往南半球的付運量，佔付運量總值約13.1%（二零一八年：約19.0%）。有關下降乃主要源自若干澳洲客戶的訂單減少所致。

貿易及供應鏈管理服務分類錄得收益約35,300,000美元（二零一八年：約64,000,000美元），佔本集團總收益約53.8%（二零一八年：約59.5%）。收益大幅減少約44.7%，主要是由於商品貿易業務表現疲弱，而收益於年內下跌約26,800,000美元所致。

(ii) 經營網上社交平台

年內，經營網上社交平台產生約30,300,000美元的收益，較二零一八年錄得約43,500,000美元，下跌約30.3%，乃主要由於受到中國政府收緊政策及競爭日益激烈所致。

		2019 二零一九年 US\$' million 百萬美元	2018 二零一八年 US\$' million 百萬美元
Gamified social and online entertainment	遊戲化社交及線上娛樂	17.1	38.9
Advertising services and others	廣告服務及其他	13.2	4.6
		30.3	43.5

In August 2018, the Public Information Network Security Supervision Branch of the Public Security Bureau of Shenzhen (深圳市公安局公共信息網絡安全監察分局) implemented a new government policy pursuant to which the identities of all online users have to be verified with valid mobile numbers, and the content of online social platforms including live streaming presented to the public are to abide by monitoring and control measures. As a result, revenue from gamified social and online entertainment business decreased by approximately 56.0% year-on-year to approximately US\$17.1 million (2018: approximately US\$38.9 million).

深圳市公安局公共信息網絡安全監察分局於二零一八年八月實施一項新政府政策，據此，所有線上用戶的身份須通過有效的手機號碼進行核實，而網上社交平台的內容（包括向公眾顯示的直播）均受到監察及監控。因此，來自遊戲化社交及線上娛樂業務的收益按年減少約56.0%至約17,100,000美元（二零一八年：約38,900,000美元）。

Such decline was partially offset by the surge in advertising services income and others, which increased by approximately 187% year-on-year to approximately US\$13.2 million (2018: approximately US\$4.6 million).

Hong Kong Tax Case

During the year, the Group reached a settlement with the Inland Revenue Department in Hong Kong (“IRD”) for an amount of approximately HK\$22.9 million (equivalent to approximately US\$2.9 million) in respect of queries on the modus operandi of the Group and the chargeability of profits for the years of assessment from 2003/2004 to 2017/2018 (“the Case”). The Board considers the settlement reached with IRD is in the interest and benefit of the Group and its shareholders (the “Shareholders”) as a whole. As sufficient tax provisions have been made in the financial statements, the settlement did not have any material impact on the profit and loss account of the Group for the year under review.

FINANCIAL REVIEW

Financial Resources and Liquidity

The Group’s financial position remained healthy with cash and cash equivalents of approximately US\$12.7 million as at 31 December 2019 (31 December 2018: approximately US\$17.2 million). In addition, the Group had total banking facilities of approximately US\$5.7 million, including borrowing facilities of approximately US\$0.7 million as at 31 December 2019 (31 December 2018: approximately US\$10.3 million and approximately US\$0.1 million, respectively).

The Group had a current ratio of approximately 1.5 (31 December 2018: approximately 1.6) and a gearing ratio of 0.06 (31 December 2018: Nil), based on an interest-bearing borrowing of approximately US\$0.6 million (31 December 2018: Nil) and total equity of approximately US\$9.8 million as at 31 December 2019 (31 December 2018: approximately US\$24.6 million). The Group’s borrowing will be matured and settled on 8 April 2020.

As at 31 December 2019, trade receivables amounted to approximately US\$6.5 million (31 December 2018: approximately US\$8.8 million). Gross trade receivables aged over 90 days, which amounted to approximately US\$1.3 million, are being carefully monitored by the management and sufficient provisions have been made.

該跌幅部分被廣告服務收入及其他激增所抵銷。有關收入按年增加約187%至約13,200,000美元(二零一八年：約4,600,000美元)。

香港稅務個案

年內，本集團與香港稅務局(「稅務局」)就有關本集團由二零零三／二零零四至二零一七／二零一八評稅年度的營運模式及溢利的申報繳稅的查詢(「案件」)達成和解，金額約為22,900,000港元(相等於約2,900,000美元)。董事會認為，與稅務局達成和解符合本集團及其股東(「股東」)整體利益。由於財務報表已計提足夠稅項撥備，故和解並不會對本集團於回顧年度的損益賬造成任何重大影響。

財務回顧

財務資源及流動資金

本集團的財務狀況依然穩健，於二零一九年十二月三十一日的現金及現金等值項目約為12,700,000美元(二零一八年十二月三十一日：約17,200,000美元)。此外，本集團於二零一九年十二月三十一日的銀行融資信用總額約為5,700,000美元，其中包括借貸融資約700,000美元(二零一八年十二月三十一日：分別為約10,300,000美元及約100,000美元)。

於二零一九年十二月三十一日，本集團的流動比率約為1.5(二零一八年十二月三十一日：約1.6)，而資產負債比率為0.06(二零一八年十二月三十一日：無)，乃按計息借貸約600,000美元(二零一八年十二月三十一日：無)及權益總額約9,800,000美元(二零一八年十二月三十一日：約24,600,000美元)計算。本集團的借貸將於二零二零年四月八日到期及償還。

於二零一九年十二月三十一日，應收貿易賬款約為6,500,000美元(二零一八年十二月三十一日：約8,800,000美元)。賬齡逾90天的應收貿易賬款總額約1,300,000美元現正受管理層嚴密監控，並已計提充足撥備。

Management Discussion and Analysis 管理層討論及分析

The Group has a prudent treasury policy to manage its investments in financial products such as wealth management products. All investments must be conducted in accordance with the treasury policy, with the view to maximise utilisation of the Group's surplus cash received from its business operations. During the year, the Group carried out repeated subscriptions and redemptions of certain wealth management products (the "WMPs") issued by China Merchants Bank (招商銀行) for short-term treasury management purposes. The WMPs subscribed by the Group are all stable and low-risk funds which were raised for investing in a combination of financial assets and financial instruments in banks and stock exchange(s) with higher credit ratings and better liquidity, including but not limited to bonds, asset-backed securities, capital borrowing, reverse repurchase, bank deposits, and other financial assets such as investment trust plans and asset management plans, with maturity dates ranging from 10 days to 6 months and yields ranging from 2.9% to 4.3% per annum. The income derived from such WMPs amounted to approximately RMB1.3 million (equivalent to approximately US\$0.2 million) for the year. The Group had no outstanding WMPs as at 31 December 2019. For further details about the WMPs subscribed by the Group during the year ended 2019, please refer to the announcement of the Company dated 18 September 2019.

The Group's net asset value amounted to approximately US\$9.8 million as at 31 December 2019 (31 December 2018: approximately US\$24.6 million).

The majority of the Group's transactions during the year were denominated in US dollars, Hong Kong dollars and Renminbi. To minimise foreign exchange risks, sales and purchases are generally transacted in the same currency.

As at 31 December 2019, the Group had no material contingent liabilities or guarantees, or charges on any Group assets.

Remuneration Policy and Staff Development Scheme

As at 31 December 2019, the Group had 379 employees (31 December 2018: 389). Total staff costs for the year amounted to approximately US\$14.4 million (2018: approximately US\$15.3 million).

The Group offers competitive remuneration schemes to its employees based on industry practice as well as the performance of the individual employee and that of the Group. In addition, the Company has adopted a share option scheme for eligible persons, and discretionary bonuses are payable to staff based on his or her performance and that of the Group as a whole.

本集團採用審慎的財務政策，以管理其金融產品的投資如理財產品等。所有投資必須按照財務政策進行，以求盡量善用本集團業務營運所得的盈餘現金。年內，本集團多次認購及贖回招商銀行發行之若干理財產品（「理財產品」），以作短期財務管理用途。本集團認購之理財產品全部均為穩定及低風險基金，所籌集資金用作投資於不同組合的信用評級與流動性較高的銀行及交易所的金融資產及金融工具，包括但不限於債券、資產支持證券、資金拆借、逆回購、銀行存款以及投資信託計劃及資產管理計劃等的其他金融資產，到期日介乎10日至6個月，收益率介乎每年2.9%至4.3%。年內，有關理財產品所得收入約為人民幣1,300,000元（相等於約200,000美元）。於二零一九年十二月三十一日，本集團概無尚未到期的理財產品。有關本集團於截至二零一九年止年度內認購之理財產品的進一步詳情，請參閱本公司日期為二零一九年九月十八日之公佈。

於二零一九年十二月三十一日，本集團錄得資產淨值約9,800,000美元（二零一八年十二月三十一日：約24,600,000美元）。

本集團於年內之大部份交易以美元、港元及人民幣結算。為減低外匯風險，買賣一般是以相同貨幣交易。

於二零一九年十二月三十一日，本集團並無重大或然負債或擔保，或抵押任何本集團資產。

薪酬政策及員工發展計劃

於二零一九年十二月三十一日，本集團聘有379名僱員（二零一八年十二月三十一日：389名）。年度的僱員成本總額約為14,400,000美元（二零一八年：約15,300,000美元）。

本集團按行業慣例、員工個人及本集團表現為僱員制訂具競爭力的薪酬方案。此外，本公司已採納購股權計劃授予合資格人士，並根據員工個人及本集團整體表現向員工發放酌情花紅。

PROSPECTS

Even though trade tensions between the US and the PRC have eased following the signing of a phase 1 trade deal between the two parties, the outbreak of COVID-19, which has become a pandemic as of March 2020, will impact the global economy in the new year. Already, the lockdown of national borders to limit travel, as well as the movement of goods and workers has started to cause delays in the production and export of goods, and the disruption in global supply chains.

With regard to the Group, many of its customers have grown increasingly prudent given the challenges and uncertainties ahead and the expected slowdown in demand, with certain orders either delayed or cancelled in the first half of 2020. In view of the aforementioned developments, the Group anticipates potentially less orders in the coming financial year as the global manufacturing sector enters a recession. The Group will therefore remain in close contacts with both its customers and supply chain partners to work collectively in overcoming the challenges ahead.

As for the operation of online social media platforms, the Group sees opportunities amid the challenges. On the one hand, the disruption of business activities will certainly impact on the PRC economy, particularly in the first half year, and already, a tightened government policy and keen competition have weighed on the business. On the other hand, the outbreak of COVID-19 will give rise to a “stay-at-home economy” that will create new opportunities for companies that can cater for the increasing need for gaming. The Group will therefore continue developing and launching more new and innovative mobile games to satisfy this demand.

Despite the challenging times ahead, the Group will continue its endeavour to bolster the two major business operations, while at the same time evaluate suitable investment opportunities that result in value creation for the Shareholders.

前景

儘管於中美簽訂第一階段貿易協議後，雙方的貿易緊張局勢有所緩解，惟2019冠狀病毒病的爆發並於二零二零年三月成為疫情，將會影響新一年的全球經濟。國家封鎖邊境以限制旅遊以及貨品及工人流動，已開始拖延貨品的生產及出口，並中斷全球供應鏈。

就本集團而言，考慮到未來的挑戰及不穩定因素，以及需求預期放緩，許多客戶已變得越來越謹慎，若干訂單於二零二零年上半年遭延誤或取消。鑑於上述發展，本集團預計接下來的財政年度的訂單可能會因全球製造業陷入衰退而有所減少。因此，本集團將與客戶及供應鏈合作夥伴保持密切聯繫，共同努力克服未來的挑戰。

本集團認為經營網上社交媒體平台危中有機。一方面，商業活動中斷無疑將對中國經濟造成影響，尤其是上半年，而嚴謹的政府政策及激烈的競爭經已對業務造成壓力。另一方面，爆發2019冠狀病毒病導致「宅經濟商機」，為能夠應付不斷增長的遊戲需求的公司創造新機遇，故本集團將繼續開發及推出更多新穎的創新手機遊戲以滿足需求。

儘管前路挑戰重重，惟本集團仍會繼續努力加強兩個主要業務營運，同時評估合適的投資機會，為股東創造價值。

Biographical Details of Directors and Senior Management

董事及高級管理層資料

Non-executive Director

Mr. ZHOU Xijian, aged 45, was appointed as a non-executive Director and the chairman of the Board on 5 February 2015. Mr. Zhou is the chairman of the nomination committee of the Company (the “**Nomination Committee**”) and a member of the remuneration committee of the Company (the “**Remuneration Committee**”).

Mr. Zhou has over 20 years of business experience. He is the president of 道和集團有限公司 (Daohe Group Co., Ltd*) (“**Daohe Group**”). Daohe Group is a multi-industry company which is engaged in a wide range of businesses including but not limited to liquor, drinking water, film and television, catering and internet technology. On 6 September 2017, Mr. Zhou has been appointed as a director and the chairman of Qingdao Huaren Pharmaceutical Co., Ltd (stock code: 300110) which is listed on the Shenzhen Stock Exchange. Mr. Zhou has also been the chairman of 北京派合文化傳播股份有限公司 (Beijing Pai PR Communications Co., Ltd.*) since January 2016, the shares of which are quoted on the National Equities Exchange and Quotations in the People’s Republic of China (stock code: 839457). Mr. Zhou completed a postgraduate programme in Management and Business Administration from the Business School of Nanjing Normal University in 2011.

非執行董事

周希儉先生，45歲，於二零一五年二月五日獲委任為非執行董事及董事會主席。周先生現時為本公司提名委員會(「**提名委員會**」)主席及本公司薪酬委員會(「**薪酬委員會**」)成員。

周先生擁有逾20年業務經驗。彼為道和集團有限公司(「**道和集團**」)董事長。道和集團為跨行業公司，從事多個領域之業務，包括但不限於酒類、飲用水、電影及電視、餐飲及互聯網技術。於二零一七年九月六日，周先生獲委任為於深圳證券交易所上市之青島華仁藥業股份有限公司(股份代號：300110)之董事兼董事長。周先生由二零一六年一月起亦擔任北京派合文化傳播股份有限公司(其股份於中華人民共和國全國中小企業股份轉讓系統掛牌，股份代號：839457)之董事長。周先生於二零一一年於南京師範大學商學院完成工商管理研究生課程。

* For identification purpose only

* 僅供識別

Biographical Details of Directors and Senior Management

董事及高級管理層資料

Executive Directors and Senior Management

Mr. WONG Hing Lin, Dennis, aged 50, was appointed as an executive Director on 1 September 2010 and was appointed as the chief executive officer of the Company on 1 January 2019. He is the chairman of the executive committee of the Company (the “**Executive Committee**”) and holds directorship of certain subsidiaries of the Group. Mr. Wong has been the President of the Group since 5 February 2015. He was the chief financial officer of the Group from January 2006 to January 2017.

Prior to that, Mr. Wong was the head of corporate development department of a Greater China based supply chain management solutions provider and consumer products distributor, primarily responsible for business development, mergers and acquisitions and investor relations activities. Previously, Mr. Wong had worked at several major international financial institutions where he gained extensive experience in finance, investments and banking. Mr. Wong holds a Master of Business Administration degree in finance from Boston University in the United States of America, and a Bachelor of Science degree from The University of British Columbia in Canada.

執行董事及高級管理層

黃慶年先生，50歲，於二零一零年九月一日獲委任為執行董事及於二零一九年一月一日獲委任為本公司行政總裁。彼現時為本公司執行委員會（「**執行委員會**」）主席，以及於本集團若干附屬公司擔任董事。黃先生自二零一五年二月五日起擔任本集團總裁。彼於二零零六年一月至二零一七年一月期間擔任本集團之財務總監。

在此之前，黃先生曾任一家總部設於大中華地區的供應鏈管理解決方案提供商及消費品分銷商之企業發展部主管，主要負責業務開發、併購及投資者關係事務。之前，黃先生曾任職多間大型國際金融機構，在財務、投資及銀行業務方面累積了廣泛經驗。黃先生持有美國波士頓大學工商管理財務碩士學位及加拿大英屬哥倫比亞大學理學士學位。

Biographical Details of Directors and Senior Management 董事及高級管理層資料

Executive Directors and Senior Management

(continued)

Mr. HO Chi Kin, aged 51, was appointed as an executive Director on 13 February 2018. Mr. Ho was also appointed as the chief financial officer of the Company on 1 January 2018. Mr. Ho was the company secretary of the Company from 24 August 2018 to 13 December 2019. He is a member of the Executive Committee and holds directorships of certain subsidiaries of the Group. Mr. Ho has tendered his resignation as an executive Director, a member of the Executive Committee and the chief financial officer of the Company with effect from 31 March 2020.

Mr. Ho has over 20 years of extensive experience in wealth management services in the United States of America, Hong Kong and mainland China, providing independent financial consulting services for high-end customers, focusing on corporate restructuring, mergers and acquisitions and assisting domestic clients with managing assets in their overseas listings. Mr. Ho began his career as an accountant at Tang & Wong CPAs in Hawaii in 1993. From the year of 2000 to 2005, he was a partner of CCP C.P.A. Limited where he handled a variety of portfolios in auditing and assurance service in the fields of properties, manufacturing, construction, trading and retailing business, hotels and financial institutions. From the year of 2005 to 2016, Mr. Ho was a founder and managing director of TAKA International Corporation, which is a professional firm for provision of corporate restructuring, company secretarial and accounting services in mainland China. Mr. Ho was appointed as an executive director and the chief executive officer of Smartac Group China Holdings Limited (Stock code: 395) in December 2019. Mr. Ho holds a Master of Business Administration degree from Hawaii Pacific University and a Bachelor of Business Administration degree from the University of Hawaii. Mr. Ho is a qualified accountant and a member of the American Institute of Certified Public Accountants and the Hong Kong Institute of Certified Public Accountants.

執行董事及高級管理層 (續)

何致堅先生，51歲，於二零一八年二月十三日起獲委任為執行董事。何先生亦於二零一八年一月一日起獲委任為本公司財務總監。何先生於二零一八年八月二十四日至二零一九年十二月十三日期間獲委任為本公司之公司秘書。彼現時為執行委員會成員，以及於本集團若干附屬公司擔任董事。何先生已辭任執行董事、執行委員會之成員及本公司財務總監之職務，有關辭任自二零二零年三月三十一日起生效。

何先生於美國、香港及中國內地積逾20年財富管理服務的豐富經驗，為高端客戶提供獨立財務諮詢服務，專注於企業重組、併購及協助國內客戶管理其海外上市資產。何先生於一九九三年在夏威夷的Tang & Wong會計師事務所擔任會計師開始其職業生涯。自二零零零年至二零零五年，彼為永新會計師事務所有限公司的合夥人，彼於該公司處理物業、製造、建築、貿易及零售業務、酒店及金融機構領域的各類審計服務。自二零零五年至二零一六年，何先生為TAKA International Corporation的創辦人及董事總經理，該公司為一間在中國內地提供企業重組、公司秘書及會計服務的專業公司。何先生於二零一九年十二月獲委任為中國智能集團控股有限公司(股份代號：395)的執行董事及行政總裁。何先生持有夏威夷太平洋大學工商管理碩士學位及夏威夷大學工商管理學士學位。何先生為合資格會計師，並為美國會計師公會會員及香港會計師公會會員。

* For identification purpose only

* 僅供識別

Biographical Details of Directors and Senior Management 董事及高級管理層資料

Executive Directors and Senior Management

(continued)

Mr. LONG Liping, aged 45, was appointed as an executive Director on 16 April 2019. Mr. Long is a member of the Executive Committee.

Mr. Long has over 10 years of experience in management, risk control management, auditing and accounting fields. Mr. Long is currently a visiting professor of Hohai University, a president (finance) of Zhong Xing Yong He Investments Co. Ltd.* (中興永和投資有限公司), and vice chairman of the Medical and Health Committee of China Hong Kong Economic Trading International Association. He is a member of the Chinese People's Political Consultative Conference of Nanjing Lishui District and a vice chairman of Hunan Chamber Commerce Jiangsu Province. Prior to that, Mr. Long was a vice president (risk control) of Guangdong Daohe Investment Industrial Group Co., Ltd.* (廣東道和投資產業集團有限公司) (now known as "Daohe Group Co., Ltd.* (道和集團有限公司)"), an audit director and a vice president (finance) of Nanjing JoyMain Science and Technology Development Co. Ltd.* (南京中脈科技發展有限公司), and a certified public accountant of Zhongxingcai Guanghua Certified Public Accountants. Mr. Long is a member of the Chinese Institute of Certified Public Accountants. He holds a Master of Agricultural Promotion degree from Huazhong Agricultural University.

執行董事及高級管理層(續)

龍利平先生，45歲，於二零一九年四月十六日獲委任為執行董事。龍先生現時為執行委員會成員。

龍先生於管理、風險控制管理、審計和會計領域擁有逾十年業務經驗。龍先生現為河海大學客座教授、中興永和投資有限公司財務總裁及中國香港國際經貿合作協會醫藥保健委員會副主席。彼為南京市溧水區政協委員及江蘇省湖南商會副會長。在此之前，龍先生曾任廣東道和投資產業集團有限公司(現稱為「道和集團有限公司」)風控副總裁、南京中脈科技發展有限公司審計總監和財務副總裁及中興財光華會計師事務所註冊會計師。龍先生是中國註冊會計師協會會員。彼持有華中農業大學的農業推廣碩士學位。

* For identification purpose only

* 僅供識別

Biographical Details of Directors and Senior Management 董事及高級管理層資料

Independent Non-executive Directors

Mr. WANG Arthur Minshiang, aged 59, has been an independent non-executive Director since 22 April 2002. Mr. Wang is the chairman of the Remuneration Committee and a member of each of the audit committee of the Company (the “**Audit Committee**”) and the Nomination Committee.

Mr. Wang is a managing director of 698 Capital Limited, a private Asian investment firm. Previously, Mr. Wang was also a member of the board and audit committee of NASDAQ listed Homeinns Hotel Group, one of the China’s leading hotel chains. Mr. Wang was a member of the board and the chief executive officer of GigaMedia Limited, a NASDAQ listed online entertainment and game provider. Mr. Wang was also previously a co-founder and executive director of KGI Asia Limited, an investment bank and securities brokerage. Mr. Wang has also served on the board of directors of several finance and technology companies in the region and was previously a member of the board and the chairman of the audit committee of Softbank Investment International (Strategic) Limited (now known as China Wah Yan Healthcare Limited) (stock code: 648), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. Wang received his Juris Doctorate degree from Yale Law School and practised corporate and securities law in Hong Kong and New York. He also holds a Bachelor of Arts degree from the University of California at Los Angeles in the United States of America.

獨立非執行董事

王敏祥先生，59歲，自二零零二年四月二十二日以來一直擔任獨立非執行董事。王先生現時為薪酬委員會主席，以及本公司審核委員會（「**審核委員會**」）及提名委員會各自之成員。

王先生為一家亞洲私人投資公司698 Capital Limited之常務董事。之前，王先生亦曾為於納斯達克上市之如家酒店集團（中國知名的連鎖飯店之一）之董事及審核委員會成員。王先生曾為和信超媒體股份有限公司（一家於納斯達克上市之網上娛樂及遊戲供應商）之董事及行政總裁。在此之前，王先生亦曾為投資銀行及證券經紀凱基證券亞洲有限公司創辦人之一兼執行董事。王先生亦在亞洲區多家財務及科技公司擔任董事，並曾任香港聯合交易所有限公司（「**聯交所**」）主板上市公司軟庫發展有限公司（現稱中國華仁醫療有限公司）（股份代號：648）董事及審核委員會主席。王先生獲耶魯大學法律學院法學博士學位，並曾在香港和紐約執業，專責企業和證券法律事務。彼亦持有美國洛杉磯加州大學文學學士學位。

Biographical Details of Directors and Senior Management 董事及高級管理層資料

Independent Non-executive Directors (continued)

Mr. LAU Shu Yan, aged 38, was appointed as an independent non-executive Director on 11 January 2017. Mr. Lau is the chairman of the Audit Committee.

Mr. Lau is currently a partner of an audit firm. He had previously worked in an international accounting firm and has over 10 years of experience in finance, auditing and accounting fields. Mr. Lau is currently an independent non-executive director and chairman of the audit committee of 深圳市明華澳漢科技股份有限公司 (Shenzhen Mingwah Aohan High Technology Corporation Limited*) (stock code: 8301), and an independent non-executive director, chairman of the audit committee and member of the remuneration committee of Perfectech International Holdings Limited (stock code: 765), the securities of which are listed on the GEM and the Main Board of the Stock Exchange, respectively. Mr. Lau graduated from the University of Newcastle upon Tyne, United Kingdom with a Bachelor of Arts degree majoring in accounting and financial analysis. He is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Lau was formerly an independent non-executive director of Evershine Group Holdings Limited (formerly known as TLT Lottotainment Group Limited) (stock code: 8022) from 11 July 2012 to 16 January 2014 and an independent non-executive director of Union Asia Enterprise Holdings Limited (stock code: 8173) from 31 December 2015 to 13 November 2019, the securities of which are listed on the GEM of the Stock Exchange.

* For identification purpose only

獨立非執行董事(續)

劉樹人先生，38歲，於二零一七年一月十一日獲委任為獨立非執行董事。劉先生現時為審核委員會主席。

劉先生現時為一間核數公司之合夥人。彼過往曾於一間國際會計師行工作，於金融、審計及會計領域積逾10年經驗。劉先生現為深圳市明華澳漢科技股份有限公司(股份代號：8301)之獨立非執行董事兼審核委員會之主席及Perfectech International Holdings Limited(威發國際集團有限公司*)(股份代號：765)之獨立非執行董事、審核委員會主席兼薪酬委員會成員，該等公司的證券分別於聯交所GEM及主板上市。劉先生畢業於英國泰恩河畔紐卡素大學，獲頒文學士學位，主修會計及財務分析。彼為香港會計師公會會員及英國特許公認會計師公會資深會員。劉先生過往曾於二零一二年七月十一日至二零一四年一月十六日擔任永耀集團控股有限公司(前稱彩娛集團有限公司)(股份代號：8022)之獨立非執行董事，並於二零一五年十二月三十一日至二零一九年十一月十三日擔任萬亞企業控股有限公司(股份代號：8173)之獨立非執行董事，該等公司的證券均於聯交所GEM上市。

* 僅供識別

Biographical Details of Directors and Senior Management 董事及高級管理層資料

Independent Non-executive Directors (continued)

Mr. ZHANG Huijun, aged 63, was appointed as an independent non-executive Director on 11 January 2017. Mr. Zhang is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Zhang is currently a vice-chairman of each of China Film Association, Beijing Film Specialist Association and 北京影視藝術家協會 (Beijing Film and TV Artist Association*), deputy director of China Council for the Promotion of Art Education, a tutor and professor of the Academy of Chinese Culture under Peking University, director of 中國電影高新技術研究院 (China Research Institute of Film Technology*), vice chairman and standing member of the council of China Society of Motion Picture and Television Engineers, member of each of the Academic Degree Committee of the State Council and National Art Professional Master Degree Education Steering Committee under the Ministry of Education. He is also a member of 國家教育部高等學校素質教育工作委員會 (Committee of Quality Education in Higher Education Institutions under the Ministry of Education*), head of the higher education division under the Education Committee of China Photographers Association, principal specialist of Beijing Film and Television Art Research Centre, vice-president of China Advertising Association of Commerce and a specialist enjoying special government subsidies granted by the State Council. Mr. Zhang is also a tutor to doctoral students and a professor of Beijing Film Academy in which he was enrolled in 1978 (Class 78) as a student under the department of photography and graduated with a Bachelor of Arts (cinematography) degree in July 1982. In the same year, he assumed a teaching post at his alma mater shortly after graduating with flying colours.

獨立非執行董事(續)

張會軍先生，63歲，於二零一七年一月十一日獲委任為獨立非執行董事。張先生現時為審核委員會、薪酬委員會及提名委員會各自之成員。

張先生現為中國電影家協會、北京電影家協會及北京影視藝術家協會副主席、中國藝術教育促進會副主任、北京大學中國文化書院導師兼教授、中國電影高新技術研究院院長、中國電影電視技術學會副理事長兼常務理事、國務院學位委員會、教育部全國藝術碩士專業學位指導委員會委員。彼亦為國家教育部高等學校素質教育工作委員會委員、中國攝影家協會教育委員會高教部部長、北京影視研究基地首席專家、中國商務廣告協會副會長及獲享國務院政府特殊津貼專家。張先生亦為北京電影學院博士生導師及教授。彼於一九七八年考入北京電影學院攝影系(78班)，於一九八二年七月畢業，獲頒文學(電影攝影)學士學位。同年，張先生以優異成績畢業後留校任教。

* For identification purpose only

* 僅供識別

Biographical Details of Directors and Senior Management 董事及高級管理層資料

Independent Non-executive Directors (continued)

Mr. Zhang was a member of the national committee of the 10th and 11th Chinese People's Political Consultative Conference ("CPPCC"), a member of the 10th and 11th CPPCC Subcommittee of Education, Science, Culture, Health and Sports, as well as a specially invited supervisor of the Ministry of Public Security. He has acted as the deputy director of Beijing Film Academy for 8 years and the director of Beijing Film Academy for 14 years.

Mr. Zhang was accredited the 優秀指導教師獎 (Outstanding Tutor Award*) at the 99 全國大學生藝術節 (Arts Festival for University Students Across China 1999*) co-hosted by the Ministry of Education, Ministry of Culture, Central Committee of the Communist Youth League of China, State Administration of Radio, Film and Television and the Beijing Municipal Government. He was conferred 義大利仁惠之星勳章 (三級勳章) (Commendatore dell'Ordine della Stella della Solidarieta Italiana (3rd Class)) by the President of the Italian Republic in recognition of his positive contribution to the promotion of cultural exchange and friendly cooperation between the PRC and Italy. Being the awardee of 中國文化產業人才培養特殊貢獻大獎 (Award of Special Contribution to the Nurture of Talents for Cultural Industries of China*) by the organizing committee of Forum on International Cultural Industries (China), Mr. Zhang has been engaged as a life member of the judging committee of Macau International Movie Festival.

Being a famous cinematographer, director, producer in the PRC, as well as a "fifth generation" leading figure of the PRC's movie industry, Mr. Zhang has involved himself in the production of over 20 movies, making enormous artistic achievement and winning numerous prestigious awards at home and abroad. Besides, Mr. Zhang has presented over 300 TV productions, including drama series and other genres, in the capacity of director, cinematographer, organizer and producer. He has written, compiled and undertaken over 20 academic papers. He has undertaken research projects of state and provincial level covering the aspects of science, education and technology as a project leader or principal participant.

* For identification purpose only

獨立非執行董事 (續)

張先生曾為中國人民政治協商會議(「中國人民政協」)第十屆及第十一屆全國委員會委員以及中國人民政協第十屆及第十一屆教科文衛體委員會委員，並為國家公安部特邀監督員。彼亦曾於北京電影學院擔任副校長逾8年及擔任校長逾14年。

張先生於由教育部、文化部、共青團中央、國家廣播電影電視總局及北京市政府聯合舉辦之「99全國大學生藝術節」獲頒發「優秀指導教師獎」。彼獲義大利共和國總統授予「義大利仁惠之星勳章(三級勳章)」，對其促進中國與義大利在文化交流和友好合作作出之傑出貢獻予以肯定。作為中國文化產業(國際)論壇組委會「中國文化產業人才培養特殊貢獻大獎」之獲獎者，張先生獲委任為澳門國際電影節終身評委。

作為中國知名電影攝影師、監製、製作人以及中國電影業「第五代」領導人物，張先生曾參與制作超過20部電影，創造輝煌之藝術成就並在本地及海外獲獎無數。此外，張先生以監製、電影攝影師、統籌及製作人身份參與超過300項電視製作，包括電視連續劇及其他類別。彼曾撰寫、主編及獨立完成超過20份學術專著。彼亦一直以項目負責人或主要參與者之角色進行國家及省級研究項目，涵蓋科學、教育及技術層面。

* 僅供識別

Corporate Governance Report

公司管治報告

Daohe Global Group Limited (the “**Company**”) has adopted the code provisions (the “**Code Provisions**”) as stated in the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as the Corporate Governance Code (the “**Code**”) of the Company. The board (the “**Board**”) of directors (the “**Directors**”) is committed to complying with the Code to the extent that the Directors consider it to be applicable to the Company and suited to the needs and interests of the Company and its subsidiaries (collectively (the “**Group**”).

The corporate governance principles of the Group emphasise an effective Board, sound internal controls, appropriate independence policy, and transparency and accountability to all shareholders of the Company (the “**Shareholders**”).

During the year ended 31 December 2019, the Company has complied with all the applicable Code Provisions of the CG Code to the Listing Rules, save for the deviations discussed in the relevant paragraphs below.

(A) DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as its code of conduct for dealing in securities of the Company by the Directors.

The Company, having made specific enquiries, obtained confirmations from all the Directors that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2019.

The Company has also established written guidelines on no less exacting terms than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to possess unpublished inside information in relation to the Company or its securities.

No incident of non-compliance with the Employees Written Guidelines by the relevant employees was noted by the Company during the year ended 31 December 2019.

道和環球集團有限公司(「**本公司**」)已採納香港聯合交易所有限公司(「**聯交所**」)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**」)內的守則條文(「**守則條文**」)，作為本公司的公司管治守則(「**守則**」)。董事(「**董事**」)會(「**董事會**」)承諾，在董事認為適用於本公司及符合本公司及其附屬公司(統稱「**本集團**」)需要及利益的前提下，嚴格遵從守則行事。

本集團公司管治原則著重有效的董事會、良好的內部監控及恰當的獨立政策，並為本公司全體股東(「**股東**」)提供一個具透明度及問責的董事會。

截至二零一九年十二月三十一日止年度，本公司已遵守上市規則企業管治守則之所有適用守則條文，但以下相關段落所述偏離者除外。

(A) 董事之證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「**標準守則**」)，作為董事買賣本公司證券的操守守則。

本公司經作出特定查詢後，已獲全體董事確認，彼等於截至二零一九年十二月三十一日止年度一直遵守標準守則所載的規定準則。

就可能擁有與本公司或其證券相關之未經公佈之內幕消息之有關僱員進行證券交易，本公司亦制定不遜於標準守則所載條款之書面指引(「**僱員書面指引**」)。

本公司並沒有發現於截至二零一九年十二月三十一日止年度有關僱員違反僱員書面指引。

(B) BOARD OF DIRECTORS

Board Composition

As at 31 December 2019, the Board had seven Directors comprising three executive Directors, one non-executive Director and three independent non-executive Directors. During the year ended 31 December 2019, the Company had at all times complied with Rules 3.10 and Rules 3.10A of the Listing Rules.

The Directors have given sufficient time and attention to the Company's affairs during the year ended 31 December 2019. The Company requests the Directors to disclose annually to the Company the number and nature of offices held in public companies or organisations and other significant commitments.

Independent non-executive Directors and non-executive Director provide the Board with diversified skills, expertise and experience. Their views and participation in Board and committee meetings bring independent, constructive and informed comments on issues relating to the Company's strategies and policies to ensure that the interests of all Shareholders are taken into account.

An updated list of the Directors identifying their roles and functions is maintained on the websites of the Company and the Stock Exchange. Independent non-executive Directors are identified as such in all corporate communications containing the name of the Directors.

Mr. ZHOU Xijian is a director and shareholder of Daohe Global Investment Holding Limited ("**Daohe Global Investment**"), a controlling shareholder of the Company. Save as disclosed above, none of the members of the Board has any relationship (including financial, business, family or other material/relevant relationship(s)) with each other.

Biographical details of the Directors are set out in the "Biographical Details of Directors and Senior Management" section of this annual report.

(B) 董事會 董事會組成

於二零一九年十二月三十一日，董事會由七名董事組成，包括三名執行董事、一名非執行董事及三名獨立非執行董事。於截至二零一九年十二月三十一日止年度，本公司一直遵守上市規則第3.10條及第3.10A條。

於截至二零一九年十二月三十一日止年度，董事均投入足夠時間及精力以處理本公司事務。本公司要求董事每年向本公司披露其於公眾公司或機構擔任職位之數目及性質以及其他重大承擔。

獨立非執行董事及非執行董事為董事會提供多元化的技能、專業知識及經驗。彼等參與並對董事會及委員會會議提出意見，為本公司於制定策略及政策時提供了獨立、富建設性及有見地的意見，確保所有股東之利益均獲得考慮。

本公司已在其網站及聯交所網站登載最新的董事名單，並列明董事的角色及職能。獨立非執行董事身份在所有載有董事姓名之公司通訊中均有明確說明。

周希儉先生為道和環球投資控股有限公司（「**道和環球投資**」）（本公司控股股東）的董事及股東。除以上披露者外，董事會成員彼此之間概無任何關係（包括財務、業務、家庭或其他重大／相關關係）。

董事履歷詳情載於本年報「董事及高級管理層資料」一節。

Board Diversity Policy

The Company has adopted a board diversity policy (the “**Board Diversity Policy**”) on 30 August 2013 (which was revised on 14 December 2018) setting out the approach to achieve diversity on the Board.

The Company recognises the importance of having a diverse team of Board members, which is an essential element in maintaining an effective Board and enhancing corporate governance standard. The Nomination Committee of the Company is delegated the authority (amongst other things) to review and assess the diversity of the Board, with the objective of maintaining an appropriate mix and balance of skills, knowledge, experience and diversity of perspectives on the Board which are appropriate to the requirements of the Company’s business.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to skills, knowledge, industry and professional experience, cultural and educational background, gender, age and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee shall discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendation to the Board. The Board may adopt and/or amend from time to time (as applicable) such diversity perspectives and/or measurable objectives that are appropriate to the Company’s business and Board succession planning, as applicable.

董事會成員多元化政策

本公司已於二零一三年八月三十日採納董事會成員多元化政策(「**董事會成員多元化政策**」)(於二零一八年十二月十四日修訂)，當中載有達致董事會成員多元化之方針。

本公司重視董事會成員多元化，此為維持董事會行之有效的必要元素，以及提升企業管治水平。本公司提名委員會所獲之授權其中包括檢討及評估董事會的多元化程度，從而確保董事會持續具備符合本公司業務所需的適當技能、知識、經驗及多樣的觀點與角度，以及在以上各方面取得平衡。

甄選人選將按一系列多元化範疇為基準，包括但不限於技能、知識、行業及專業經驗、文化及教育背景、性別、年齡及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。提名委員會將會討論及協定(如有需要)為達致董事會成員多元化的可計量目標，並向董事會作出有關建議。如有需要，董事會可隨時採納及／或修訂多元化因素及／或可計量目標，以切合本公司業務所需和董事會繼任計劃(如適用)。

Director Nomination Policy

The Company has adopted a director nomination policy (the “**Director Nomination Policy**”) on 14 December 2018 setting out the procedures and criteria to be used by the Company in relation to the selection, appointment and re-appointment of Directors to ensure that the Board maintains an appropriate mix and balance of skills, knowledge, experience and diversity of perspectives to the requirements of the Company’s business.

The Nomination Committee shall make reference to this Director Nomination Policy and the Board Diversity Policy to nominate suitably qualified candidates to the Board for it to consider and make recommendations to the Shareholders for election as Directors at general meetings or appointment as Directors to fill casual vacancies or as an addition to the Board.

Directors’ and Officers’ Liabilities Insurance

The Company has arranged appropriate insurance coverage on directors’ and officers’ liabilities of the Company and its subsidiaries in respect of any legal actions taken against the Directors and officers of the Company and its subsidiaries arising out of corporate activities.

Delegation by the Board

The overall management of the Company’s business is vested in the Board, which assumes the responsibility for the leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group’s affairs. All Directors should make decisions objectively in the best interests of the Company.

The functions of the Board are carried out either directly or through Board committees. To ensure the Board is in a position to exercise its powers in an informed manner, management provides monthly management accounts and updates to the Directors who also have full and timely access to all relevant information and may take independent professional advice if necessary. Furthermore, the types of decisions to be delegated by the Board to management include implementation of the strategy and direction determined by the Board, operation of the Group’s businesses, preparation of financial statements and operating budgets, and compliance with applicable laws and regulations.

董事提名政策

本公司於二零一八年十二月十四日採納董事提名政策(「**董事提名政策**」)，載列本公司就甄選、委任及重選董事所用的程序及標準，以確保董事會符合本公司業務要求，於技能、知識、經驗及多方面維持適當組合及平衡。

提名委員會須參考董事提名政策及董事會成員多元化政策，以向董事會提名具備合適資格的候選人以供董事會考慮，並就於股東大會選舉有關人士擔任董事或委任有關人士以填補臨時空缺或增添董事會成員向股東提供推薦意見。

董事及高級職員的責任保險

本公司已為本公司及其附屬公司董事及高級職員投購適當的責任保險，就本公司及其附屬公司董事及高級職員因公司業務所承擔的法律責任提供保障。

董事會授權

董事會負責整體管理本公司的業務，其中肩負著領導及監控本集團的責任，並共同承擔指導及監督本集團事務的責任，推動本集團達致成功。全體董事應以本公司的最佳利益為依歸，客觀地作出決策。

董事會直接或透過董事委員會履行職務。為確保董事會在知情的情況下行使其職權，管理層每月向董事提供管理賬目及更新資料，而董事亦獲提供所有全面及適時的相關資料，並可於有需要時諮詢獨立專業意見。再者，董事會授權管理層可作出決定之事項包括：執行董事會決定之策略和方針、本集團之業務運作、編製財務報表及營運預算，以及遵守適用之法律和規例。



Corporate Governance Report 公司管治報告

To comply with the requirement under the CG Code, the Board is also responsible for performing the corporate governance duties including but not limited to:

- develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- review and monitor the training and continuous professional development of the Directors and senior management;
- review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors; and
- review the Company's compliance with the code and disclosure in the corporate governance report.

During the year ended 31 December 2019, the Board met regularly for reviewing and approving the financial and operating performance, the compliance of CG Code and corporate governance report, and considering and approving the overall strategies and policies of the Company.

為符合企業管治守則之規定，董事會亦負責履行企業管治職責，包括但不限於：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊；及
- 檢討本公司遵守守則的情況及在《企業管治報告》內的披露。

於截至二零一九年十二月三十一日止年度，董事會定期會面以檢討及批准財務及營運表現、企業管治守則及企業管治報告的遵守情況，並考慮及批准本公司整體策略及政策。

Corporate Governance Report

公司管治報告

The Company currently has four Board committees. The table below provides membership information of these committees on which each Board member serves.

本公司現時設有四個董事委員會。下表提供各董事會成員在該等委員會中所擔任的職位。

Directors 董事	Board Committees 董事委員會	Executive Committee 執行委員會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Non-executive Director ZHOU Xijian (Chairman)	非執行董事 周希儉(主席)			M	C
Executive Directors WONG Hing Lin, Dennis (Chief Executive Officer and President)	執行董事 黃慶年 (行政總裁兼總裁)	C			
HO Chi Kin (Chief Financial Officer)	何致堅 (財務總監)	M			
LONG Liping ^(Note 1)	龍利平 ^(附註1)	M			
Independent non-executive Directors WANG Arthur Minshiang LAU Shu Yan ZHANG Huijun	獨立非執行董事 王敏祥 劉樹人 張會軍		M C M	C M	M M

Notes:

- Mr. LONG Liping appointed as an executive Director, and a member of the Executive Committee with effect from 16 April 2019.
- C Chairman of the relevant Board Committees
M Member of the relevant Board Committees

附註：

- 龍利平先生自二零一九年四月十六日起獲委任執行董事及執行委員會成員。
- C 有關董事委員會的主席
M 有關董事委員會的成員

Board Meetings and Committees Meetings

The attendance of individual Directors at the Board and its committee meetings, and the annual general meeting (the "AGM") of the Company held during the year ended 31 December 2019 is set out in the following table:

董事會會議及委員會會議

各董事出席本公司於截至二零一九年十二月三十一日止年度舉行的董事會及其委員會會議及股東週年大會(「股東週年大會」)的情況載列於下表：

		Attendance/Number of Meetings 出席率/會議次數					
Name of Directors	董事姓名	Board Meeting 董事會會議	Executive Committee Meeting 執行委員會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	Annual General Meeting 股東週年大會
Non-executive Director	非執行董事						
ZHOU Xijian	周希儉	3/5	-	-	1/1	1/1	0/1
Executive Directors	執行董事						
WONG Hing Lin, Dennis	黃慶年	5/5	5/5	-	-	-	1/1
HO Chi Kin	何致堅	5/5	5/5	*2/2	-	-	1/1
LONG Liping ^(Note 1)	龍利平 ^(附註1)	3/4	0/0	-	-	-	-
Independent non-executive Directors	獨立非執行董事						
WANG Arthur Minshiang	王敏祥	4/5	-	1/2	1/1	1/1	0/1
LAU Shu Yan	劉樹人	4/5	-	2/2	-	-	1/1
ZHANG Huijun	張會軍	4/5	-	2/2	1/1	1/1	0/1
Number of meetings held	會議的舉行次數	5	5	2	1	1	1

Notes:

1. Mr. LONG Liping appointed as an executive Director, and a member of the Executive Committee with effect from 16 April 2019.

* The Director is not a member of the Committee at the relevant time but attended the meetings by invitation.

附註：

1. 龍利平先生自二零一九年四月十六日起獲委任執行董事及執行委員會成員。

* 於相關時間董事並非為委員會成員但獲邀出席會議。

Apart from holding physical meetings, the Board and Board committees also circulate written resolutions for approval by the relevant members of the Board and Board committees except for matters where a substantial shareholder or a Director has a conflict of interest which the Board has determined to be material in compliance with Code Provision A.1.7 of the CG Code.

The Board having considered the attendance records and training records of the Directors and the confirmation provided by each Director is satisfied that each Director spends sufficient time performing his responsibilities. Key issues and decisions made during the meetings were communicated to the Directors in a timely manner.

Chairman and Chief Executive Officer

Currently, the chairman of the Board and the chief executive officer (“CEO”) of the Group are Mr. ZHOU Xijian and Mr. WONG Hing Lin, Dennis, respectively. The roles of Chairman and CEO are segregated and their respective responsibilities are clearly defined and set out in writing.

The Chairman’s principal role is to provide leadership for the Board on corporate and strategic planning, ensure proper proceedings of the Board and encourage all Directors to have active contributions to the Board’s affairs.

The CEO, supported by the other executive Directors and management, is to manage and operate the Group’s day-to-day business, including the implementation of major strategies and initiatives adopted by the Board.

Non-executive Director

Mr. ZHOU Xijian, chairman and non-executive Director, is appointed for a term of three years under his letter of appointment. All Directors including non-executive Director are subject to retirement by rotation and eligible for re-election at the AGM at least once every three years in accordance with the bye-laws of the Company (the “Bye-laws”). The Company has issued a formal letter of appointment to Mr. Zhou setting out the key terms of his appointment.

除親身出席會議外，董事會及董事委員會亦傳閱書面決議案，以尋求董事會及董事委員會有關成員的批准，惟主要股東或董事涉及利益衝突而董事會遵照企業管治守則守則條文第A.1.7條認為屬重大事宜除外。

經考慮董事之出席記錄及培訓記錄及各董事提供之確認書後，董事會信納各董事已付出充足時間履行其職責。會議期間的主要事項及作出的決策已及時向各董事傳達。

主席及行政總裁

目前董事會主席及本集團行政總裁（「行政總裁」）分別為周希儉先生及黃慶年先生。主席及行政總裁之職位彼此分開，彼等各自的責任已清楚界定並已書面載列。

主席之主要責任為領導董事會進行企業及策略規劃，確保董事會按照恰當的程序運作，並鼓勵全體董事對董事會事務作出積極貢獻。

行政總裁在其他執行董事及管理層的支持下，負責管理及經營本集團的日常業務，包括履行董事會採納的重要策略與措施。

非執行董事

主席兼非執行董事周希儉先生已根據其委聘函獲委任，為期三年。根據本公司的公司細則（「公司細則」），全體董事（包括非執行董事）須於股東週年大會上每三年至少輪值退任一次，且符合資格可膺選連任。本公司已向周先生發出正式的委聘函，當中列明其獲委聘的主要條款。

Code provision E.1.2 of the CG Code requires the Chairman to attend the AGM. Due to other business commitments, Mr. ZHOU Xijian was not able to attend the AGM held on 31 May 2019 (the "2019 AGM"). Mr. HO Chi Kin, an executive Director, the chief financial officer and the then company secretary of the Company, acted as the chairman of the 2019 AGM to ensure an effective communication was carried out with the Shareholders.

Independent non-executive Directors

Every independent non-executive Director is appointed for a specific term under his letter of appointment. All Directors including independent non-executive Directors are subject to retirement by rotation and eligible for re-election at the AGM at least once every three years in accordance with the Bye-laws. The Company has issued formal letter of appointments to its independent non-executive Directors setting out key terms of their appointments.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers all of the independent non-executive Directors to be independent.

Independent non-executive Director who has served for more than nine years

Mr. WANG Arthur Minshiang has served as independent non-executive Director for more than nine years. To comply with Code Provision A.4.3 of the CG Code, Mr. Wang retired voluntarily and was re-elected as Director at the AGM held on 27 August 2012, 27 August 2015 and 30 August 2017, respectively. He will also retire by rotation and offer himself for re-election as Director at the forthcoming AGM to be held on 28 May 2020.

Directors' Continuous Professional Development

Each newly appointed Director has received a comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has an appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

企業管治守則守則條文第E.1.2條規定主席須出席股東週年大會。由於其他事務在身，故周希儉先生未能出席於二零一九年五月三十一日舉行的股東週年大會（「二零一九年股東週年大會」）。本公司執行董事、財務總監兼時任公司秘書何致堅先生已擔任二零一九年股東週年大會主席，以確保與股東進行有效溝通。

獨立非執行董事

每名獨立非執行董事已根據其委聘函按特定任期獲委任。根據公司細則，全體董事（包括獨立非執行董事）須於股東週年大會上每三年至少輪值退任一次，且符合資格可膺選連任。本公司已向其獨立非執行董事發出正式的委聘函，當中列明其獲委聘的主要條款。

本公司已接到各獨立非執行董事的書面年度確認書，確認彼等均符合上市規則第3.13條所述之獨立性。根據有關確認書的內容，本公司認為所有獨立非執行董事均符合獨立資格。

在任逾九年的獨立非執行董事

王敏祥先生已擔任獨立非執行董事逾九年。為符合企業管治守則守則條文第A.4.3條，王先生分別於二零一二年八月二十七日、二零一五年八月二十七日及二零一七年八月三十日舉行的股東週年大會上自願退任，並獲選連任董事。王先生亦將於二零二零年五月二十八日舉行的應屆股東週年大會上輪席告退及重選連任。

董事之持續職業發展

各新委任董事於首次獲委任時均會獲得全面、正規及切合個人需要的就任須知，以確保彼對本集團業務及運作有恰當的了解，並全面知悉其根據上市規則及有關法例規定下之職責及責任。

There are also arrangements in place for providing continuing briefing and professional development to the Directors at the Company's expenses whenever necessary.

有需要時，本公司亦會安排向董事提供持續簡介及專業發展，費用由本公司承擔。

The Company provides regular updates and presentations on changes and developments relating to the Group's business and the legislative and regulatory environments in which the Group conducts its business to the Directors.

本公司就本集團業務及本集團經營業務所在之立法及監管環境之變動及發展向董事提供定期更新及簡報。

The trainings received by the Directors during the year ended 31 December 2019 are summarised as follows:

董事於截至二零一九年十二月三十一日止年度接受的培訓概述如下：

Directors	董事	Attending seminars and/or reading materials on legal and regulatory updates, corporate governance, director's duties and responsibilities or group's business	出席研討會及／或閱讀有關法律及監管最新資料、企業管治、董事職責及責任或集團業務的材料
Non-executive Director ZHOU Xijian (Chairman)	非執行董事 周希儉(主席)		✓
Executive Directors WONG Hing Lin, Dennis (CEO and President)	執行董事 黃慶年 (行政總裁兼總裁)		✓
HO Chi Kin (Chief Financial Officer)	何致堅(財務總監)		✓
LONG Liping ^(Note 1)	龍利平 ^(附註1)		✓
Independent non-executive Directors WANG Arthur Minshiang	獨立非執行董事 王敏祥		✓
LAU Shu Yan	劉樹人		✓
ZHANG Huijun	張會軍		✓

Notes:

附註：

- Mr. LONG Liping appointed as an executive Director, and a member of the Executive Committee with effect from 16 April 2019.

- 龍利平先生自二零一九年四月十六日起獲委任執行董事及執行委員會成員。

Change to the Emolument of Directors

The following changes were made to the emolument of Directors:

The director's salary of Mr. WONG Hing Lin, Dennis has been increased to HK\$450,000 per month with effect from 1 January 2019.

The director's salary of Mr. HO Chi Kin has been increased to HK\$120,000 per month with effect from 1 January 2019.

Company Secretary

Mr. HO Chi Kin had been the company secretary of the Company (the "Company Secretary") with effect from 24 August 2018 to 13 December 2019. With effect from 13 December 2019 to the date of this report, Ms. Cheng Sau Man has been appointed as the Company Secretary in place of Mr. Ho.

All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the board procedures are followed, advising the Board on all corporate governance matters, and arranging induction programs including briefings on the general and specific duties of directors under legal and regulatory requirements for newly appointed directors. The company secretary facilitates the induction and professional development of directors.

During the year ended 31 December 2019, both Mr. Ho and Ms. Cheng had received no less than 15 hours of relevant professional training to refresh their skills and knowledge.

(C) BOARD COMMITTEES

The Company currently has four committees, namely, the Executive Committee, Audit Committee, Remuneration Committee and Nomination Committee, for overseeing particular aspects of the Company's affairs.

Terms of reference of all Board committees are available on the Stock Exchange's website and the Company's website.

董事酬金變動

董事的酬金作出以下變動：

自二零一九年一月一日起，黃慶年先生的董事薪金增加至每月450,000港元。

自二零一九年一月一日起，何致堅先生的董事薪金增加至每月120,000港元。

公司秘書

何致堅先生自二零一八年八月二十四日至二零一九年十二月十三日期間為本公司之公司秘書（「公司秘書」）。自二零一九年十二月十三日至本報告日期，鄭秀文女士已獲委任為公司秘書，以代替何先生。

全體董事均可向公司秘書尋求有關意見及服務，公司秘書負責確保董事會程序獲得遵從，並就所有企業管治事宜向董事會提供意見，以及為新委任的董事安排就任培訓，其中包括董事在法律及法規規定下的一般及特定職責的簡介。公司秘書就董事的就任培訓及專業發展提供支援。

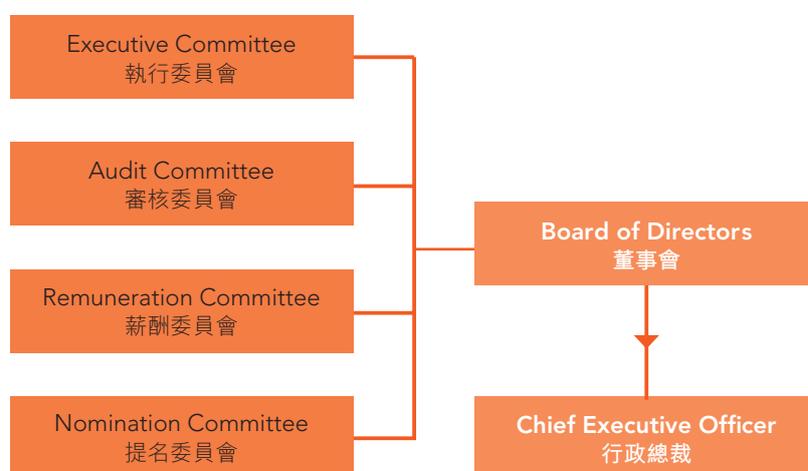
於截至二零一九年十二月三十一日止年度，何先生及鄭女士均已接受不少於15小時的相關專業培訓，以更新其技能及知識。

(C) 董事委員會

為監督本公司個別方面的事務，本公司現時設有四個委員會，即執行委員會、審核委員會、薪酬委員會及提名委員會。

所有董事委員會的職權範圍登載於聯交所網站及本公司網站，以供參考。

Current structure of the Board



董事會現時架構

The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expenses.

董事委員會具備充足的資源履行其職責，並在恰當的情況下，可應合理的要求尋求獨立專業的意見，費用由本公司支付。

Executive Committee

The Executive Committee currently consists of all the executive Directors as follows:

WONG Hing Lin, Dennis (Chairman)

(appointed as Chairman with effect from 1 January 2019)

HO Chi Kin *(resigned with effect from 31 March 2020)*

LONG Liping *(appointed with effect from 16 April 2019)*

執行委員會

執行委員會目前由以下全體執行董事組成：

黃慶年 (主席)

(自二零一九年一月一日起獲委任為主席)

何致堅 *(自二零二零年三月三十一日起辭任)*

龍利平 *(自二零一九年四月十六日起獲委任)*

The Board has delegated the day-to-day management and operation functions of the Group to the Executive Committee save to the extent that certain powers and authorities are reserved to the full Board or the other Board Committees. The Executive Committee is also responsible for reviewing or recommending to the Board the investment transactions of the Group and has the power to approve transactions that would not constitute notifiable transactions under Chapter 14 of the Listing Rules, connected transactions under Chapter 14A of the Listing Rules or capital market activities.

董事會已授權執行委員會負責本集團日常的管理及營運職務，惟若干職權及權限由全體董事會或其他董事委員會保留。執行委員會亦負責檢討或向董事會建議本集團之投資交易並有權批准不會構成上市規則第14章項下之須予公佈交易、上市規則第14A章項下之關連交易或資本市場活動之交易。

During the year ended 31 December 2019, the Executive Committee held five meetings to approve the matters relating to the management and day-to-day operations of the Company. The attendance of individual Directors at the committee meetings is set out on page 26 of this annual report. Apart from the said meetings, matters requiring the Executive Committee's approval were arranged by means of circulation of written resolutions.

Audit Committee

The Audit Committee currently comprises three independent non-executive Directors as follows:

LAU Shu Yan (Chairman)
WANG Arthur Minshiang
ZHANG Huijun

None of the members of the Audit Committee is a former partner of the Company's existing external auditor.

The primary duties of the Audit Committee are to review the Company's annual reports and accounts, interim reports and results announcements and to provide advice and comments thereon to the Directors. The Audit Committee also reviews and monitors the external auditor's independence and objectivity and the effectiveness of the audit process. The members meet regularly with the external auditor and the Company's senior management for the review and supervision of the Company's financial reporting, risk management and internal control systems. The Audit Committee is also responsible for monitoring integrity of the financial statements of the Company and the Company's annual reports and accounts and interim reports, and to review significant financial reporting judgements contained in them.

As required by Code Provision C.3.7 of the CG Code, details of arrangements for employees to raise concerns about improprieties in financial reporting, internal control and other matters have been included in the Employee Handbook since 1 April 2012.

The Company amended the terms of reference of the Audit Committee, which took effect from 14 December 2018, in order to conform to the revised Code Provision C.3.2 of the CG Code which took effect on 1 January 2019.

於截至二零一九年十二月三十一日止年度，執行委員會舉行五次會議批准有關本公司管理及日常營運的事宜。個別董事出席委員會會議的次數載於本年報第26頁。除所述會議外，須執行委員會批准的事宜則以傳閱書面決議案方式處理。

審核委員會

審核委員會目前由下列三名獨立非執行董事組成：

劉樹人(主席)
王敏祥
張會軍

概無審核委員會成員為本公司現任外聘核數師的前合夥人。

審核委員會的主要職責是審議本公司年報與賬目、中期報告及業績公佈，並就此向董事提供建議及意見。審核委員會亦檢討及監察外聘核數師的獨立性和客觀性，以及核數程序的效能。審核委員會成員定期與外聘核數師及本公司高級管理層舉行會議，對本公司的財務報告、風險管理及內部監控系統進行審議及監督。審核委員會亦負責監督本公司財務報表、本公司年報及賬目以及中期報告的真確性，並審議其中所載重大財務報告的判斷。

應企業管治守則守則條文第C.3.7條之規定，自二零一二年四月一日起，僱員就財務報告、內部監控及其他方面發生的不正當行為提出關注之安排詳情已載入僱員手冊內。

本公司已修訂審核委員會之職權範圍，由二零一八年十二月十四日起生效，以符合企業管治守則之經修訂守則條文第C.3.2條，於二零一九年一月一日生效。

The Audit Committee met two times during the year ended 31 December 2019. The attendance of individual Directors at the committee meetings is set out on page 26 of this annual report. Apart from the said meetings, matters requiring the Audit Committee's approval were arranged by means of circulation of written resolutions.

The work performed by the Audit Committee during the year ended 31 December 2019 included:

- (a) reviewed the financial statements and reports and considered any significant or unusual items raised by the chief financial officer or external auditor before submission to the Board;
- (b) reviewed the interim and annual results of the Group, discussed and approved the relevant financial reports, reviewed the Group's internal control system;
- (c) approved the revised risk assessment report and 2019–2021 Internal Audit Plan;
- (d) reviewed the relationship with the external auditor by reference to the work performed by the auditor, their fees, terms of engagement and independence, and made recommendation to the Board on the appointment, re-appointment and removal of external auditor proposed by management;
- (e) reviewed the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures; and
- (f) reviewed and recommended the Board to approve the revised terms of reference of the Audit Committee, if required.

Private session between the Committee members and the external auditor without the presence of the management had also been arranged.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the year ended 31 December 2019.

於截至二零一九年十二月三十一日止年度，審核委員會舉行兩次會議。個別董事出席委員會會議的次數載於本年報第26頁。除所述會議外，須審核委員會批准的事宜則以傳閱書面決議案方式處理。

審核委員會於截至二零一九年十二月三十一日止年度履行的工作包括：

- (a) 審議財務報表及報告，並在呈交董事會前考慮由財務總監或外聘核數師提出的任何重大或不尋常項目；
- (b) 審議本集團的中期及年度業績，討論及批准相關財務報告，審議本集團的內部監控系統；
- (c) 批准經修訂風險評估報告及二零一九年至二零二一年內部審核計劃；
- (d) 參照核數師所履行的工作後，審議與外聘核數師的關係、其酬金及聘任條款及獨立性，並就管理層建議委任、重新委任及罷免外聘核數師向董事會提出建議；
- (e) 審議本公司財務報告系統、內部監控系統、風險管理系統及相關程序的充足程度及效力；及
- (f) 檢討及建議董事會批准經修訂審核委員會職權範圍(如需要)。

委員會成員亦獲安排在管理層不在場之情況下與外聘核數師進行會議。

於截至二零一九年十二月三十一日止年度，董事會與審核委員會之間就外聘核數師的挑選及委任並無出現意見分歧。

Remuneration Committee

The Remuneration Committee currently comprises three members, the majority of which are independent non-executive Directors, as follows:

WANG Arthur Minshiang (Chairman)
ZHOU Xijian
ZHANG Huijun

The primary objectives of the Remuneration Committee include making recommendations on and approving the Company's policy and structure for all the remuneration packages of the Directors and senior management. The Remuneration Committee is also responsible for establishing formal and transparent procedures for developing remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee shall consult the chairman and/or the CEO of the Company about their recommendations on remuneration policy and structure and remuneration packages.

The Company adopted Code Provision B.1.2(c)(i) out of the two models suggested by the CG Code. As a result, the Board as a whole is responsible for determining the remuneration of non-executive Directors whereas the Remuneration Committee has the authority to approve the remuneration of the individual executive Directors and senior management of the Company and its subsidiaries as well as share options related matters.

The Remuneration Committee met one time during the year ended 31 December 2019. The attendance of individual Directors at the committee meetings is set out on page 26 of this annual report. Apart from the said meeting, matters requiring the Remuneration Committee's approval were arranged by means of circulation of written resolutions.

薪酬委員會

薪酬委員會目前由下列三位成員組成，大部分成員為獨立非執行董事：

王敏祥(主席)
周希儉
張會軍

薪酬委員會的首要目標包括就本公司有關所有董事及高級管理層之薪酬待遇之政策及架構提供建議，並審批此等政策架構。薪酬委員會亦負責建立制定有關薪酬政策及架構的正式及透明程序，以確保概無董事或其任何聯繫人士將參與釐定其本身之薪酬。彼等之薪酬將經參照個人及本公司表現以及市場慣例及狀況後釐定。薪酬委員會應就薪酬政策、架構及薪酬待遇諮詢本公司主席及／或行政總裁之建議。

本公司採納企業管治守則所建議之兩種模式其中之一所載之守則條文第B.1.2(c)(i)條。因此，董事會整體負責釐定非執行董事之薪酬，而薪酬委員會有權審批個別執行董事及本公司及其附屬公司之高級管理層之薪酬以及購股權相關事宜。

於截至二零一九年十二月三十一日止年度，薪酬委員會舉行一次會議。個別董事出席委員會會議的次數載於本年報第26頁。除所述會議外，須薪酬委員會批准的事宜則以傳閱書面決議案方式處理。

The work performed by the Remuneration Committee during the year ended 31 December 2019 included:

- (a) reviewed and recommended the remuneration of the new Director;
- (b) reviewed, adjusted the salary and approved the discretionary bonus of Executive Directors; and
- (c) reviewed the terms of reference of the Remuneration Committee.

Nomination Committee

The Nomination Committee currently comprises three members, the majority of which are independent non-executive Directors, as follows:

ZHOU Xijian (Chairman)
WANG Arthur Minshiang
ZHANG Huijun

The main duties of the Nomination Committee include the following:

- (a) review the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) identify individual suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorship;
- (c) assess the independence of independent non-executive Directors, having regard to the requirements of the Listing Rules;
- (d) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive; and

薪酬委員會於截至二零一九年十二月三十一日止年度履行的工作包括：

- (a) 檢討及建議新董事的薪酬；
- (b) 檢討、調整薪金及批准執行董事的酌情花紅；及
- (c) 檢討薪酬委員會的職權範圍。

提名委員會

提名委員會目前由下列三位成員組成，大部分成員為獨立非執行董事：

周希儉(主席)
王敏祥
張會軍

提名委員會主要職責包括下列各項：

- (a) 至少每年一次檢討董事會之架構、規模及組成(包括技能、知識、經驗及多樣的觀點與角度)，並就任何為配合本公司之企業策略而擬對董事會作出之變動提出建議；
- (b) 物色具備合適資格可擔任董事會成員之人士，並甄選提名有關人士出任董事或就此向董事會提供意見；
- (c) 經考慮上市規則之規定後，評估獨立非執行董事之獨立性；
- (d) 就董事委任或重新委任以及董事(尤其是主席及行政總裁)繼任計劃向董事會提出建議；及

- (e) ensure that the Board has a balance of skills, knowledge, experience and diversity of perspectives appropriate to the requirements of the Company's business, and in that regard, the Nomination Committee should assist the Board to formulate and review a policy concerning diversity of Board members.

The Nomination Committee met one time during the year ended 31 December 2019. The attendance of individual Directors at the committee meetings is set out on page 26 of this annual report. Apart from the said meeting, matters requiring the Nomination Committee's approval were arranged by means of circulation of written resolutions.

The work performed by the Nomination Committee during the year ended 31 December 2019 included:

- (i) reviewed the Directors who were due to retire pursuant to the Bye-laws and the CG Code and recommended that they be subject to retirement and re-election at the 2019 AGM;
- (ii) considered the appointment of a new Director and the renewal of the letters of the appointment of the independent non-executive Directors and made recommendations to the Board for such to be approved, if the Board thought fit;
- (iii) reviewed the structure, size and composition of the Board (including the skills, knowledge and experience) of the Board;
- (iv) assessed the independence of each independent non-executive Directors;
- (v) reviewed the terms of reference of the Nomination Committee; and
- (vi) reviewed the Board Diversity Policy and the Director Nomination Policy.

- (e) 確保董事會根據本公司業務要求在技能、知識、經驗及多樣的觀點與角度方面達致合適的平衡，就此而言，提名委員會應協助董事會就有關董事會成員多元化制訂及檢討政策。

於截至二零一九年十二月三十一日止年度，提名委員會舉行一次會議。個別董事出席委員會會議的次數載於本年報第26頁。除所述會議外，須提名委員會批准的事宜則以傳閱書面決議案方式處理。

提名委員會於截至二零一九年十二月三十一日止年度履行的工作包括：

- (i) 審議根據公司細則及企業管治守則須退任的董事及建議彼等須於二零一九年股東週年大會上退任及膺選連任；
- (ii) 審議新董事的任命及獨立非執行董事委聘函的續期，並向董事會提出建議以作出酌情批准；
- (iii) 檢討董事會之架構、規模及組成(包括技能、知識及經驗方面)；
- (iv) 評估各獨立非執行董事的獨立性；
- (v) 檢討提名委員會的職權範圍；及
- (vi) 檢討董事會成員多元化政策及董事提名政策。

(D) RISK MANAGEMENT AND INTERNAL CONTROLS

The Board places great importance on risk management and internal control and has ultimate responsibilities for overseeing management in the design, implementation and monitoring of the risk management and internal control system of the Group on an ongoing basis. The Board is also committed to and is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems.

The Group established the risk management and internal control systems with aims to manage rather than eliminate the risk of failure to achieve business objectives, and provide reasonable but not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

In order to comply with the applicable CG Code to the Listing Rules, the Board has retained an external independent professional firm as the outsourced internal auditor with a view to facilitating adequacy of resources and quality of review to satisfy the Group's internal audit function as required by the Stock Exchange and to assist the Board to perform annual reviews on the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2019.

During the year ended 31 December 2019, the Group had maintained an internal audit charter which defines the scope and the duties and responsibilities of the internal audit function and its reporting protocol. The Group has conducted an annual risk assessment which identified respective strategic risks, operational risks, financial risks and compliance risks for the Group. Based on the risk assessment results following a risk based methodology audit approach, a three-year audit plan was devised which prioritised the risks identified into annual audit projects. The annual review was performed according to the audit plan with a view to assisting the Board and the Audit Committee to evaluate the effectiveness of the Group's risk management and internal control systems. The review also covered the compliance of CG Code to the Listing Rules, material controls, including financial, operational and compliance controls at entity and operational levels. The Group has taken further steps to enhance its risk management and internal control systems according to some weaknesses identified during risk assessment and examination of the internal control and strengthen the implementation of all the risk management and internal control systems.

(D) 風險管理及內部監控

董事會高度重視風險管理及內部監控，對持續監督管理本集團風險管理及內部監控系統的設計、實施及監察負有最終責任。董事會亦致力並負責檢討本集團風險管理及內部監控系統的充分性及有效性。

本集團已建立風險管理及內部監控系統，旨在管理而非消除未能達成業務目標的風險，並就在決策過程中由判斷所引致的重大錯誤陳述或損失、人為錯誤、欺詐或其他違規行為提供合理而非絕對之保證。

為遵守適用上市規則之企業管治守則，董事會已留聘外部獨立專業事務所為外聘內部核數師，旨在協助促進資源充足及提高審閱質素，使本集團內部審核職能滿足聯交所規定並協助董事會對本集團於截至二零一九年十二月三十一日止年度的風險管理及內部監控系統的效用進行年度審議。

於截至二零一九年十二月三十一日止年度，本集團已保留一套內部審核憲章，其定義內部審核功能的範圍及職責及其報告政策。本集團已進行年度風險評估，此舉可識別本集團的相關策略風險、經營風險、財務風險及合規風險。根據採納風險主導的審核方法後的風險評估結果，本集團已制定一個三年審核計劃，該計劃將所識別之風險優先列入年度審核項目。根據審核計劃進行的年度審閱，旨在協助董事會及審核委員會評估本集團風險管理及內部監控系統之效能。該審閱亦涵蓋上市規則之企業管治守則的合規性及重大監控（包括財務、營運及於實體及營運水平的合規控制）。本集團已根據於風險評估及內部監控檢查期間所識別的若干弱點，採取進一步措施增強其風險管理及內部監控系統並加強實施所有風險管理及內部監控系統。

The Group has established procedures in handling and dissemination of inside information in an accurate and secure manner and to avoid possible mishandling of inside information within the Group. The Policy on Disclosure of Inside Information provide a guide to the Company's directors, senior management, officers and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Based on the risk management and internal control systems established and maintained by the Group, the work performed by the external auditor, the internal auditor, and reviews performed by the management, respective Board Committees and the Board, the Audit Committee and the Board are of the view that the Group has maintained sound and effective internal audit, risk management and internal control system during the year ended 31 December 2019.

(E) ACCOUNTABILITY AND AUDIT

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2019 and confirmed that the consolidated financial statements contained herein give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of the consolidated financial performance and the consolidated cash flow of the Group for the year ended 31 December 2019. In preparing the accounts for the year ended 31 December 2019, the Directors, with the assistance of the management, selected the suitable accounting policies and applied them consistently, made judgements and estimates that are prudent, and prepared the accounts on the going concern basis. Such acknowledgement should be read in conjunction with, but be distinguished from, the Independent Auditor's Report of the external auditor of the Company, Ernst & Young ("EY"), in relation to their reporting responsibilities as set out in their auditor's report on pages 116 to 122 of this annual report.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's and the Group's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

本集團已建立以準確及安全之方式處理及公佈內部資料之程序，以避免不當處理本集團內之內部資料。披露內幕消息的政策為本公司董事、高級管理層、高級職員及相關僱員提供指引，以處理機密資料、監察消息披露及回應查詢。

根據本集團建立及維持的風險管理及內部監控系統、外部核數師與內部核數師進行的工作及管理層、有關董事委員會及董事會進行的審議，審核委員會及董事會認為於截至二零一九年十二月三十一日止年度，本集團已維持良好及有效的內部審核、風險管理及內部監控系統。

(E) 問責性及審核

董事聲明編製本集團於截至二零一九年十二月三十一日止年度之財務報表乃其責任，並確認當中所載綜合財務報表真實及公平反映本集團於二零一九年十二月三十一日之綜合財務狀況以及本集團於截至二零一九年十二月三十一日止年度之綜合財務表現及綜合現金流量。在編製截至二零一九年十二月三十一日止年度之賬目時，董事在管理層之協助下選用及採用適當之會計政策並貫徹使用，作出審慎判斷及估計，以及按持續經營基準編製賬目。此等聲明與本公司外聘核數師安永會計師事務所（「安永」）之獨立核數師報告書（內容有關其申報責任，詳情載於本年報第116至122頁）不同，但兩者應一併閱讀。

董事並不知悉有任何涉及重大不明朗因素之事件或狀況或會令本公司及本集團是否能持續經營產生重大疑問。因此，董事已按持續經營基準編製綜合財務報表。

The consolidated financial statements of the Company for the year ended 31 December 2019 have been audited by EY. For the year ended 31 December 2019, fees charged by EY for audit services amounted to approximately US\$317,000 (equivalent to approximately HK\$2,466,000) and for non-audit services was approximately US\$11,000 (equivalent to approximately HK\$86,000). Non-audit services were mainly related to tax services.

(F) COMMUNICATION WITH SHAREHOLDERS

The Board has established a shareholders' communication policy and posted it on the website of the Company setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring that Shareholders are informed of balanced and understandable information about the Company (including the Group's strategies, businesses, major developments and financial performance) in a factual and timely manner and to enable them to exercise their rights as Shareholders in an informed manner. The Company aims to be open and transparent with its Shareholders and encourages Shareholders' active participation at the Company's general meetings.

Information would be communicated to the Shareholders mainly through the Company's corporate communications (such as interim and annual reports, announcements and circulars), AGMs and other general meetings, as well as disclosure on the websites of the Company and the Stock Exchange. Interim reports, annual reports and circulars are sent to the Shareholders in a timely manner and are also available on the websites of the Company and the Stock Exchange. The Company's and the Stock Exchange's websites provides Shareholders with the corporate information.

Shareholders are provided with contact details of the Company as set out in "Shareholder Information" section to this annual report, such as telephone hotline, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company. They can also send their enquiries to the Board through these means. In addition, Shareholders can contact Tricor Standard Limited, the Hong Kong branch share registrar of the Company, if they have any enquiries about their shareholdings and entitlements to dividend.

本公司於截至二零一九年十二月三十一日止年度之綜合財務報表已由安永審核。於截至二零一九年十二月三十一日止年度，安永就審核服務及非審核服務分別收取費用達約317,000美元(相等於約2,466,000港元)及約11,000美元(相等於約86,000港元)。非審核服務主要與稅項服務有關。

(F) 與股東之溝通

董事會已制定股東溝通政策並登載於本公司網站，當中闡明本公司有關股東溝通之原則，以確保股東可適時及如實獲知全面及易於理解本公司之資料(包括本集團之策略、業務、主要發展及財務表現)，以便其能在知情情況下行使其作為股東之權利。本公司旨在與其股東保持公開及透明之溝通，並鼓勵股東積極參與本公司之股東大會。

本公司主要透過公司通訊(如中期及年度報告、公告以及通函)、股東週年大會及其他股東大會以及在本公司及聯交所網站上之披露向股東傳達資料。中期報告、年度報告及通函將適時寄發予股東，亦可於本公司及聯交所網站查閱。本公司及聯交所網站為股東提供公司資料。

本公司向股東提供本公司之詳細聯繫方式(載述本年報「股東資料」一節)，例如熱線電話、傳真號碼、電郵地址及郵寄地址，以便彼等提出任何有關本公司之查詢。彼等亦可透過該等方式向董事會發出查詢。此外，股東如有任何有關其持股量及可獲派股息之查詢，可聯絡本公司之香港股份過戶登記分處卓佳標準有限公司。

The Company's AGM allows the Directors to meet and communicate with Shareholders. The Company ensures that Shareholders' views are communicated to the Board. The chairman of the AGM proposes separate resolutions for each issue to be considered. AGM proceedings are reviewed from time to time to ensure that the Company follows good corporate governance practices. The notice of AGM is distributed to all Shareholders at least 20 clear business days prior to the AGM and the accompanying circular also sets out details of each proposed resolution and other relevant information as required under the Listing Rules. Separate resolution is proposed for each issue to be considered at the meeting. The chairman of the AGM exercises his power under the Bye-laws to put each proposed resolution to the vote by way of a poll. The procedures for demanding and conducting a poll are explained at the meeting prior to the polls being taken. Voting results are posted on the Company's website on the day of the AGM.

Dividend Policy

The dividend policy of the Company (the "Dividend Policy") is in place setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the Shareholders.

The Board shall take into account the following factors when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of shareholders;
- taxation consideration;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

The Dividend Policy shall be reviewed when necessary, and can be revised by the Board from time to time.

本公司之股東週年大會讓董事可與股東會面及溝通。本公司確保股東之意見可傳達至董事會。股東週年大會主席就各項須於大會審議之事宜提出單獨決議案。本公司不時檢討股東週年大會程序，以確保本公司遵守良好企業管治常規。股東週年大會通告於股東週年大會前至少20個完整營業日發送予所有股東，而附隨之通函亦載列各項建議決議案詳情及上市規則所規定之其他相關資料。於大會上，就各項予以考慮之議題提出單獨決議案。股東週年大會主席行使公司細則所賦予之權力，就各項提呈之決議案以投票表決之方式進行表決。在作出投票表決前，大會會解釋要求及進行投票表決之程序。投票結果會於股東週年大會舉行當日登載於本公司網站。

股息政策

本公司已制定股息政策（「股息政策」），載明釐定本公司就宣派、派付或分發其純利予股東作為股息時擬應用的原則及指引。

董事會在考慮宣派股息時，同時考慮下列的因素：

- 財務業績；
- 現金流狀況；
- 業務狀況及策略；
- 未來營運及收入；
- 資金需求及支出計劃；
- 股東的利益；
- 稅務考慮；
- 任何派付股息的限制；及
- 董事會可能視為相關的任何其他因素。

股息政策應在有需要時作出檢討，並可由董事會不時作出修訂。

(G) SHAREHOLDERS' RIGHTS

Procedures to convene a general meeting and put forward proposals at general meetings

Pursuant to Bye-law 58 of the Bye-laws, any 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 carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require a special general meeting (“SGM”) to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the SGM. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionists themselves may do so in accordance with the provisions of Section 74(3) of the Companies Act 1981 of Bermuda (the “Companies Act”).

Shareholders may by written requisition request, deposit at the registered office of the Company, inclusion of a resolution relating to matters in a general meeting by following the requirements and procedures as set out in Sections 79 and 80 of the Companies Act.

The above request can be sent to the Company at its head office and principal place of business as set out in the “Corporate Information” section of this annual report for the attention of the Company Secretary.

Subject to the provisions of the above-mentioned sections of the Companies Act, on the written requisition of members representing not less than one-twentieth of the total voting rights or 100 members, at the expense of the requisitionists unless the Company otherwise resolves, the Company shall give Shareholders notice of any resolution which may properly be moved and is intended to be moved at that meeting and a relevant statement.

Shareholders may also propose a person for election as director, the procedures for which are available on the Company's website.

(G) 股東之權利

召開股東大會並於股東大會上提呈建議之程序

根據公司細則第58條，任何一名或多名於遞呈要求之日期持有不少於附帶於本公司股東大會表決權之本公司繳足股本十分之一之股東，於任何時候均有權透過向董事會或公司秘書發出書面要求，要求董事會召開股東特別大會（「股東特別大會」），以處理有關要求中指明之任何事務，包括於股東特別大會上提出建議或動議一項決議案。有關大會須於遞交請求後兩個月內舉行。倘董事會於遞交請求後21日內仍未落實召開該大會，則遞呈要求人士可根據百慕達一九八一年公司法（「公司法」）第74(3)條之規定自行召開該大會。

股東可以書面要求方式遞呈至本公司註冊辦事處要求將相關事宜之決議案納入股東大會議程，惟須遵守公司法第79及80條所載規定及程序。

上述要求可送達本年報「公司資料」一節所載之本公司總辦事處及主要營業地點，收件人為公司秘書。

在上述公司法條文之規限下，在佔總投票權不少於二十分之一之股東或100名股東提出書面要求時（除本公司另有議決者外，費用由遞呈要求人士承擔），本公司須向股東發出可能於該次會議上適當動議或擬於該次會議上動議之任何決議案之通告及相關聲明。

股東亦可建議董事人選，有關程序可於本公司網站查閱。

Shareholders' enquiries

Shareholders can send their enquiries about shareholdings, share transfer, registration and payment of dividend to Tricor Standard Limited, the Hong Kong branch share registrar and transfer office of the Company. Other Shareholders' enquiries can be directed to the head office and principal place of business of the Company as set out in the "Corporate Information" section of this annual report for the attention of the Company Secretary.

Details of the Shareholders' rights and communication policy are also available on the Company's website.

(H) CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2019, there was no change in the Company's constitutional documents.

股東查詢

股東可向本公司股份過戶登記處香港分處卓佳標準有限公司查詢有關其持股量、股份過戶、登記及派付股息之事宜。其他查詢股東可發送至本年報「公司資料」一節所載的本公司總辦事處及主要營業地點，收件人為公司秘書。

股東權利及通訊政策的詳情亦登載於本公司網站。

(H) 組織章程文件

於截至二零一九年十二月三十一日止年度，本公司的組織章程文件並無任何變動。

Environmental, Social and Governance Report

環境、社會及管治報告

1. About the Report

Daohe Global Group Limited and its subsidiaries (together, the “**Group**” or “**we**”) are pleased to present our Environmental, Social and Governance Report (the “**ESG Report**”). The report concerns environmental and social impacts, policies and initiatives of the Group to demonstrate our long-term commitment to ensure that our activities, at all levels, are economically, socially and environmentally sustainable to stakeholders. Additional information in relation to the Group’s corporate governance and financial performance can be referred to our annual report for the year ended 31 December 2019.

1.1 Scope and Reporting Boundary

The scope of the ESG Report covers the environmental and social performances of the principal operating activities of the Group, including Linmark (HK) Ltd (“**Linmark**”) which is principally engaged in the business of trading and supply chain management services and Loovee Holdings Inc. (“**Loovee**”) which is principally engaged in the operation of online social platform, spanning over the period from 1 January 2019 to 31 December 2019 (the “**Reporting Period**” or “**FY2019**”). Part of the content may look back upon the performance of the Group in past years with a view to presenting the report in a more informative and comparable manner. The reporting boundary includes the operating entities in Hong Kong and the PRC.

1.2 Reporting Guidelines

The “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) which is set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**HKEX**”) serves as the reporting guidelines of this report.

1. 關於本報告

道和環球集團有限公司及其附屬公司(統稱「**本集團**」或「**我們**」)欣然提呈我們的環境、社會及管治報告(「**環境、社會及管治報告**」)。本報告與本集團的環境及社會影響、政策及倡議有關，彰顯我們長期的承諾，確保本集團於各層面的活動對持份者於經濟、社會及環境上得以可持續發展。有關本集團企業管治及財務表現的其他資料可參閱截至二零一九年十二月三十一日止年度之年報。

1.1 報告範圍

本環境、社會及管治報告的範圍涵蓋本集團(包括林麥(香港)有限公司(「**林麥**」，主要從事貿易及供應鏈管理服務)及Loovee Holdings Inc.(「**樂唯**」，主要從事經營網上社交平台))自二零一九年一月一日起至二零一九年十二月三十一日止期間(「**報告期間**」或「**二零一九年財政年度**」)主要經營活動的環境及社會表現。為了以更具資料性及可比較的方式呈列報告，部分內容可能會回顧本集團過去幾年的表現。報告範圍包括香港及中國的經營實體。

1.2 報告指引

香港聯合交易所有限公司(「**聯交所**」)證券上市規則附錄27所載《環境、社會及管治報告指引》(「**環境、社會及管治報告指引**」)乃本報告之報告指引。

1. About the Report (continued)

1.3 Reporting Principles

The reporting principles of this ESG Report are governed by “materiality” and “quantitative”. With respect to “materiality”, we ensure that ESG issues discussed in this report are sufficiently important and material to investors and stakeholders including clients, communities, employees, institutions, governments, non-governmental organizations, shareholders, subcontractors, suppliers and industry associations. With respect to “quantitative”, Key Performance Indicators (“KPI”) required by the ESG Reporting Guide are measurable such that the effectiveness of our ESG policies and management systems can be evaluated and validated continuously.

The Group is determined to be a responsible enterprise and is committed to perfecting its business and improving the local community. In order to determine what issues are relevant and material to our business with respect to sustainability, the Group is aware that the key is to understand what issues that our stakeholders concerned most. We define our stakeholders as people who affect our business or who are affected by our business. In our daily business, we actively exchange information with our stakeholders through our transparent platform while we are devoted to continuous improvement of our communication system. In addition, we are committed to maintaining a long-term partnership with our stakeholders and are actively engaged in addressing their concerns with timely follow-up actions. The Group is working to create a sustainable growth for the benefit of all our stakeholders.

1. 關於本報告(續)

1.3 報告原則

本環境、社會及管治報告的報告原則受「重要性」及「量化」所監管。就「重要性」而言，我們確保本報告中討論的環境、社會及管治問題對於投資者及持份者(包括客戶、社會、僱員、機構、政府、非政府組織、股東、分包商、供應商及行業協會)充份反映其重要性。就「量化」而言，環境、社會及管治報告指引規定的關鍵績效指標(「**關鍵績效指標**」)屬可計量，故可持續評估及驗證環境、社會及管治政策及管理系統的有效性。

本集團矢志成為負責任的企業，並致力完善旗下業務，同時改善本地社區。為界定業務在可持續發展方面屬相關及重要的事宜，本集團知悉其關鍵在於了解持份者最關注的事項。我們將持份者界定為影響我們業務或受我們業務影響的人士。在日常業務中，我們透過公開透明的平台與持份者積極交流資訊，同時致力持續改善通訊系統。此外，我們亦承諾與持份者維持長期夥伴關係，並及時採取跟進行動積極解決彼等關注的事項。本集團致力於為所有持份者的利益創造可持續增長。

Environmental, Social and Governance Report

環境、社會及管治報告

1. About the Report (continued)

1.4 Reporting Framework

With reference to the ESG Reporting Guide and the Group's business operation, the presentation of our ESG Report divides the relevant aspects and KPI, which are considered to be relevant and material to the Group, into four subject areas: Environmental Protection, Employment and Labour Practices, Operating Practices and Community Investments.

A complete index in compliance with the ESG Reporting Guide is also available at the end of this report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this report is compliant with all the "comply or explain" provisions set out in the ESG Reporting Guide.

1.5 Data Collection

Data in this report are extracted from the Group's internal management system and statistics, and part of the data collected in previous years. Unless otherwise stated, HKD is used in this report as its functional currency.

1.6 Contact

We welcome all sorts of comments and suggestions from our stakeholders with respect to this ESG Report or our sustainability performance. Comments or views can be sent to info@daoheglobal.com.hk.

1. 關於本報告 (續)

1.4 報告框架

參照環境、社會及管治報告指引及本集團的業務營運，我們的環境、社會及管治報告將被視為對本集團屬相關及重大的層面及關鍵績效指標分為四大主要範疇：環境保護、僱傭及勞工常規、營運常規及社會投資呈列。

根據環境、社會及管治報告指引的一套完整索引載於本報告末尾，可供參閱。除本集團認為不適用於其業務的條文外(有關解釋載於上述索引的最右一欄)外，本報告已遵守環境、社會及管治報告指引所載的所有「不遵守就解釋」條文。

1.5 數據收集

本報告的數據摘錄自本集團的內部管理系統及統計資料，以及過往年度收集的部分數據。除另有訂明外，否則港元於本報告中用作其功能貨幣。

1.6 聯絡

我們歡迎持份者對本環境、社會及管治報告或我們的可持續性表現提出各種意見及建議。評論或意見可寄送至 info@daoheglobal.com.hk。

2 Our Recent ESG Achievements

The principal business of the Group is mainly driven by two subsidiaries, namely, Linmark and Loovee. With a global presence in 15 countries and a strong sourcing network throughout Asia, Linmark is a global supply chain management solutions provider that offers comprehensive and efficient sourcing solutions and value-added services to its international customers. Loovee, principally engaged in the operation of online social platforms, provides a variety of online social and entertainment services, including a claw crane mobile online game, to a large number of users in the PRC.

Apart from creating value for our customers, the Group contemplates that ESG is integral part of our principal business and also our ability to succeed in a relentlessly competitive market. As such, the Group continuously spends remarkable efforts to address various aspects of ESG, including greenhouse gas reduction, development and training opportunities for employees, environmental compliance, health and safe work environment for employees.

2. 近期的環境、社會及管治成就

本集團的主要業務主要由兩間附屬公司(即林麥及樂唯)推動。林麥為一間全球供應鏈管理解決方案供應商，其業務遍佈全球15個國家並於亞洲擁有強大的採購網絡，可為國際客戶提供高效的全面採購解決方案及增值服務。樂唯主要從事經營網上社交平台，為中國廣大用家提供不同的網上社交及娛樂服務，包括抓娃娃手機在線遊戲。

除為客戶創造價值外，本集團認為環境、社會及管治為我們主要業務的組成部分，亦為我們在持續競爭的市場中取得成功的能力。因此，本集團一直努力處理環境、社會及管治的各方面，包括減少溫室氣體、為僱員提供發展及培訓機會、環境合規、為僱員提供健康及安全的工作環境。



3 Environmental Protection

3.1 Corporate Environmental Policy

The Earth, our precious planet, is the most valuable asset for us. The Group endeavours to protect this planet and to build a sustainable future for our generations, with an ambition of “Free Harm from Environment” wherever we are involved with. The Group is committed to upholding high environmental standards to fulfil relevant requirements throughout our operation, and continue to devote human and financial resources for environmental conservation, reduction of carbon footprint and environmental compliance as required under prevailing applicable laws and regulations.

As a company that is principally engaged in trading and supply chain management services and operation of online social platform, the Group does not own any manufacturing operation at the moment and therefore does not generate any hazardous wastes in its operations. Nevertheless, the Group is committed to actively minimizing our adverse impact on our environment, by formulating relevant rules and regulations for a sound and effective management of energy consumption, greenhouse gas (“GHG”) emission, as well as discharge of domestic waste and sewage and other pollutants, highlighted as below.

- Comply with relevant laws and regulations as required;
- Monitor the carbon emission with reference guidelines issued by Environmental Protection Department (EPD)/Electrical and Mechanical Services Department (EMSD), Greenhouse Gas (GHG) Protocol and ISO 14064 standard;
- Continuously improve the ESG management system to set and maintain rigorous standards for managing its environmental risk;

3 環境保護

3.1 企業環境政策

地球既是我們珍貴的星球亦是最寶貴的資產。本集團以保護地球為己任，致力為世世代代打造一個可持續發展的未來，在任何情況下，無論我們的業務觸及何處，都能實踐「無害環境」。本集團致力於整個營運過程中堅持高水平的環保標準，以滿足相關規定，並繼續根據現行適用法律及法規，於環境保育，減少碳足印及符合環境合規方面投放人力及財務資源。

作為主要從事貿易及供應鏈管理服務及經營網上社交平台的公司，本集團現時並無擁有任何製造業務，故其營運並無產生任何有害廢物。儘管如此，本集團仍致力透過制定有關規則及法規，以穩健有效地管理能源耗用、溫室氣體（「溫室氣體」）排放、廚餘、污水和其他污染物的排污，積極減低對環境的不利影響，摘要如下。

- 遵守相關法律及法規的規定；
- 參考環境保護署／機電工程署所頒佈指引、溫室氣體議定書及 ISO 14064 標準，監察碳排放；
- 持續改善環境、社會及管治管理系統，以建立及維持嚴格的環境風險管理標準；

3 Environmental Protection (continued)

3.1 Corporate Environmental Policy (continued)

- Improve our environmental management approach by updating and defining appropriate goal, measures and quantifiable targets on a regular basis;
- Promote environmental awareness among the workforce with regular communication; and
- Communicate our environmental performance to stakeholders and seek their involvement wherever possible and appropriate.

During the Reporting Period, the Group's operation complied with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water, and generation of hazardous and non-hazardous wastes.

3.2 Energy Efficiency Management

The Group is aware that our major contribution to the greenhouse gas emission and energy footprints lies on the electricity consumption of our office operations. As such, we actively maintain a steady focus on reducing our energy consumption to manage our impact on the environment, being committed to observing the "Indoor Temperature Energy Saving Charter" and the "No Incandescent Light Bulbs ("ILB") Energy Saving Charter" introduced by the Environment Bureau of the Government of the Hong Kong Special Administrative Region.

During the Reporting Period, the Group adopted a number of specific energy-saving initiatives and practices to reduce our greenhouse gas emission and to conserve energy usage throughout our operation, including:

- LED lighting systems are widely set up in workplaces;
- Maintaining indoor temperature at an optimal level for comfort;

3 環境保護(續)

3.1 企業環境政策(續)

- 通過定期更新及界定適當的目的、手段及可量化目標，改善我們的環境管理方法；
- 通過定期溝通，提高員工的環保意識；及
- 向持份者傳達我們的環境績效，並盡可能及適當地尋求他們參與。

於報告期間，本集團的營運符合有關廢氣及溫室氣體排放、污水排放、有害及無害廢棄物的產生的相關法律及規例。

3.2 能效管理

本集團視辦公室運作所消耗電力為我們造成溫室氣體排放及能源足跡的主要來源。因此，我們積極持續關注節約能源以控制對環境造成的影響，並嚴格遵守香港特別行政區政府轄下環境局所頒佈的《室內溫度節能約章》及《不要鎢絲燈泡(「不要鎢絲燈泡」)節能約章》。

於報告期間，本集團採納多項具體節能措施及常規，以減少溫室氣體排放及控制整個營運過程所耗能源，當中包括：

- 於工作場所廣泛應用LED照明系統；
- 保持舒適的室內溫度；

3 Environmental Protection (continued)

3.2 Energy Efficiency Management (continued)

- Providing on-off and zoning control of lighting and ventilation system in the workplace according to the operation schedule;
- Encouraging employees to switch off machines and devices, such as computers and monitors when not in use;
- Procuring energy efficient electrical appliances (such as those with Grade 1 energy labels, fridge with door) and systems;
- Encouraging employees to make the best use of modern telecommunication system to avoid unnecessary travel arrangement wherever appropriate and possible;
- Placing "Green Message" reminders on office equipment and workplace to further enhance employees' environmental awareness;
- Organizing training session including case studies to improve energy/GHG saving awareness and engage staff to adopt the energy saving practices together;
- Continuous replacement of aged air handling unit by more energy efficient ones with variable frequent drive control;

The Group believes that the adoption of the above mitigation measures will help change the behaviour of the use of energy in the workplace and finally achieve the goal of reducing the greenhouse gas emission and protecting our environment.

3 環境保護(續)

3.2 能效管理(續)

- 根據營運時間表，在工作場所提供照明及通風系統開關及區域控制器；
- 鼓勵僱員關閉閒置的機械及設備，例如電腦及顯示器；
- 採購節能電器(例如貼有1級能源標籤的電器、有門冰箱)及系統；
- 鼓勵僱員利用現代通訊系統，在適當及可能的情況下避免不必要差旅安排；
- 在辦公室設備及工作場所貼上「綠色信息」告示貼，進一步提高僱員的環保意識；
- 籌辦個案研究等培訓課程，以提高節能／溫室氣體減排的意識，並促使員工共同採取節能措施；
- 持續將老化的空氣處理機組更換為具有變頻驅動控制且更節能的機組；

本集團深信，採用以上緩解措施將有助改變工作場所使用能源之做法，最終達成減少溫室氣體排放及保護環境之目標。

3 Environmental Protection (continued)

3.3 Exhaust Gas and GHG Emissions

Given our Group's business, by nature, we do not generate a significant amount of exhaust gas and GHG directly throughout its operation. However, our daily operation and office administration inevitably involve consumption of fossil fuel directly or indirectly, which releases Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x), and Carbon Dioxide (CO₂) into the air. The Group is highly aware that such GHG emission is one of the major sources of global warming. In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Emissions" during the Reporting Period is tabulated below.

Table 1 – Emissions

	Unit	FY2018	FY2018 Intensity	FY2019	FY2019 Intensity
	單位	二零一八年 財政年度	二零一八年 財政年度 密度	二零一九年 財政年度	二零一九年 財政年度 密度
GHG Emissions 溫室氣體排放	CO ₂ e (kg) 二氧化碳當量(千克)	472,845.2	1,247.6	579,134.3	1,569.5
Nitrogen Oxides 氮氧化物	g 克	10,685.9	28.2	1,381.6	3.7
Sulphur Oxides 硫氧化物	g 克	299.3	0.8	229.6	0.6
Particulate Matter 懸浮粒子	g 克	786.8	2.1	101.7	0.3

3 環境保護(續)

3.3 廢氣及溫室氣體排放

基於本集團業務性質使然，我們的營運過程並無直接產生大量廢氣及溫室氣體。然而，我們的日常營運及辦公室管理不可避免地涉及直接或間接消耗化石燃料，從而向空氣釋放出氮氧化物(NO_x)、硫氧化物(SO_x)及二氧化碳(CO₂)。本集團高度意識到，有關溫室氣體排放為全球暖化的主要來源之一。根據聯交所制定的環境、社會及管治報告指引，我們於報告期間針對「排放」的環保表現載於下表。

表 1 — 排放

3 Environmental Protection (continued)

3.4 Waste Management

Waste Management Policy

The Group's principal waste management policy endeavours to achieve a green and paperless operation and a minimal generation of waste during our operation wherever possible and practical. Through the "4-R Principles – Reduce, Reuse, Replace and Recycle", the Group strives to achieve the target of reducing the amount of waste generated and aims at waste management from the source. Our waste management practice is compliant with laws and regulations relating to environmental protection in the region where we operate.

While educating our employees and working partners the significance of sustainable development to enhance their skills and knowledge in sustainable development. We constantly encourage all employees to reduce paper usage by duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents. We maintain 100% recycling of used toner cartridges by collecting and returning all used cartridge to recycling agents. We encourage minimal consumption of paper towels in the workplaces.

Hazardous Waste

Given our business nature, the Group does not directly produce hazardous waste throughout the operation. The Group encourages the development of new technologies and progressive designs to minimize application of hazardous materials in designs and to be compliant with the latest regulatory requirements. In addition, we strive to recycle electronic waste throughout our operation wherever practical, ultimately reducing both the monetary and environmental costs involved in disposal of these electrical parts that may become hazardous waste.

3 環境保護(續)

3.4 廢物管理

廢物管理政策

本集團的主要廢物管理政策致力於在可能及可行的情況下實現綠色無紙化營運，並於營運過程中盡量減少產生廢物。通過「4-R原則 — 減少使用(Reduce)、物盡其用(Reuse)、替代使用(Replace)及循環再用(Recycle)」，本集團致力實現減少廢物數量的目標，旨在從源頭實現廢物管理。我們的廢物管理常規符合我們經營所在地區的環保相關法律及法規。

在教導僱員及工作夥伴有關可持續發展的重要性，以加強其可持續發展的技能及知識時，我們不斷鼓勵全體僱員透過雙面打印、紙張回收及經常使用電子資訊系統進行資訊共用或內部行政檔案之用，藉以減少紙張使用量。我們收集並向回收代理商交回所有已使用的碳粉盒，以保持100%回收已使用的碳粉盒。我們鼓勵在工作場所盡量減少使用紙巾。

有害廢物

基於業務性質使然，本集團並無於營運過程中直接產生有害廢物。本集團鼓勵開發新技術及漸進式設計，以盡量減少在設計中應用有害材料，並符合最新的監管要求。此外，在可行情況下，我們致力於營運過程中回收電子廢物，最終減少處置該等可能成為有害廢物的電子零件所涉及的金錢及環保成本。

3 Environmental Protection (continued)

3.4 Waste Management (continued)

Non-hazardous Waste

The non-hazardous wastes generated by the Group are mainly domestic waste including used samples, cardboard, packaging materials and paper from our operations. Aiming at waste management from the source, we encourage to reduce waste generation and to classify waste for recycle and reuse.

Wastewater Discharge

The Group's operations do not consume a significant amount of water. Our main use of water is for sanitary purposes. The Group ensures all domestic sewage is properly discharged into the urban sewage pipe network for subsequent sewage treatment.

Table 2 – Waste Discharge

	Unit	FY2019
	單位	二零一九年 財政年度
Domestic Waste 生活廢物	kg 千克	89,900

In the aspect of waste management, the Group constantly strives to maintain a high standard of waste reduction, actively encouraging our employees to appreciate the significance of sustainable development through continuous development in skills and knowledge.

3 環境保護(續)

3.4 廢物管理(續)

無害廢物

本集團產生的無害廢物主要為生活垃圾，包括來自業務的已使用樣品、紙板、包裝材料及紙張。為了從源頭實現廢物管理，我們鼓勵減少產生廢物，並將廢物分類以供回收及再利用。

廢水排放

本集團業務的耗水量不大。我們的主要用水乃供衛生用途。本集團確保所有生活廢水均妥善排放至城市污水管道網絡，以進行後續污水處理。

表 2 – 廢物排放

就廢物管理而言，本集團持續致力在減廢上維持高標準，透過持續發展技能及知識，積極鼓勵僱員意識到可持續發展的重要性。

3 Environmental Protection (continued)

3.5 Use of Resources

The Group considers the conservation of natural resources as an indispensable component of our sustainable business. Through actively promoting various environmentally friendly measures, we encourage an efficient use of resources, including energy, paper, water and other raw materials. As such, the Group initiated policies to raise the awareness of electricity conservation and taken energy saving measures throughout our daily operation as elaborated in the section of "Energy Efficiency Management".

Water Consumption

The Group takes a cautious approach to water stewardship, seeking to maximize efficiency and reduce wastes. We strive to engage all employees, clients, suppliers and business partners to develop a habit of conserving water consciously. Water saving devices are installed at water taps in the office wherever possible. Pantry and washrooms are posted with environmental messages to remind employee the importance and urgency of water conservation. The utility facilities are maintained regularly for service to ensure that water seepage or leaking pipelines are replaced or repaired on a timely basis.

Packaging Material

Given our business nature, the Group does not have manufacturing facilities and does not consume a significant amount of packaging materials.

3 環境保護(續)

3.5 資源使用

本集團認為保護天然資源是可持續業務不可或缺的組成部分。通過積極推廣各項環保措施，我們鼓勵有效運用資源，包括能源、紙張、水及其他原材料。因此，誠如「能效管理」一節所闡述，本集團提倡提高節電意識的政策，並於日常營運中採取節能措施。

耗水

本集團在水資源管理方面採取謹慎態度，務求盡量提高效率及減少浪費。我們致力促使全體僱員、客戶、供應商及業務合作夥伴培養自覺地節約用水的習慣：盡可能在辦公室的水龍頭上安裝節水裝置；茶水間及洗手間貼上環保信息，以提醒僱員節約用水的重要性及迫切性；定期維護公用設施以提供服務，確保及時更換或維修滲水或漏水的管道。

包裝材料

基於業務性質使然，本集團並無製造設施，亦無消耗大量包裝材料。

3 Environmental Protection (continued)

3.5 Use of Resources (continued)

Environmental Performance

In accordance with the ESG Reporting Guide set out by HKEX, our environmental performance of "Energy Use and Emissions" and "Resources Use" during the Reporting Period are tabulated below.

Table 3 – Energy and Resources Use

	Unit	FY2018	FY2018 Intensity	FY2019	FY2019 Intensity
	單位	二零一八年 財政年度	二零一八年 財政年度 密度	二零一九年 財政年度	二零一九年 財政年度 密度
Electricity 電	kWh 千瓦特小時	622,892.6	1,643.5	583,416.7	1,581.1
Purchased Gas 外購天然氣	kg 千克	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用
Unleaded Petrol 無鉛汽油	L 升	20,362.1	53.7	15,616.8	42.3
Diesel 柴油	L 升	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用
Paper 紙張	kg 千克	1,762.3	4.6	6,431.8	17.4
Water 水	m ³ 立方米	n/a 不適用	n/a 不適用	n/a 不適用	n/a 不適用

3 環境保護(續)

3.5 資源使用(續)

環保表現

根據聯交所制定的環境、社會及管治報告指引，我們於報告期間針對「能源使用及排放物」以及「資源使用」的環保表現載於下表。

表3 — 能源及資源使用

3 Environmental Protection (continued)

3.6 Going Forward

While the impact of climate change is increasingly influential, the Group is aware that consumers are gradually becoming more sensitive to sustainability issues, such as, ecological and ethical footprints which are beginning to influence the purchasing decisions of average consumers. Where once customer would rarely question how a product was made or what it was made of, brands are now expected to clearly state where products come from and how the ESG policies inform their choice of processes, materials and deployment of human resources.

The Group is committed to instilling the consciousness of resources conservation, deeply indoctrinated the low-carbon concept and environmental protection into the work and life of every employee. We continue to seek business partners who also share with our philosophy and commitment of environment conservation and compliance with the applicable environmental laws and regulations. We firmly believe that our commitment to environmental protection will become a part of our competitiveness, leading the Group to greater success in the future and fulfil our responsibilities as a member of the community we all live in.

3 環境保護(續)

3.6 展望未來

儘管氣候變化的影響越來越有影響力，惟本集團意識到，消費者逐漸對可持續性問題變得更加敏感，例如普通消費者的購買決定已開始受生態及道德影響。往時客戶甚少質疑產品的製造方法或製造物料，而現在客戶則預期品牌會清晰說明產品來源以及環境、社會及管治政策如何向彼等告知有關過程、材料及人力資源部署的選擇。

本集團致力向每位僱員灌輸資源節約、低碳理念及環保意識於工作和日常生活中。我們持續尋求與我們共享環保理念及承諾且遵守適用環境法律及法規的業務夥伴。我們堅信，我們的環保承諾將成為競爭力的一部分，帶領本集團在未來取得更大的成功，履行我們作為共同生活社區一分子的責任。

4. Employment And Labour Practices

4.1. Recruitment and Promotion

The Group fully understands that our corporate development and long-term growth are largely driven by the continued quality services delivered by our experienced and competent workforce. As such, it is of paramount importance for us to proactively manage our talent pipeline and career development for employees. The Group is determined to uphold an open, fair, just and reasonable recruitment and human resource policies, with respect to equal opportunities, diversity and anti-discrimination.

We encourage differences and individuality in employees, with the philosophy that diversity can bring new ideas, dynamics and challenges to our operations. We discourage all forms of discrimination on gender, age, family status, sexual orientation, disability, race and religion. Our employment policy encourages hiring of talented people with physical or mental disabilities. We are committed to supporting our employees to maintain a family-friendly work environment because we respect their roles and responsibilities in their families. We strive to make sure employees and business partners comply with laws and regulations, follow ethical business practices and respect equal opportunity in employment. We bring in new recruits and equip them with necessary skill sets to develop a long-term rewarding career with us.

During the Reporting Period, we continue to strictly observe the applicable laws and regulations and follow our employment policies relating to recruitment and promotion, compensation and dismissal, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare, by providing competitive remuneration package, including internal promotion opportunities and performance-based bonus, so as to recruit and retain experienced employees.

4. 僱傭及勞工常規

4.1. 招聘及晉升

本集團充分明白公司發展及長遠增長很大程度上由具備豐富經驗及能力的團隊持續提供優質服務所推動。因此，積極管理人才儲備及僱員的職業發展屬至關重要。本集團決定秉持公開、公平、公正及合理並符合平等機會、多元化及反歧視的招聘及人力資源政策。

我們鼓勵僱員之間的差異及個人特質，相信多元化能夠為我們的營運帶來新的意見、動力及挑戰。我們反對任何形式的性別、年齡、家庭狀況、性取向、殘疾、種族及宗教歧視。我們的僱傭政策鼓勵僱用有肢體或精神殘疾的人才。我們致力支援僱員，維護適合家庭的工作環境，因為我們尊重彼等於家庭中的角色及責任。我們致力於確保僱員及業務合作夥伴遵守法律法規，遵循道德商業常規並尊重就業中的平等機會。我們引進新員工並為彼等配備必要技能裝備，以與我們共同發展長遠事業並從中得益。

於報告期間，我們繼續嚴格遵守與招聘及晉升、補償及解僱、工時、休息時間、平等機會、多元化、反歧視以及其他待遇及福利有關的適用法律法規及僱傭政策，通過提供具競爭力的薪酬待遇（包括內部晉升機會及績效獎金）以招攬及留聘資深員工。

4. Employment And Labour Practices (continued)

4.2. Employment

In order to attract and retain our employees, which are our most valuable assets, the Group offers competitive wages, medical insurance, disability and invalidity coverage, maternity leave and other compensation to our employees. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing market practices. Apart from basic remuneration, share options may be granted to eligible employees by reference to the performance of the Group and individual employees.

As at 31 December 2019, the Group had 379 full-time employees, of which 66% was based in the PRC, 17% based in Hong Kong, 7% based in Taiwan, 6% based in Bangladesh, 3% based in Pakistan and 1% based in Vietnam. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations in respect of human resources. We strictly prohibit discrimination, harassment and bullying at all workplaces.

Hong Kong Region

In Hong Kong, the Group complied with the Labour Law of Hong Kong and relevant employment laws and regulations throughout the Reporting Period, including the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) by participating in the Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) for our eligible employees, Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong), Employment Ordinance (Chapter 57 of the Laws of Hong Kong) (the “EO”) and Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) (the “ECO”).

4. 僱傭及勞工常規(續)

4.2 僱傭

為吸引及留聘僱員，我們視為最有價值的資產，本集團為僱員提供具競爭力的工資、醫療保險、殘疾及傷殘保險、產假及其他補償。本集團根據員工的職責、工作經驗及現行市場慣例以決定應付薪酬。除基本薪酬外，亦可參考本集團及個別僱員的表現向合資格僱員授出購股權。

於二零一九年十二月三十一日，本集團擁有379名全職僱員，其中66%位於中國、17%位於香港、7%位於台灣、6%位於孟加拉、3%位於巴基斯坦及1%位於越南。於報告期間，本集團並不知悉任何有關人力資源法律及法規的重大違規情況。我們嚴禁所有工作場所發生歧視、騷擾及欺凌事件。

香港地區

在香港，本集團於報告期間一直遵守香港勞工法例及相關僱傭法律及法規，包括通過參加強制性公積金退休計劃，在整個報告期內遵守香港《勞動法》及相關的僱傭法律法規，包括為合資格僱員參與強制性公積金退休福利計劃（「強積金計劃」）以遵守《強制性公積金計劃條例》（香港法例第485章）、《最低工資條例》（香港法例第608章）、《僱傭條例》（香港法例第57章）（「僱傭條例」）及《僱員補償條例》（香港法例第282章）（「僱員補償條例」）。

4. Employment And Labour Practices (continued)

4.2. Employment (continued)

PRC Region

In the PRC, we participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the local regulations including the Regulations on the Administration of Housing Provident Funds and the Social Insurance Law and Labour Law of the PRC.

Taiwan Region

In Taiwan, the Group, on a monthly basis, contributes labour pension to individual accounts of labour pension at the Bureau of Labour Insurance, Ministry of Labour for employees pursuant to the Labour Standard Act and Labour Pension Act.

In accordance with the ESG Reporting Guide set out by the HKEX, details of the Group's workforce during the Reporting Period are tabulated as well as presented in charts below.

Table 4 – Our Workforce

	FY2019 二零一九年 財政年度
Total Number of Full-Time Employees 全職僱員總數	379
Overall Turnover Rate 整體流失比率	20.8%
Turnover Rate by Gender 按性別劃分的流失比率	
Male 男性	44.6%
Female 女性	57.1%
Turnover Rate by Age 按年齡劃分的流失比率	
Under 30 years old 30歲以下	87.9%
30 – 50 years old 30至50歲	16.4%
over 50 years old 50歲以上	6.6%

4. 僱傭及勞工常規 (續)

4.2 僱傭 (續)

中國地區

在中國，我們根據《住房公積金管理條例》、《中華人民共和國社會保險法》及《勞動法》等當地法規，參與有關退休金保險、失業保險、生育保險、工傷保險及醫療保險的福利計劃。

台灣地區

在台灣，本集團根據《勞動基準法》及《勞工退休金條例》，每月為僱員向勞動部勞工保險局的勞工退休金個人賬戶供款勞工退休金。

根據聯交所制定的環境、社會及管治報告指引，本集團於報告期間的僱員詳情載於下表。

表4 — 我們的僱員

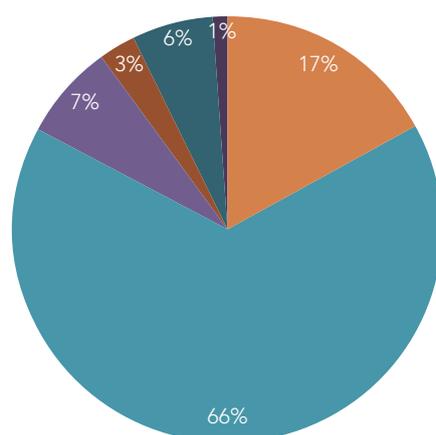
4. Employment And Labour Practices (continued)
4.2. Employment (continued)

4. 僱傭及勞工常規(續)
4.2 僱傭(續)

TOTAL WORKFORCE BY GEOGRAPHIC REGION
AS OF 31 DEC 2019

於二零一九年十二月三十一日
按地區劃分的僱員總數

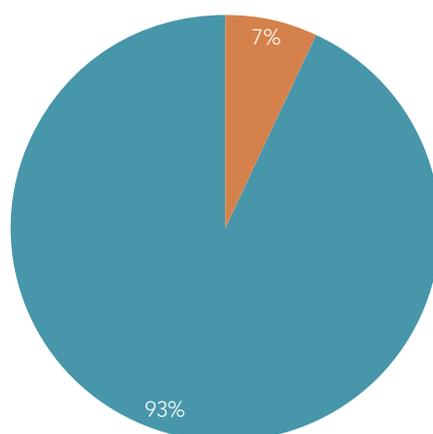
■ Hong Kong 香港
■ PRC 中國
■ Taiwan 台灣
■ Pakistan 巴基斯坦
■ Bangladesh 孟加拉
■ Vietnam 越南



TOTAL WORKFORCE BY EMPLOYMENT LEVEL
AS OF 31 DEC 2019

於二零一九年十二月三十一日
按僱傭類別劃分的僱員總數

■ Senior Management 高級管理層
■ General Staff 一般員工



4. Employment And Labour Practices (continued)

4.2. Employment (continued)

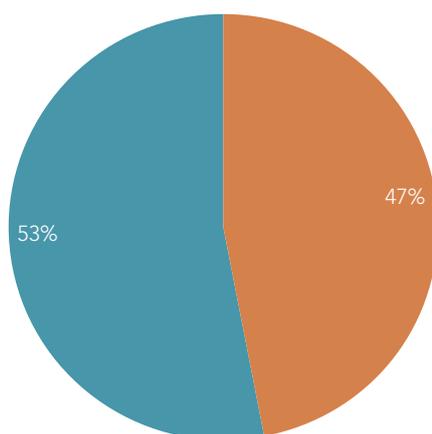
4. 僱傭及勞工常規(續)

4.2 僱傭(續)

TOTAL WORKFORCE BY GENDER
AS OF 31 DEC 2019

於二零一九年十二月三十一日
按性別劃分的僱員總數

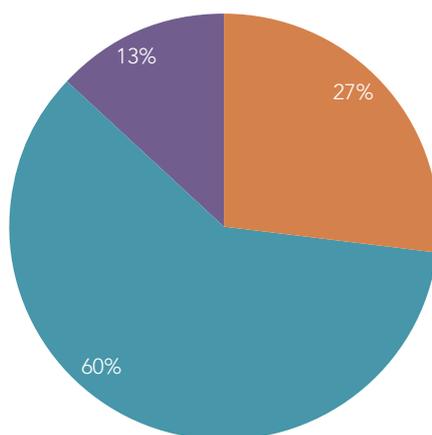
Male Female
男性 女性



TOTAL WORKFORCE BY AGE GROUP
AS OF 31 DEC 2019

於二零一九年十二月三十一日
按年齡組別劃分的僱員總數

Below 30 Years Old Between 30 and 50 Years Old Over 50 Years Old
30歲以下 30至50歲 50歲以上



4. Employment And Labour Practices (continued)

4.3. Occupational Health and Safety

The Group is highly aware that employees' health and safety is of paramount importance to our operation and therefore, the Group is determined to attaching great importance to a healthy, comfortable and safe working environment for our employees. The goals of our Occupational Safety and Health ("OSH") policy are highlighted as below.

- The OSH management system aims at identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries;
- The OSH management system defines appropriate objectives and targets on a regular basis;
- Zero tolerance of accidents and injuries;
- Promotion of safety culture among employees;
- Commitment of appropriate resources and leadership to the OSH management system;
- Communication of our health and safety performance with stakeholders and seek their involvement wherever applicable;
- Regular review of the performance of various OSH measures so that their effectiveness and reliability can be maintained;
- Compliance with applicable laws and regulations in relation to occupational safety and health.

4. 僱傭及勞工常規(續)

4.3. 職業健康與安全

本集團高度意識到僱員的健康與安全對我們的營運而言至關重要，故本集團決定高度重視為僱員提供健康、舒適及安全的工作環境。我們的職業安全與健康(「職業安全與健康」)政策目標概述如下。

- 職業安全與健康管理制度的旨在識別、預防及管理工作地點的風險及危害，以及在事故或人身傷害方面的跟進行動；
- 職業安全與健康管理制度的定期界定適當的目標及目的；
- 對意外及受傷達致零容忍；
- 促進僱員的安全文化；
- 承諾為職業安全與健康管理制度的提供適當資源及領導；
- 與持份者交流我們的健康與安全績效，並尋求其參與(如適用)；
- 定期檢討各項職業安全與健康措施的績效，以保持其有效性及可靠性；
- 遵守有關職業安全與健康的適用法律及法規。

4. Employment And Labour Practices (continued)

4.3. Occupational Health and Safety (continued)

To achieve the goals of our OSH policy, the following measures are adopted.

- Formulation of emergency response plans, risk assessment and accident investigation mechanism so as to ensure legal compliance with OSH;
- Organization of fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees with appropriate knowledge and skills in the event of emergency;
- Improvement of the fire evacuation plans by providing first aid kits and fire extinguishers in workplace in response to emergencies;
- Assignment of competent and skilled staff to handle works with critical hazards or impacts related to OSH;
- Promotion of safety culture through various communication channels such as safety campaigns, discussion and sharing sessions;
- Organization of induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can;
- Installation of air purifiers in relatively crowded areas such as conference and meeting rooms;
- Encourage contractors or sub-contractors to assist in the implementation of policies, procedures and practices related to OSH at work;
- Prohibition of smoking and abuse of alcohol and drugs in the workplace;

4. 僱傭及勞工常規(續)

4.3. 職業健康與安全(續)

為達成職業安全與健康政策的目標，我們已採取以下措施。

- 制定應急計劃、風險評估及意外調查機制，確保遵守有關職業安全與健康的法律；
- 舉行防火演習及緊急疏散模擬練習，提升員工的防火意識，讓員工具備應付緊急情況的適當知識及技巧；
- 在工作場所放置急救箱及滅火器以應付緊急情況，藉以改善消防疏散計劃；
- 指派能幹熟練的員工處理有關職業安全與健康且具有重大危害或影響的工程；
- 通過各種交流渠道(如安全運動、討論及分享會)，促進安全文化；
- 為新僱員舉行入職培訓及安全培訓計劃，以便彼等盡快熟悉有關健康及安全事宜的公司政策；
- 於會議室及會客室等相對擁擠的區域安裝空氣淨化機；
- 鼓勵承包商或分包商於工作時協助實施有關職業安全與健康的政策、程序及常規；
- 工作場所禁止吸煙及濫用酒精與藥物；

4. Employment And Labour Practices (continued)

4.3. Occupational Health and Safety (continued)

- Provision of clean and tidy rest area such as corridors and pantry;
- Provision of adjustable chairs and monitors for eye protection;
- Set up posters of proper working postures and lifting method accessible on the intranet and at appropriate locations in offices;

During the Reporting Period, the Group complied with the laws and regulations in relation to occupational safety and health in multiple regions, such as the Occupational Safety and Health Ordinance of the Laws of Hong Kong, Labour Law, Regulations on Period of Medical Treatment of Diseases or Non-work-related Injuries of Employees and Regulation on Work-Related Injury Insurance of the PRC, by ensuring that the employees are working in a safe environment in respect of health, hygiene, ventilation, gas safety, building structure and means of escape. During the Reporting Period, the Group did not record any accidents that resulted in death or serious physical injury. No material non-compliance with laws and regulations relevant to health and safety of employees were identified during the Reporting Period.

Summary of work-related fatalities and injuries during the Reporting Period are shown in the table below.

Table 5 – Health and Safety

	FY2019 二零一九 財政年度
No. of Work-Related Fatalities 工作相關死亡數目	0
Rate of Work-Related Fatalities 工作相關死亡比率	0
No. of Injuries at Work 工傷數目	0
Lost Days due to Injury at Work 因工傷損失工作日數	0

4. 僱傭及勞工常規 (續)

4.3. 職業健康與安全 (續)

- 提供乾淨整潔的休息區，例如走廊及茶水間；
- 提供可調節的椅子及顯示屏以保護眼睛；
- 於內聯網及辦公室適當位置備存及張貼正確工作姿勢及搬運重物方式的海報；

於報告期間，本集團遵守多個地區有關職業安全及健康的法律及法規，如香港法例《職業安全及健康條例》、《勞工法》、《中華人民共和國僱員疾病或非工傷醫療期規定》及《中華人民共和國工傷保險條例》，確保僱員在健康、衛生、通風、氣體安全、建築結構及逃生方式方面屬安全的環境下工作。於報告期間，本集團並無任何導致死亡或嚴重受傷的意外記錄。於報告期間，並無嚴重違反有關僱員健康及安全的法律及法規。

下表列示工作相關死亡或受傷事故概要。

表 5 — 健康與安全

4. Employment And Labour Practices (continued)

4.4. Development and Training

The Group envisions that empowering its people through development and training is the cornerstone of our success in the long-run. The Group listens and responds to our people, striving to create an environment of continuous learning, to facilitate development of careers and to provide knowledge and skills for better fulfilment of roles and responsibilities. Our training programmes are designed not only to meet our business vision and to provide skillset required for the operation, but also for the benefit of society as a whole wherever possible.

Considering that each of the position is of unique professional and technical needs, the Group ensures that every new joiner receives proper orientation training and mentoring in order to help them adapt to the new working environment affirmatively and quickly. Continuous training is committed by the Group in different ways including internal training programs, comprehensive training for specific skill development, and courses for continuous professional development for relevant employees so as to ensure that they possess the appropriate qualities and skill-sets. Implementation of safety training and comprehensive risk assessments are also one of the most important tasks in the Group.

4. 僱傭及勞工常規(續)

4.4. 發展及培訓

本集團認為通過僱員發展和培訓以增強其僱員的能力是我們長遠成功的基石。我們聆聽並回應員工，致力創造持續學習的環境，促進職業發展及提供知識和技能，從而更好地履行職責。我們的培訓計劃不僅提供營運所需技能，以滿足我們的業務願景，而且盡可能為社會整體利益提供服務。

考慮到每個職位均有獨特的專業及技術要求，本集團確保每名新員工接受適當的入職培訓及指導，以幫助彼等完全快速適應新工作環境。本集團承諾以不同的方式為有關僱員提供持續培訓，包括內部培訓計劃，專門技能發展的全面培訓及持續專業培訓課程，確保僱員具備適當資格及技能。實施安全培訓及全面風險評估亦為本集團最重要的工作之一。

4. Employment And Labour Practices (continued)

4.4. Development and Training (continued)

During the Reporting Period, employees at all levels satisfied their needs of trainings through multiple training programs, including induction training, technical skills training and pre-post training as summarised in Table 6 below. These training programs not only facilitate the career prospect of individual employee, but also further enhance the sustainable development of the Group. We organized professional training sessions and seminars for directors and senior management with topics generally including occupational safety, corporate governance, business development and strategy in order for them to develop and refresh their knowledge and skills as directors of a listed company. We additionally provided the management with a series of thematic courses to strengthen and refresh their knowledge, leadership and management skills, which is expected to drive the team to grow for the best interest of the Group.

4. 僱傭及勞工常規 (續)

4.4. 發展及培訓 (續)

於報告期間，本公司通過入職培訓、技術技能培訓及崗前培訓(如以下表6概述)等多元化培訓計劃，滿足各級僱員的培訓需求。該等培訓計劃不僅促進個別僱員的職業前景，亦進一步加強本集團的可持續發展。我們為董事及高級管理層舉辦專業培訓班及研討會，主題一般包括職業安全、企業管治、業務發展及戰略，使彼等發展及加強作為上市公司董事的知識及技能。我們亦會為管理層提供一系列主題課程，鞏固及更新其知識、領導能力及管理技能，預期此舉將會推動團隊成長，並符合本集團的最佳利益。

4. Employment And Labour Practices (continued)

4.4. Development and Training (continued)

During the Reporting Period, details of the development and training programs provided by the Group is summarized as below.

4. 僱傭及勞工常規 (續)

4.4. 發展及培訓 (續)

於報告期間，本集團所提供的發展及培訓計劃詳情概述如下。

Table 6 – Employee Training

表6 一 僱員培訓

	Unit 單位	FY2019 二零一九 財政年度
Total hours of training received by employee 僱員受訓總時數	hours 小時	766
Average hours of training received per employee 員工平均受訓時數	hours 小時	2.02
Average hours of training per employee by ranking 按職級劃分的僱員平均受訓時數		
Senior Management 高級管理層	hours 小時	1.54
General Staff 一般員工	hours 小時	2.05
Average hours of training per employee by gender 按性別劃分的僱員平均受訓時數		
Male 男性	hours 小時	1.90
Female 女性	hours 小時	2.13
Percentage of employees trained by employment level 按聘用水平劃分的受訓僱員百分比		
Senior Management 高級管理層	%	25.0
General Staff 一般員工	%	54.8
Percentage of employees trained by gender 按性別劃分的受訓僱員百分比		
Male 男性	%	48.3
Female 女性	%	56.9

4. Employment And Labour Practices (continued)

4.5. Harmonious Corporate Culture

The Group is strongly convinced that a harmonious corporate culture among the employees and management are always the key drivers to the Group's healthy and prosperous growth. To achieve this, we utilize a variety of channels, including:

- Open and honest communication platform for all employees and management to post and share multimedia news;
- Regular all-staff meetings to update on business performance and the development of key projects; and
- Employee engagement such as annual employee survey which provides a confidential route for employee feedback. Follow up actions ensure that employees' voices are heard and responded to at both corporate and team levels.
- Festive foods, such as mooncakes and fruit, are delivered to employees during certain traditional festivals (such as Lunar New Year and Mid-Autumn Festival) in recognition of their contributions and dedicated work to the Group. Regular and festival gatherings are organised during the Reporting Period to enhance the harmonious spirit of different levels of staff members throughout the Group.

The Group believes that such a corporate culture and harmonic working environment will naturally achieve a synergistic result to facilitate employee retention and to improve productivity.

4. 僱傭及勞工常規(續)

4.5. 和諧的企業文化

本集團深信，僱員與管理層之間和諧的企業文化是本集團健康及繁榮發展的重要動力。為此，我們利用多種渠道，包括：

- 為所有僱員及管理層提供公開、坦誠的溝通平台，發佈及分享多媒體消息；
- 定期召開全體員工會議，提供有關業務表現及主要項目的進展情況；
- 重視僱員參與，如每年進行僱員調查，讓僱員以保密方式作出反饋，並採取跟進行動，確保僱員的意見在公司及團隊層面均獲得聆聽及回應。
- 本集團在若干傳統節日(例如農曆新年及中秋節)向僱員派發月餅及水果等應節食品，以表揚彼等對本集團作出的貢獻及努力。於報告期間，我們舉辦定期及節日聚會，以提高本集團所有不同級別員工的和諧精神。

本集團相信，此企業文化及和諧的工作環境將自然而然地達到協同合作的效果，從而促使僱員留任及提高生產力。

4. Employment And Labour Practices (continued)

4.6. Labour Standards

Being fully aware that exploitation of child and forced labour violates human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour in any form. New employees are required to provide true and accurate personal data when they are onboard. Recruiters strictly review the entry documents including medical examination certificates, academic certificates and identity cards. The Group constantly rejects to engage suppliers and contractors, that hire child labour or forced labour in their operations.

During the Reporting Period, the Group strictly complied with the laws and regulations in relation to prevention of child and forced labour, including the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and Labour Law, Prohibition of Child Labour Provisions, Underage Workers Special Protection Provisions, Prohibition of Forced Labour and Prisoners Labour Policy and Procedures of the PRC as well as relevant legislations in the countries that we operate. No material non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group.

4. 僱傭及勞工常規 (續)

4.6. 勞工準則

本集團充分明白剝削童工及強迫勞工違反人權及國際勞工公約，因此嚴格禁止以任何方式僱用童工及強迫勞工。新僱員入職時須提供真實準確的個人資料。招聘人員嚴格審查入職文件，包括體檢證明、學歷證明及身份證。本集團拒絕委聘於經營中僱用童工或強迫勞工的供應商及承包商。

於報告期間，本集團嚴格遵守有關防止童工及強迫勞工的法律及法規，包括香港法例第57章《僱傭條例》及《勞工法》、《禁止童工條文》、《未成年工人特別保護條文》、《中華人民共和國禁止強迫勞工和罪犯勞工的政策和程序》以及我們營運所在國家的相關立法。本集團並無嚴重違反有關防止童工或強迫勞工的法律及法規。

5. Operating Practices

As an accountable corporate citizen, the Group is dedicated to disseminate the pursuit of sustainability into our core business. A series of management systems and procedures has been developed in alignment with corporate governance required by the HKEX. Furthermore, the Group encourages all business partners to incorporate those sustainability practices and policies into their operation thoroughly in order to work together in our pursuit of sustainable development.

5.1. Supply Chain Management

The Group is committed to active collaboration with our suppliers to reduce potential environmental risks, social risks and ethical risks, while delivering the highest standards of products and services precisely and consistently.

Our subsidiary, Linmark, as a global trading and supply chain management solutions provider with over 50 years of experience, offers diverse and comprehensive services to a wide range of customers including retail chain operators, well-known brands and licensors, wholesalers, mail order houses and department stores. Our global customers are located in North America, Europe, Asia, Australia and South Africa. In light of the Group's requirement of supply chain management, Linmark has developed a comprehensive Corporate Social Responsibility Compliance Manual (the "CSR Manual") and Vendor Code of Conduct (the "Code of Conduct") since 2009. The Code of Conduct outlines the basic requirements that all vendors must meet with respect to employment, ethics, environmental protection, health and safety, legal requirement, subcontractors and suppliers to vendors, compliance and corrective actions. The CSR Manual outlines the full audit procedures and requirements in compliance with the Code of Conduct and Customs-Trade Partnership Against Terrorism (C-TPAT) requirements of our customers.

5. 營運慣例

作為負責任的企業公民，本集團致力宣揚於核心業務中追求可持續性的理念。我們已制定一系列的管理系統及程序，以符合香港聯交所規定的企業管治。此外，本集團鼓勵所有業務夥伴將該等可持續發展常規及政策納入其業務營運，齊心協力達致可持續發展。

5.1. 供應鏈管理

本集團致力與供應商積極合作，以降低潛在的環境風險、社會風險及道德風險，同時精準及持續地提供最高質素的產品及服務。

我們的附屬公司林麥作為一家全球供應鏈管理解決方案供應商，擁有逾50年經驗，為眾多客戶提供多元化及全方位服務，包括零售鏈營運商、知名品牌及持有人、批發商、郵購公司和百貨公司。全球的客戶位於北美洲、歐洲、亞洲、澳洲及南非。鑑於本集團供應鏈管理的規定，自二零零九年起，林麥已制定全面的企業社會責任手冊（「CSR手冊」）及供應商行為守則（「行為守則」）。行為守則列明供應商須遵守，有關僱傭、道德、環保、健康及安全、法律規定、供應商的分包商及供應商、合規及糾正行動方面的基本要求。CSR手冊列明遵照行為守則及客戶的海關—商貿反恐聯盟（C-TPAT）規定的全面審核程序及規定。

5. Operating Practices (continued)

5.1. Supply Chain Management (continued)

On the other hand, our another subsidiary, Loozee, has similarly developed standard procedures in selecting appropriate suppliers in relation to the supplier compliance with employment, ethics, environmental protection, health and safety, legal requirement and social aspects. We review the samples of the gift products and carry out procurement quality control regularly. Inspection may be conducted by the Group if deemed necessary.

Apparently, our overall supply chain management team not only considers economic and commercial benefits during the tendering processes, but also evaluates the suppliers' and contractors' track record with respect to environmental, social and ethical conducts as well as legal and regulatory compliance such as use of child and forced labour, occupational health and safety, hours of work, compensation, benefits and wages and mitigating environmental impacts.

We believe that, through the above supply chain management system, we can minimize the potential environmental, social and ethical risks associated with our operation. During the Reporting Period, the Group had multiple suppliers which were located in different region where we operated. The distribution of suppliers by geographic region for Linmark are presented in the chart below whereas the suppliers for Loozee were all located in the PRC.

5. 營運慣例 (續)

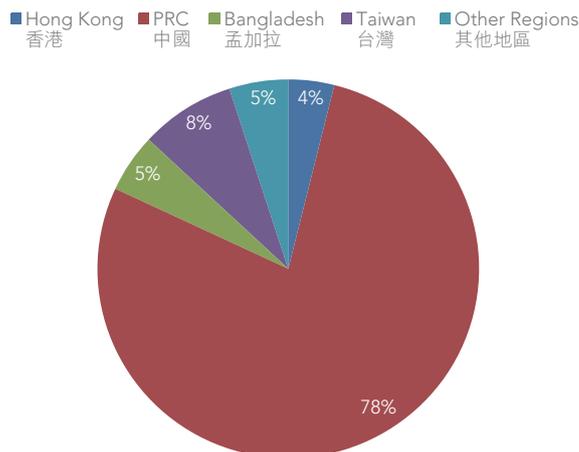
5.1. 供應鏈管理 (續)

另一方面，我們的另一間附屬公司樂唯於挑選合適的供應商方面亦制定符合僱傭、道德、環保、健康及安全、法律規定及社會層面的類似標準程序。我們定期審查禮品樣本及控制採購質量。如認為有需要，本集團亦會進行檢查。

顯然，整體供應鏈管理團隊於投標過程中不僅考慮經濟及商業利益，亦會評核供應商及承包商於環境、社會及道德操守，以及法律及監管合規方面的往績記錄，例如僱用童工或強迫勞工、職業健康及安全、工作時數、薪酬、福利及薪金，以及降低環境影響的措施。

我們相信，通過上述供應鏈管理系統，我們可以將與營運相關的潛在環境、社會及道德風險降至最低。於報告期間，本集團有多名位於營運所在地的不同地區的供應商。下表呈列林麥的供應商按地區劃分的分佈，而樂唯的供應商則全部位於中國。

DISTRIBUTION OF SUPPLIERS
BY GEOGRAPHIC REGION
供應商按地區劃分的分佈



5. Operating Practices (continued)

5.2. Product Responsibility

To be a successful business, we are committed to the highest standards of service or product we deliver, maintaining continuous communication with our customers to ensure that we understand and fulfil their needs and expectations. While maintaining strict product quality, we keep track of emerging trends and continue to develop and optimize products that offer the best solutions to our customers.

Quality staff members of Linmark carry out the defined quality assurance protocol to make sure that products constantly meet customer requirements and legal and safety standards for its intended use and for circumstances of reasonably foreseeable misuse. Our well-trained quality assurance team applies the latest mobile technology to ensure the highest level of quality inspection in all production countries. Moreover, the intellectual properties of our customers are under strict protection in accordance with the corporate policies and signed terms and conditions between our customers and the Group.

Staff members of Loozee also carry out the defined quality assurance protocol for both the software experience and the quality of the gift products. In developing the software applications, providing good user experience to our customers is always our top priority. We update our software regularly to make sure that our customers are offered with a great satisfaction from using our software. In addition, before giving our gift products to our customers, we run quality check to guarantee our products meet our customers' expectation.

5. 營運慣例(續)

5.2. 產品責任

為使業務取得成功，我們致力提供最高標準的服務或產品，持續與客戶溝通，確保我們了解及滿足客戶所需及所想。於維持嚴格的產品質素的同時，我們追蹤新興的趨勢並持續開發及優化產品，向客戶提供最佳的解決方案。

林麥的品質管理員工實施既定的質量保證政策，以確保產品就其預期用途而言及於理可預期不當使用情況下持續滿足客戶要求，並符合法律及安全標準。我們的質量保證團隊訓練有素，採用最新流動科技，確保於所有生產國進行最高水平的質量檢驗。此外，根據公司政策以及客戶與本集團簽訂的條款及條件，客戶的知識產權受嚴格保護。

樂唯的員工亦對軟件體驗及禮品質量實施既定的質量保證政策。於開發軟件應用程序中，我們將為客戶提供良好的用戶體驗作為首要任務。我們定期更新軟件以確保客戶使用軟件時感到滿意。此外，向客戶提供禮品前，我們會進行質量檢驗以確保產品符合客戶期望。

5. Operating Practices (continued)

5.2. Product Responsibility (continued)

During the Reporting Period, Linmark complied with the international quality standard and other relevant laws and regulations whereas Loozee complied with relevant laws and regulations of the PRC, for instances, Consumer Protection Law, Advertising Law and Product Quality Law, by ensuring that there are no false and misleading messages in our advertisements and promotion activities. During the Reporting Period, the Group did not identify any material non-compliance of the laws and regulations related to the quality of products and services.

5.3. Customer Feedback and Handling

Realizing that our customer needs and expectations should be well addressed, the Group pays attention to the level of satisfaction of customers and their feedback. Regular communication channels and feedback systems are in place to gather information on satisfaction and suggestions for improvement from our diverse portfolio of customers.

In managing complaints and feedback from customers, Linmark specially established the Claim Alert System to register and keep track of customer claims and complaints. Our account manager and suppliers will jointly investigate the reported cases and take follow-up actions to identify solutions and hence resulting in improvement of our operation. Follow-up actions, including internal evaluation and modification of training programs for employees, will be taken to address the issues identified and to continuously improve our service delivered. Feedback will additionally be provided to the customers in a timely manner.

With respect to the operation of online social platforms by Loozee, real time customer supports and telephone hotline are available to solve their problems in the most efficient way. Their feedbacks and complaints will be delivered to the customer services team and make sure their concerns are well addressed.

5. 營運慣例(續)

5.2. 產品責任(續)

於報告期間，透過確保廣告及宣傳活動中概無錯誤及誤導訊息，林麥遵守國際質量標準及其他相關法律及規例，而樂唯遵守中國相關法律及法規，例如消費者權益保護法、廣告法及產品質量法。於報告期間，本集團並未發現任何違反與產品及服務質素有關的法律及法規的重大事宜。

5.3. 客戶反饋及處理方式

本集團明白須認真處理客戶需要及預期，並留意客戶的滿意程度及其反饋。我們已設立定期溝通途徑及反饋系統，以收集滿意情況的資料，以及不同客戶的改善意見。

於管理客戶投訴及反饋時，林麥特地建立索賠警報系統以登記並追蹤客戶索賠及投訴。我們的客戶經理及供應商將聯合調查舉報個案，並採取跟進行動以確定解決方案，從而改善我們的運營。我們將會採取跟進行動(包括僱員的內部評核及培訓計劃的修訂)以處理發現的問題及持續改善我們提供的服務。此外，我們及時向客戶提供反饋。

就樂唯經營網上社交平台而言，設有即時客戶支援及電話熱線，以最有效的方法解決客戶的問題。其反饋及投訴亦將交付予客戶服務團隊，確保其疑慮得以妥善解決。

5. Operating Practices (continued)

5.3. Customer Feedback and Handling (continued)

Although Loovee received 1,000 complaints against our services and products, there were no cases of product recall nor complaints received against our services or products due to health and safety issues during the Reporting Period.

Table 7 – Product Recalls and Complaints

	FY2019 二零一九年 財政年度
Percentage of sold/shipped products recalled due to safety and health reasons 因健康及安全問題而召回已出售／已付運產品的百分比	Nil 無
Percentage of complaints received about the products related to health and safety issues 有關健康及安全問題而接獲的產品投訴的百分比	Nil 無

5.4. Privacy Protection

The Group undertakes to strictly comply with relevant laws and regulations in relation to privacy that have an impact on the Group, to ensure that all data are securely kept in our internal system with access control. The Group sets out data privacy requirements in our corporate policies, under which customer and supplier data would be used exclusively for matters relating to the Group's operation only. We strive to ensure all collected data kept is free of unauthorized or accidental access, processing, erasure or other use.

5. 營運慣例 (續)

5.3. 客戶反饋及處理方式 (續)

於報告期間內，儘管樂唯接獲1,000宗有關服務及產品的投訴，但我們的服務或產品概無因健康及安全問題而出現召回產品的情況或收到投訴。

表7 — 召回產品及投訴

5.4. 私隱保障

本集團承諾嚴格遵守影響本集團並與私隱有關的相關法律及規例，確保所有資料安全地存放於設置存取權限控制的內部系統內。本集團於企業政策訂明資料私隱規定，據此，客戶及供應商資料僅用於本集團營運相關事宜。我們致力確保所有已收集的資料不會被未經授權或意外查閱、處理、刪除或作其他用途。

5. Operating Practices (continued)

5.5. Anti-Corruption

Insisting on honesty, integrity and fairness in all aspects of our business, and upholding a high standard of business ethics and prohibition of any forms of bribery and corrupt practices, the Group developed a series of policies of anti-fraud and anti-bribery. The Group has developed a series of policies of anti-fraud and anti-bribery which apply to all members of the Group. We also encourage all of our business-related parties, including customers and suppliers to observe those principles of the policies and to proactively report any suspected misconduct issues to the Group.

During the Reporting Period, the Group observed with related laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering, such as the Prevention of Bribery Ordinance (Chapter 201 of the laws of Hong Kong), Criminal Law and the Regulations for Suppression of Corruption of the PRC. No cases of anti-corruption was concluded and the Audit Committee identified no complaint from employees during the Reporting Period.

5.6. Whistle-Blowing

In order to encourage our employees to report illegality, irregularity, malpractice, unethical acts or behaviours, which may damage the Group's interests, we established whistle-blowing policy and implement procedures for our employees to report improprieties via a confidential reporting channel to the extent that is made possible to all employees.

The Group is committed to addressing the "whistle-blowers" concerns in a fair and reasonable manner and to handling the reports with due care and conducting a detailed investigation seriously for each reasonably established report. All "whistle-blowers" who report in good faith are reasonably protected from retaliation or adverse consequence of their employment regardless of whether the allegation is substantiated.

5. 營運慣例(續)

5.5. 反貪污

本集團在業務各方面堅持真誠、誠信及公平的經營理念，堅持高標準的商業道德規範，禁止任何形式的賄賂及貪污行為，本集團已建立一套反詐騙及反賄賂政策，並已建立一套適用於本集團所有成員公司的反詐騙及反賄賂政策。我們亦鼓勵所有業務相關方（包括客戶及供應商）遵守政策的原則，積極向本集團匯報任何可疑的不當行為事件。

於報告期間，本集團遵守對本集團具重大影響且與賄賂、勒索、欺詐及洗黑錢有關的相關法律及法規，例如香港法例第201章《防止賄賂條例》、《刑法》及《中國懲治貪污條例》。於報告期間，概無就反貪污案件定罪，且審核委員會概無獲悉僱員的投訴。

5.6. 舉報

為鼓勵僱員匯報可能損害本集團權益的非法行為、違規行為、瀆職、不道德行為或操守，我們設立舉報政策，並通過向所有僱員開放的保密舉報渠道讓僱員匯報不正當的行為。

本集團致力以公平合理的方式處理「舉報者」的疑慮，以及小心謹慎處理報告，就每個合理立案的報告認真進行詳細調查。所有真誠匯報的「舉報者」均受到合理保護以免於報復或有關其僱用的不利後果，而不論其指稱是否有根據。

5. Operating Practices (continued)

5.7. Intellectual Property Rights

The Group is committed to compliance with relevant laws of intellectual property right (“**IP rights**”) by valuing and protecting its intellectual properties through patent fees and periodic trademark renewals.

In order to ensure that the customer’s IP rights of products is properly protected during the outsourcing processes to suppliers, a confidentiality agreement regarding IP rights must be signed before engagement. Internally, we enter into standard employment contracts with our employees which contain provisions on intellectual property rights and confidentiality. Relevant employees of the Group have signed a written confirmation to (i) confirm that all intellectual property rights created or made during their employment with the Group shall belong to us; and (ii) agree not to use or disclose the confidential information relating to the product designs without authorisation of the Group.

5. 營運慣例 (續)

5.7. 知識產權

本集團透過專利費用及定期重續商標，藉著為其知識產權估值及保障其知識產權，致力遵守知識產權(「**知識產權**」)的相關法律。

為確保客戶產品的知識產權於外判予供應商的程序中獲得適當的保護，於聘請前必須簽署有關知識產權的保密協議。就內部而言，我們與僱員訂立標準的僱傭合約，當中載列有關知識產權的條文。本集團相關僱員已簽署確認書，以(i)確認於受僱本集團期間設立或製作的所有知識產權應屬於本集團；及(ii)同意不使用或披露有關產品設計的機密資料。

6. Community Investment

The Group is dedicated to making a better society through our active involvement in the community and partnership with local non-profit organizations, putting the best effort and resources in helping the local communities and people in needs through multiple channels including community services and sponsorship programs.

6.1. Community Services

During the Reporting Period, the Group participated in the program of "Green Ladies and Green Little" operated by St James' Settlement through purchasing second-hand clothes as part of our community-care effort. Established in 2008, Green Ladies, which is the first social eco enterprise operated by consignment model in Hong Kong, has been promoting eco-friendly habits and middle-aged ladies' employment through promotion of second-hand clothing for sustainable use of resources. The Group considers that this program is in line with our principal business and significantly contributes to the sustainable development of the community.

6. 社區投資

本集團通過積極融入社區及夥拍當地的非牟利機構，致力創造一個更加美好的社區，透過多個渠道，包括社區服務及贊助計劃，盡力運用資源幫助本地社區及有需要人士。

6.1. 社區服務

於報告期間，本集團參與聖雅各福群會轄下的社會企業「Green Ladies and Green Little」選購二手衣物活動，作為其社區關懷工作的一部分。Green Ladies於二零零八年設立，是香港首個以寄售模式運作的社會環保企業，透過收集高質素二手時裝推動環保重用文化，並為中年婦女提供就業機會。本集團認為此社企理念與我們的主要業務一致，大力促進社區的可持續發展。



The Group's participation in the event of "Green Ladies and Green Little"
本集團參與「Green Ladies and Green Little」的活動

6. Community Investment (continued)

6.2. Sponsorship Program

During the Reporting Period, we supported the charitable event of “St. James’ Settlement GOrun Together 2019” organized by St James’ Settlement in October 2019, with a sponsorship totaling HK\$5,000. Such charity run was the only of its kind organized in Hong Kong, aiming to raise fund in the support of food assistance to deprived children, elderly and families on a short-term and emergent basis, relieving their hunger and caring for poverty. The Group anticipated that such meaningful event was beneficial to the broader community where we operate.

Going forward, the Group will continue to foster the culture of active participation in community services, encouraging our staff members to be actively engaged in voluntary services and join hands together to disseminate the spirit of services in the community where we all depend on.

6. 社區投資(續)

6.2. 贊助計劃

於回顧期間，我們支持聖雅各福群會於二零一九年十月舉辦的「聖雅各福群會8公里挑戰賽及2公里親子賽」，合共贊助5,000港元。有關慈善賽事是於香港籌辦的唯一一項同類型賽事，目的是籌集資金支持為貧弱兒童、長者及家庭提供短期及緊急的食物支援、解決飢餓及關愛貧困人士。本集團預期是項有意義的活動會讓我們營運的廣泛社區受惠。

未來，本集團將繼續培養積極參與社區服務的文化、鼓勵員工積極參與義工服務，在我們依靠的所有社區攜手宣揚服務精神。

7. HKEX ESG Guide Content Index

7. 聯交所《環境、社會及管治報告指引》內容索引

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect A1: Emissions 層面 A1：排放物			
General Disclosure 一般披露	Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste (b) 遵守對發行人有重大影響的相關法律及規例的資料	Environmental Protection 環境保護	
KPI A1.1 關鍵績效指標 A1.1	Types of emissions and respective emissions data 排放物種類及相關排放數據	Environmental Protection 環境保護	
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total and, where appropriate, intensity 溫室氣體總排放量及(如適用)密度	Environmental Protection 環境保護	
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced and, where appropriate, intensity 所產生有害廢棄物總量及(如適用)密度	–	The Group has not identified any hazardous waste was produced in our core business 本集團並未發現核心業務產生任何有害廢物
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced and intensity 所產生無害廢棄物總量及密度	Environmental Protection 環境保護	
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved 減低排放量的措施及所得成果的描述	Environmental Protection 環境保護	
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved 處理有害及無害廢棄物的方法、減低產生量的措施及所得成果的描述	Environmental Protection 環境保護	

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect A2: Use of Resources 層面 A2：資源使用			
General Disclosure 一般披露	Policies on efficient use of resources including energy, water and other raw materials 有效使用資源(包括能源、水及其他原材料)的政策	Environmental Protection 環境保護	
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total and intensity 按類型劃分的直接及/或間接能源總耗量及密度	Environmental Protection 環境保護	
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity 總耗水量及密度	Environmental Protection 環境保護	
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved 能源使用效益計劃及所得成果的描述	Environmental Protection 環境保護	
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved 求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果的描述	n/a 不適用	Defined to be irrelevant to the Group's operation 界定為與本集團業務無關
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced 製成品所用包裝材料的總量及(如適用)每生產單位估量	n/a 不適用	Use of packaging material is not applicable to the Group's core operation 包裝材料的使用不適用於本集團核心業務

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect A3: The Environment and Natural Resources 層面 A3：環境及天然資源			
General Disclosure 一般披露	Policies on minimizing the issuer's significant impact on the environment and natural resources 減低發行人對環境及天然資源造成重大影響的政策	Environmental Protection 環境保護	
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them 業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動的描述	Environmental Protection 環境保護	
Aspect B1: Employment 層面 B1：僱傭			
General Disclosure 一般披露	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、歧視視以及其他待遇及福利的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare (b) 遵守對發行人有重大影響的相關法律及規例的資料	Employment and Labour Practices 僱傭及勞工常規	
KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	Employment and Labour Practices 僱傭及勞工常規	
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region 按性別、年齡組別及地區劃分的僱員流失比率	Employment and Labour Practices 僱傭及勞工常規	

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect B2: Health and Safety 層面 B2：健康與安全			
General Disclosure 一般披露	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards (b) 遵守對發行人有重大影響的相關法律及規例的資料	Employment and Labour Practices 僱傭及勞工常規	
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	Employment and Labour Practices 僱傭及勞工常規	
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury 因工傷損失工作日數	Employment and Labour Practices 僱傭及勞工常規	
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored 所採納的職業健康與安全措施，以及相關執行及監察方法的描述	Employment and Labour Practices 僱傭及勞工常規	

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect B3: Development and Training 層面 B3：發展及培訓			
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動	Employment and Labour Practices 僱傭及勞工常規	
KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category 按性別及僱員類別劃分的受訓僱員百分比	Employment and Labour Practices 僱傭及勞工常規	
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數	Employment and Labour Practices 僱傭及勞工常規	
Aspect B4: Labour Standards 層面 B4：勞工準則			
General Disclosure 一般披露	Information on: 有關防止童工或強制勞工的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour (b) 遵守對發行人有重大影響的相關法律及規例的資料	Employment and Labour Practices 僱傭及勞工常規	
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour 檢討招聘慣例的措施以避免童工及強制勞工的描述	Employment and Labour Practices 僱傭及勞工常規	
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate child and forced labour practices when discovered 在發現違規情況時消除童工及強制勞工情況所採取的步驟的描述	n/a 不適用	No such incidents were reported during the Reporting Period. 於報告期內並無呈報發生有關事件

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect B5: Supply Chain Management 層面 B5：供應鏈管理			
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策	Operating Practices 營運慣例	
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	Operating Practices 營運慣例	
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored 有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法的描述	Operating Practices 營運慣例	
Aspect B6: Product Responsibility 層面 B6：產品責任			
General Disclosure 一般披露	Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress (b) 遵守對發行人有重大影響的相關法律及規例的資料	Operating Practices 營運慣例	

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons 已售或已運送產品總數中因安全與健康理由而須回收的百分比	n/a 不適用	Not applicable to the Group's core operation 不適用於本集團核心業務
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	Operating Practices 營運慣例	No products and service related complaints received during the Reporting Period. 於報告期間並無接獲有關產品及服務的投訴
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights 與維護及保障知識產權有關的慣例的描述	Operating Practices 營運慣例	
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures 質量檢定過程及產品回收程序的描述	Operating Practices 營運慣例	
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 消費者資料保障及私隱政策，以及相關執行及監察方法的描述	Operating Practices 營運慣例	

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect B7: Anti-corruption 層面 B7：反貪污			
General Disclosure 一般披露	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering (b) 遵守對發行人有重大影響的相關法律及規例的資料	Operating Practices 營運慣例	
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	Operating Practices 營運慣例	No concluded legal cases regarding corrupt practices during the Reporting Period. 於報告期間並無對已審結的貪污訴訟案件
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle – blowing procedures, how they are implemented and monitored 防範措施及舉報程序，以及相關執行及監察方法的描述	Operating Practices 營運慣例	

7. HKEX ESG Guide Content Index (continued)

7. 聯交所《環境、社會及管治報告指引》內容索引(續)

Aspects, General Disclosures and KPIs 層面、一般披露及關鍵績效指標	Description 描述	Relevant sections in the ESG Report 環境、社會及管治報告相關章節	Remarks 備註
Aspect B8: Community Investment 層面 B8：社區投資			
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities takes into consideration communities' interests 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策	Community Investment 社區投資	
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution 專注貢獻範疇	Community Investment 社區投資	
KPI B8.2 關鍵績效指標 B8.2	Resources contributed to the focus areas 在專注範疇所動用資源	Community Investment 社區投資	

Report of the Directors

董事會報告書

The board (the “**Board**”) of directors (the “**Directors**”) of Daohe Global Group Limited (the “**Company**”) present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the year ended 31 December 2019.

Principal activities

The Company is an investment holding company. The principal activities of its subsidiaries are set out in Note 39 to the financial statements.

An analysis of the Group’s performance for the year ended 31 December 2019 by business and geographical segments as well as information about major customers is set out in Note 4 to the financial statements.

Financial results

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss on page 123.

Financial summary

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on pages 228 and 229.

Dividends

No interim dividend was declared and paid to shareholders of the Company (the “**Shareholders**”) during the year ended 31 December 2019.

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

道和環球集團有限公司(「**本公司**」)董事(「**董事**」)會(「**董事會**」)謹此提呈本公司連同其附屬公司(統稱「**本集團**」)截至二零一九年十二月三十一日止年度之董事會報告書及經審核綜合財務報表。

主要業務

本公司為投資控股公司，其附屬公司之主要業務載於財務報表附註39。

於截至二零一九年十二月三十一日止年度，本集團按業務及地域分類劃分之表現及有關主要客戶資料之分析載於財務報表附註4。

財務業績

本集團於截至二零一九年十二月三十一日止年度之業績載於第123頁之綜合損益表。

財務概要

本集團於過往五個財政年度之業績與資產及負債概要載於第228及229頁。

股息

於截至二零一九年十二月三十一日止年度概無向本公司股東(「**股東**」)宣派及派付中期股息。

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任何末期股息(二零一八年：無)。

Business review

A fair review of the Group's business and likely future development, a discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are included in the "Management Discussion and Analysis" section on pages 5 to 11 of this annual report.

The principal risks and uncertainties faced by the Group include but are not limited to (i) foreign currency risk as the Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk; (ii) credit risk that may arise from possible default of the Group's business counter parties; and (iii) Loozee Group (as defined below) are under VIE contractual arrangement as disclosed under section headed "Contractual arrangements" to this annual report.

The Group periodically reviews monetary assets and liabilities held in currencies other than the United States dollar and Hong Kong dollar to ensure that net exposure is kept at an acceptable level and will consider hedging significant foreign currency exposure should the need arise.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedure. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Environmental policies and performance

The Group is committed to better protect the environment by encouraging its employees to reduce consumption of electricity and paper, reduce waste, and use environmental friendly products whenever possible. The Group is subject to various environmental laws and regulations set by the People's Republic of China (the "PRC") national, provincial and municipal governments which include regulations on discharge of wastes and air pollution. During the year ended 31 December 2019, the Group has complied with such laws and regulations that have significant impact to the Group. Details of the relevant policies are set out in the Environmental, Social and Governance Report on pages 43 to 86 of this annual report.

業務回顧

有關本集團業務的中肯回顧及可能未來發展，以及就本集團於本年度內表現以及業績和財務狀況相關重要因素的討論和分析，載於本年報第5至11頁的「管理層討論及分析」一節。

本集團面臨之主要風險及不確定因素包括但不限於(i)外幣風險，由於本集團於海外業務擁有若干投資，而該等資產淨值需承擔外幣換算風險；(ii)信貸風險，可能於本集團業務交易對手可能違約時產生；及(iii)樂唯集團(定義見下文)是通過VIE合約安排，於本年報「合約安排」章節內披露。

本集團定期檢討以美元及港元以外貨幣持有之貨幣資產及負債，確保承擔之淨風險維持於可接受水平，並在有需要時考慮對沖重大外幣風險。

本集團只會與經認可及信譽良好之第三方交易。本集團政策規定所有擬以信貸期交易之客戶須通過信用審核程序。此外，本集團持續監察應收款項結餘，故本集團承受之壞賬風險並不重大。

環境政策及表現

本集團透過鼓勵僱員盡可能減少耗電及耗紙、減廢以及使用環保產品，致力保護環境。本集團須遵守中華人民共和國(「中國」)國家、省、市政府制定之多項環境法律及法規，當中包括有關處理廢物及空氣污染之規例。於截至二零一九年十二月三十一日止年度，本集團已遵守對本集團構成重大影響之法律及法規。相關政策之詳情載於本年報第43至86頁之環境、社會及管治報告。

Business review (continued)

Compliance

We have in place compliance procedures to ensure adherence to the relevant laws and regulations including but not limited to The Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Companies Ordinance, the Securities and Futures Ordinance (“**SFO**”), the Money Lenders Ordinance, Regulation of the People’s Republic of China on Telecommunication*《中華人民共和國電信條例》and Administrative Measures for Internet Information Services*《互聯網信息服務管理辦法》 that are relevant to the Group. Laws in other jurisdictions may also apply to our non-Hong Kong operations in Hong Kong, the PRC and elsewhere.

The Board is responsible for reviewing and monitoring the Group’s policies and practices on compliance with legal and regulatory requirements, with the support and assistance of the company secretarial department. The Group has also engaged external counsels to provide advice regarding the rules and laws on the business transactions when required.

As far as the Company is aware, save as already disclosed in the Company’s announcements or this annual report, it has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group.

Key relationships with stakeholders

Employees

The Group’s remuneration policy and staff development scheme are set out on page 10 of this annual report.

The Group implemented comprehensive mechanisms to ensure that high standard of ethical business practices are adopted when our employees are dealing with suppliers and service providers. Our Employee Handbook states our policies in avoiding conflict of interest and the whistle-blowing channels.

We are an equal opportunity employer. We embrace anti-discrimination practices that protect potential and existing employees from being disadvantaged or excluded on the basis of gender, age, family status, sexual orientation, disability, race or religion.

We strictly comply with local laws and regulations concerning health and safety at work.

* For identification purpose only

業務回顧(續)

合規情況

我們已訂立合規程序以確保遵從與本集團有關的相關法律及規例，包括但不限於香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)、公司條例、證券及期貨條例(「**證券及期貨條例**」)、放債人條例、中華人民共和國電信條例及互聯網信息服務管理辦法。其他司法權區的法律亦可能適用於我們於香港、中國及其他地區之香港境外業務。

在公司秘書部門的支援及協助下，董事會負責檢討及監察本集團有關遵守法律及監管規定的政策及常規。於必要時，本集團亦外聘法律顧問就業務交易之規則及法律提供意見。

據本公司所知悉，除本公司於公告及本年報所披露者外，其已遵守對本集團的業務及營運有重大影響之相關法律及法規。

與持份者的主要關係

僱員

本集團之薪酬政策及員工發展計劃載於本年報第10頁。

本集團實行全面機制以確保僱員與供應商及服務供應商交易時維持良好商業道德操守標準。僱員手冊列明避免利益衝突的政策及舉報方法。

我們是平等機會僱主。我們設有反歧視常規，保障潛在及現有僱員避免因性別、年齡、家庭狀況、性取向、殘疾、種族或宗教而受到不公平對待或排斥。

我們嚴格遵守有關工作健康及安全的本地法律及規例。

* 僅供識別

Business review (continued)

Key relationships with stakeholders (continued)

Customers

- (i) Trading and supply chain management services
Linmark Holdings Limited and its subsidiaries (the “**Linmark Group**”) are engaged in trading and supply chain management services. As a global supply chain management solutions provider and business partner, the Linmark Group offers diverse and comprehensive services to a wide range of customers including some of the world’s leading retailers, well known brands, wholesalers, mail order houses and department stores in North America, Europe, Australia and South Africa. The Group continues to strengthen ties with the customers and strives to meet their growing demand on price and service level by reaching out for new supply base and expanding into new product categories. To improve the customer service level, the Group has set a claim alert system to record and track the status of claims and complaints received from customers.
- (ii) Operation of online social platforms
Loovee Holdings Inc. (“**Loovee**”) and its subsidiaries (the “**Loovee Group**”) are principally engaged in gamified social, online entertainment and social advertising business, thereby providing various social and entertainment services to a number of individual users in the PRC. In future, we shall continue to enhance the user experiences, customer service capability and corresponding customer service for products, so as to meet the demand of our partners and customers. Meanwhile, we have also set up a user suggestion system, so that users can make suggestions and comments on our products at any time.

業務回顧 (續)

與持份者的主要關係 (續)

客戶

- (i) 貿易及供應鏈管理服務
Linmark Holdings Limited及其附屬公司(「**林麥集團**」)主要從事貿易及供應鏈管理服務。作為一家全球供應鏈管理解決方案供應商和商業夥伴，林麥集團為眾多客戶提供多元化及全方位服務，當中包括多個位於北美洲、歐洲、澳洲和南非的國際知名零售商、著名品牌、批發商、郵購公司和百貨公司。本集團繼續加強與客戶的聯繫並不斷擴大供應商基礎和開拓新產品類別，以滿足客戶對價格和服務水準日益增長的需求。為改善客戶服務水平，本集團訂立了索償警報系統，以記錄及追蹤客戶索償及投訴的狀況。
- (ii) 經營網上社交平台
Loovee Holdings Inc. (「**樂唯**」)及其附屬公司(「**樂唯集團**」)主要從事遊戲化社交、線上娛樂及社交廣告等業務，為中國國內許多個人用戶提供多元化的社交及娛樂服務，未來我們將繼續加強用戶體驗及客戶服務能力，做好相應的產品服務，以滿足合作夥伴及客戶的需求，同時我們也建立使用者意見建議系統，以便可以隨時針對產品提出建議和意見。

Business review (continued)

Key relationships with stakeholders (continued)

Suppliers

- (i) Trading and supply chain management services
Linmark Group operates an international sourcing network with a focus on emerging markets. Supplier management is the core of our supply chain business, all the suppliers have been evaluated by the Group based on their expertise, experience, production capabilities and other production factors, and are subject to constant performance review and evaluation by the Group to improve their quality and efficiency. In addition, the Group has developed an extensive Corporate Social Responsibility Compliance Manual and Vendor Code of Conduct, and has a complete quality assurance procedure in place for products produced by suppliers before shipping to customers.
- (ii) Operation of online social platforms
Loovee Group has established cooperation relationship with a number of partners in the PRC, including online application markets (e.g. 應用寶(Tencent App Center), 華為市場(Huawei App Store)), advertising partners, Internet Data Centre services companies, etc. We also regularly evaluate and review the capabilities of and relationships with our partners to increase the number of users or sales volume.

Property, plant and equipment

Details of movements in the Group's property, plant and equipment during the year ended 31 December 2019 are set out in Note 13 to the financial statements.

Share capital

Details of the share capital of the Company during the year ended 31 December 2019 are set out in Note 29 to the financial statements.

Reserves and distributable reserves

Movements in the reserves of the Group and the Company during the year ended 31 December 2019 are set out in the Consolidated Statement of Changes in Equity and Note 38 to the financial statements respectively.

The distributable reserves of the Company consisted of the aggregate of contributed surplus and accumulated losses. The Company had no reserve available for distribution to Shareholders as at 31 December 2019 (31 December 2018: Nil).

業務回顧(續)

與持份者的主要關係(續)

供應商

- (i) 貿易及供應鏈管理服務
林麥集團擁有國際性採購網路並著重於新興市場。由於供應商管理為我們供應鏈業務的核心，所有供應商皆通過由本集團根據其專業知識，經驗，生產能力等生產要素進行的評估並會定期接受本集團對其表現之審查及評估，以提高他們的質量和效益。此外，本集團已制定詳盡的企業社會責任手冊及供應商行為守則及已訂立完整品質保證程序，於付運供應商生產的產品予客戶前檢驗產品。
- (ii) 經營網上社交平台
樂唯集團在中國有眾多合作夥伴，包括線上應用市場(如應用寶、華為市場)、廣告合作夥伴、互聯網數據中心服務公司等等建立合作，我們也會定期評估和審查合作夥伴能力及與合作夥伴之關係，以增加使用者規模或銷售規模。

物業、廠房及設備

本集團之物業、廠房及設備於截至二零一九年十二月三十一日止年度之變動詳情載於財務報表附註13。

股本

本公司於截至二零一九年十二月三十一日止年度之股本詳情載於財務報表附註29。

儲備及可供分派儲備

本集團及本公司儲備於截至二零一九年十二月三十一日止年度之變動詳情分別載於綜合權益變動表及財務報表附註38。

本公司之可供分派儲備包括實繳盈餘及累計虧損之總和。於二零一九年十二月三十一日，本公司並無可供分派予股東之儲備(二零一八年十二月三十一日：無)。

Directors

The Directors who held office in the Company during the year ended 31 December 2019 and up to the date of this annual report are:

Non-executive Director

ZHOU Xijian

Executive Directors

WONG Hing Lin, Dennis

HO Chi Kin (resigned with effect from 31 March 2020)

LONG Liping (appointed on 16 April 2019)

YU Lei (resigned with effect from 1 January 2019)

Independent Non-executive Directors

WANG Arthur Minshiang

LAU Shu Yan

ZHANG Huijun

Pursuant to the annual written confirmations, all independent non-executive Directors have confirmed their independence to the Company pursuant to the Listing Rules and the Company considers them to be independent in accordance with Rule 3.13 of the Listing Rules.

Mr. YU Lei, resigned as Director due to his decision to devote more time to his other business commitments. Mr. YU Lei confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention to the Shareholders and the Stock Exchange in relation to his resignation.

Mr. HO Chi Kin ("Mr. Ho") resigned as an executive Director, a member of the Executive Committee and the chief financial officer of the Company with effect from 31 March 2020. Mr. Ho resigned in order to devote more time to his other business commitments. Mr. Ho has confirmed to the Board that he has no disagreement with the Board and there is no other matter relating to his resignation that needs to be brought to the attention of the Shareholders.

Mr. WONG Hing Lin, Dennis, Mr. WANG Arthur Minshiang and Mr. LAU Shu Yan, in accordance with Bye-laws 87(1) and 87(2) of the Bye-laws, will retire at the forthcoming AGM to be held on 28 May 2020 and, being eligible, offer themselves for re-election.

董事

於截至二零一九年十二月三十一日止年度及截至本年報日期止在本公司任職之董事如下：

非執行董事

周希儉

執行董事

黃慶年

何致堅(自二零二零年三月三十一日起辭任)

龍利平(於二零一九年四月十六日獲委任)

余磊(自二零一九年一月一日起辭任)

獨立非執行董事

王敏祥

劉樹人

張會軍

根據年度確認書，全體獨立非執行董事已根據上市規則確認彼等於本公司之獨立性，而本公司根據上市規則第3.13條認為彼等屬獨立人士。

余磊先生因其決定投放更多時間從事其他事務而辭任其董事職務。余磊先生已確認，彼與董事會並無任何分歧，亦無任何與其辭任有關之事項須敦促股東及聯交所垂注。

何致堅先生(「何先生」)已辭任本公司執行董事、執行委員會成員及財務總監，自二零二零年三月三十一日起生效。何先生因其投放更多時間從事其他事務而辭任。何先生已向董事會確認，彼與董事會並無任何分歧，亦無任何其他與其辭任有關之事項須敦促股東垂注。

黃慶年先生、王敏祥先生及劉樹人先生將根據公司細則第87(1)及87(2)條於擬於二零二零年五月二十八日召開之應屆股東週年大會上退任，彼等均符合資格並願膺選連任。

Directors' service contracts

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

Directors' interests in transaction, arrangement or contracts

Details of the connected transaction and significant related party transactions are disclosed in this annual report and in Note 33 to the financial statements.

Save as disclosed above, no other transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries was a party to which a director of the Company or an entity connected with a director had a material interest, whether directly or indirectly, subsisted as at 31 December 2019 or at any time during the year ended 31 December 2019.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into during the year ended 31 December 2019.

Permitted indemnity

Pursuant to the Bye-laws, every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may incur or sustain in or about the execution of the duties in his/her office or otherwise in relation thereto. The Company has maintained appropriate directors and officers liability insurance coverage for the Directors and officers of the Group.

董事服務合約

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立任何不可於一年內不作賠償(法定賠償除外)而終止之服務合約。

董事於交易、安排或合約之權益

關連交易及重大有關連人士交易之詳情於本年報及財務報表附註33內披露。

除上文所披露者外，於二零一九年十二月三十一日或於截至二零一九年十二月三十一日止年度任何時間概無存在本公司或其任何附屬公司參與訂立而本公司之董事或與董事有關連之實體於當中直接或間接擁有重大權益之其他重大交易、安排或合約。

管理合約

本公司於截至二零一九年十二月三十一日止年度概無訂立任何與本公司全部或大部分業務的管理及行政有關的合約。

獲准彌償

根據公司細則，本公司每名董事或其他高級職員均有權就彼於執行職務或就此有關而可能招致或遭受的所有虧損或負債透過本公司資產獲得彌償。本公司已為本集團董事及高級職員安排適當的董事及高級職員責任保險。

Directors' interests in shares, underlying shares and debentures of the Company and its associated corporations

Save as disclosed below, as at 31 December 2019, none of the Directors or chief executive of the Company and their respective close associates (as defined in the Listing Rules) had, or was deemed to have, any interests in the long or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (Cap. 571, Laws of Hong Kong)) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Directors or chief executives of the Company is taken or deemed to have under such provisions of the SFO); or was recorded in the register required to be kept by the Company under section 352 of the SFO; or was required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), to be notified to the Company and the Stock Exchange or otherwise known by the Directors.

董事於本公司及其相聯法團之股份、相關股份及債券中之權益

除下文所披露者外，於二零一九年十二月三十一日，概無本公司之董事或行政總裁，以及彼等各自之緊密聯繫人（定義見上市規則）於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例第XV部）之股份、相關股份及債券中擁有或被視為擁有之好倉或淡倉之權益而須根據證券及期貨條例第XV部第7及8分部規定知會本公司及聯交所（包括本公司之任何有關董事或行政總裁根據證券及期貨條例之有關規定被當作或被視為擁有之權益及淡倉）；或須記入本公司根據證券及期貨條例第352條存置之登記冊，或根據上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所，或以其他方式為董事知悉。

Directors' interests in shares, underlying shares and debentures of the Company and its associated corporations (continued)

Interests and short positions in the shares of the Company and its associated corporations

董事於本公司及其相聯法團之股份、相關股份及債券中之權益(續)

於本公司及其相聯法團之股份中之權益及淡倉

Name of Directors	Capacity	Number of Ordinary Shares held	Approximate percentage in the issued share capital (Note 2)
董事姓名	身份	持有普通股股份數目	佔已發行股本概約百分比(附註2)
Long positions in the shares of the Company 於本公司股份之好倉			
ZHOU Xijian 周希儉	Interest of controlled corporations (Note 1) 受控制法團之權益(附註1)	664,121,427	43.99%
WONG Hing Lin, Dennis 黃慶年	Beneficial owner 實益擁有人	3,750,000	0.25%
WANG Arthur Minshiang 王敏祥	Beneficial owner 實益擁有人	390,000	0.03%
Long position in the share of associated corporation — Daohe Global Investment Holding Limited (“Daohe Global Investment”) (Note 1) 於相聯法團股份之好倉 — 道和環球投資控股有限公司(「道和環球投資」)(附註1)			
ZHOU Xijian 周希儉	Beneficial owner 實益擁有人	8,000	80%

Notes:

(1) Of these shares of the Company (the “Share”), (i) Sino Remittance Holding Limited (“Sino Remittance”) owned 512,250,000 Shares, (ii) Fame City Developments Limited (“Fame City”) owned 59,690,535 Shares, (iii) Oceanic Force Limited (“Oceanic Force”) owned 92,042,892 Shares and (iv) Winning Port International Limited (“Winning Port”) owned 138,000 Shares. Sino Remittance, Fame City, Oceanic Force and Winning Port are wholly-owned subsidiaries of Daohe Global Investment, which is in turn held by Mr. ZHOU Xijian (a non-executive Director) and Mr. ZHANG Qi (a former Director), as to 80% and 20% respectively. As such, Mr. ZHOU Xijian was deemed to be interested in the shares of the Company in which Sino Remittance, Fame City, Oceanic Force and Winning Port were interested by virtue of the provisions of Part XV of the SFO.

(2) Calculated on the basis of 1,509,592,701 Shares in issue as at 31 December 2019.

附註：

(1) 於該等本公司股份(「股份」)中，(i)華匯控股有限公司(「華匯」)擁有512,250,000股，(ii)Fame City Developments Limited(「Fame City」)擁有59,690,535股股份，(iii)Oceanic Force Limited(「Oceanic Force」)擁有92,042,892股股份，及(iv)Winning Port International Limited(「Winning Port」)擁有138,000股股份。華匯、Fame City、Oceanic Force及Winning Port為道和環球投資之全資附屬公司，而道和環球投資由周希儉先生(非執行董事)及張琦先生(前董事)分別持有80%及20%權益。因此，根據證券及期貨條例第XV部之條文，周希儉先生被視為擁有華匯、Fame City、Oceanic Force及Winning Port所持有之本公司股份權益。

(2) 按於二零一九年十二月三十一日之已發行股份1,509,592,701股股份計算。

Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

As at 31 December 2019, save as disclosed below, the Directors were not aware of any person (other than the Directors or chief executives of the Company) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

主要股東於本公司股份及相關股份中之權益及淡倉

除下文所披露者外，於二零一九年十二月三十一日，董事並不知悉有任何人士（本公司董事或行政總裁除外）在股份或相關股份中，擁有根據證券及期貨條例第336條規定本公司須存置的登記冊所記錄，根據證券及期貨條例第XV部第2及第3分部的條文須向本公司披露的任何權益或淡倉，或直接或間接擁有附帶權利可於任何情況下於本集團任何成員公司的股東大會上投票的任何類別股本面值5%或以上權益：

Long positions in the shares of the Company

於本公司股份之好倉

Name of substantial Shareholders	Capacity	Number of Ordinary Shares held	Approximate percentage in the issued share capital of the Company (Note 3) 佔本公司已發行股本概約百分比 (附註3)
主要股東名稱	身份	持有普通股股份數目	
Sino Remittance 華匯	Beneficial owner (Note 1) 實益擁有人(附註1)	512,250,000	33.93%
Oceanic Force	Beneficial owner (Note 1) 實益擁有人(附註1)	92,042,892	6.10%
Daohe Global Investment 道和環球投資	Interest of controlled corporations (Note 1) 受控制法團之權益(附註1)	664,121,427	43.99%
Leqian Investment Limited	Beneficial owner (Note 2) 實益擁有人(附註2)	178,875,000	11.85%
ZHOU Congwei 周聰偉	Interest of controlled corporation (Note 2) 受控制法團之權益(附註2)	178,875,000	11.85%
TSANG Chun Ho, Anthony 曾俊豪	Beneficial owner 實益擁有人	77,625,000	5.14%

Interests and short positions of substantial shareholders in the shares and underlying shares of the Company (continued)

Notes:

- (1) Of these Shares, (i) Sino Remittance owned 512,250,000 Shares, (ii) Fame City owned 59,690,535 Shares, (iii) Oceanic Force owned 92,042,892 Shares and (iv) Winning Port owned 138,000 Shares. Sino Remittance, Fame City, Oceanic Force and Winning Port are wholly-owned subsidiaries of Daohe Global Investment. As such, Daohe Global Investment was deemed to be interested in the shares of the Company in which Sino Remittance, Fame City, Oceanic Force and Winning Port were interested by virtue of the provisions of Part XV of the SFO.
- (2) Mr. ZHOU Congwei was deemed interested in the Shares held by Leqian Investment Limited, a company wholly-owned by Mr. ZHOU Congwei, by virtue of the provisions of Part XV of the SFO.
- (3) Calculated on the basis of 1,509,592,701 shares in issue as at 31 December 2019.

Directors' rights to acquire shares or debentures

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

Equity-linked agreements

Other than the share option scheme of the Company as disclosed below, no equity-linked agreements that have, will or may result in the Company issuing shares or that require the Company to enter into any agreements that have, will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2019 or subsisted as at 31 December 2019.

主要股東於本公司股份及相關股份中之權益及淡倉 (續)

附註：

- (1) 於此等股份中，(i) 華匯擁有 512,250,000 股股份，(ii) Fame City 擁有 59,690,535 股股份，(iii) Oceanic Force 擁有 92,042,892 股股份，及 (iv) Winning Port 擁有 138,000 股股份。華匯、Fame City、Oceanic Force 及 Winning Port 為道和環球投資之全資附屬公司。因此，根據證券及期貨條例第 XV 部之條文，道和環球投資被視為擁有華匯、Fame City、Oceanic Force 及 Winning Port 所持有之本公司股份權益。
- (2) 根據證券及期貨條例第 XV 部之條文，周聰偉先生被視為擁有彼全資擁有之公司 Leqian Investment Limited 所持股份權益。
- (3) 按於二零一九年十二月三十一日之已發行股份 1,509,592,701 股股份計算。

董事購買股份或債券之權利

除本年報所披露者外，於本年度內任何時間，本公司或其任何附屬公司概無參與訂立任何安排以使本公司董事（包括彼等配偶及未滿 18 歲的子女）可藉購入本公司或任何其他法團之股份或債券而獲取利益。

股票掛鈎協議

除下文所披露之本公司購股權計劃外，本公司於截至二零一九年十二月三十一日止年度概無訂立或於二零一九年十二月三十一日概無存在任何股票掛鈎協議，而該協議已經、將會或可能會導致本公司發行股份，或規定本公司訂立已經、將會或可能會導致本公司發行股份的任何協議。

Share options and share option scheme

The Company adopted a share option scheme (the “**2011 Share Option Scheme**”) pursuant to an ordinary resolution passed at the AGM on 29 August 2011. The 2011 Share Option Scheme will remain in force for a period of 10 years up to 2021. Under the 2011 Share Option Scheme, the Board or a committee thereof may grant options (the “**Share Options**”) to eligible persons to subscribe for Shares at a price per share of at least the higher of (i) the closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange on the date of the offer of the relevant option; and (ii) the average closing price of the shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer, provided that the exercise price shall in no event be less than the nominal amount of one share. Written acceptance is required on acceptance of the grant of options. The maximum number of shares which may be issued upon the exercise of all outstanding options granted under the 2011 Share Option Scheme and any other scheme to be adopted by the Company from time to time must not in aggregate exceed 30% of the share capital of the Company in issue from time to time. The Company has no legal or constructive obligation to repurchase or settle the Share Options in cash.

Details of the 2011 Share Option Scheme are as follows:

1. Purpose

The primary purpose of the 2011 Share Option Scheme is to provide incentives or rewards to eligible persons for their contribution or potential contribution to the Group.

購股權及購股權計劃

本公司已根據於二零一一年八月二十九日在股東週年大會上通過之一項普通決議案採納購股權計劃(「**二零一一年購股權計劃**」)。二零一一年購股權計劃將一直有效至二零二一年止，為期10年。根據二零一一年購股權計劃，董事會或董事委員會可將購股權(「**購股權**」)授予合資格人士以認購股份，每股認購價至少為(i)聯交所發佈之每日報價表所列股份於有關購股權批授日期當日之收市價；及(ii)聯交所發佈之每日報價表所列股份於緊接批授日期前五個營業日之平均收市價(以較高者為準)，惟行使價無論如何不得低於一股股份之面值。合資格人士於接納購股權時須提供書面接納。根據二零一一年購股權計劃及本公司不時將予採納之任何其他計劃已授出但尚未行使其所有購股權獲行使時可發行之股份總數上限，合共不得超過本公司不時已發行股本之30%。本公司並無法定或推定責任以現金購回或償付購股權。

二零一一年購股權計劃之詳情如下：

1. 目的

二零一一年購股權計劃的主要目的是獎勵或酬謝曾經或將會對本集團作出貢獻之合資格人士。

Share options and share option scheme (continued)

2. Eligible persons

The eligible persons under the 2011 Share Option Scheme include:

- (i) any Director or proposed Director (whether executive or non-executive, including any independent non-executive Director), employee or proposed employee (whether full time or part time) of, or any individual for the time being seconded to work for, any member of the Group or any controlling shareholder of the Company or any company controlled by a controlling shareholder of the Company; or
- (ii) any holder of any securities issued by any member of the Group or any controlling shareholder of the Company or any company controlled by a controlling shareholder of the Company; or
- (iii) any business partner, agent, consultant or representative of, or any person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to, or any supplier of goods or services to, or any customer of, any member of the Group or any controlling shareholder of the Company or any company controlled by a controlling shareholder of the Company.

購股權及購股權計劃 (續)

2. 合資格人士

二零一一年購股權計劃下之合資格人士包括：

- (i) 本集團任何成員公司或本公司任何控股股東或本公司控股股東控制之任何公司之任何董事或候任董事(不論為執行或非執行董事，包括任何獨立非執行董事)、僱員或擬聘僱員(不論全職或兼職)或任何當時獲借調為其工作之人士；或
- (ii) 本集團任何成員公司或本公司任何控股股東或由本公司控股股東控制之任何公司發行之任何證券之任何持有人；或
- (iii) 本集團任何成員公司或本公司任何控股股東或由本公司控股股東控制之任何公司之任何業務伙伴、代理、顧問或代表或任何向其提供研究、開發或其他技術支援或任何諮詢、顧問、專業或其他服務之人士或企業、任何貨品或服務供應商或任何客戶。

Share options and share option scheme (continued)

3. Total number of shares available for issue

The initial total number of shares in respect of which options may be granted under the 2011 Share Option Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of approval of the 2011 Share Option Scheme (i.e. 102,460,389 shares after the adjustment for the effect of the share consolidation and the share subdivision in September 2016 and August 2017 respectively). As at 31 December 2019, the total number of shares available for issue under the 2011 Share Option Scheme (save for those granted but not yet exercised) is 87,460,389 (2018: 87,460,389), representing approximately 5.79% (2018: 5.79%) of the Company's issued share capital as at the date of this annual report.

Subject to the approval by the Shareholders, the aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2011 Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the Company's shares in issue from time to time.

4. Maximum entitlement for each eligible person

The maximum number of shares issued and to be issued upon exercise of the options granted under the 2011 Share Option Scheme and any other share option schemes of the Company to any eligible persons (including those cancelled, exercised and outstanding options), in any 12-month period up to the date of the latest grant shall not exceed 1% of the Company's shares in issue. Any further grant of options in excess of such limit must be separately approved by the Shareholders in a general meeting.

Options granted to the independent non-executive Directors or substantial Shareholders of the Company or any of their respective associates in excess of 0.1% of the Company's shares in issue and with an aggregate value in excess of HK\$5 million resulting in the total number of shares issued and to be issued upon exercise of options already granted and to be granted to such person under the 2011 Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant of such option must be approved in advance by the Shareholders.

購股權及購股權計劃(續)

3. 可供發行股份總數

根據二零一一年購股權計劃可授出之購股權初步涉及之股份總數，不得超逾二零一一年購股權計劃批准當日本公司已發行股份之10%（即102,460,389股，已就二零一六年九月股份合併及二零一七年八月股份拆細之影響作出調整）。於二零一九年十二月三十一日，根據二零一一年購股權計劃可供發行的股份總數（不包括已授出但未行使者）為87,460,389股（二零一八年：87,460,389股），佔本公司於本年報日期已發行股本約5.79%（二零一八年：5.79%）。

在股東批准之規限下，根據二零一一年購股權計劃及本公司任何其他購股權計劃已授出但尚未行使之所有購股權獲行使時本公司可發行之股份總數，不得超逾本公司不時已發行股份之30%。

4. 每名合資格人士可獲授最高股數

根據二零一一年購股權計劃及本公司任何其他購股權計劃授予任何合資格人士之購股權（包括已註銷、已行使及尚未行使者）獲行使當時已發行及將予發行之股份總數，於截至最近授出購股權該日止任何十二個月期間，不得超逾本公司已發行股份之1%。凡再授出超越該上限之購股權，須另行徵求股東於股東大會上之個別批准。

倘若向本公司獨立非執行董事或主要股東或任何彼等各自之聯繫人士授出購股權，導致截至及包括授出該購股權日期之任何十二個月期間，因行使根據二零一一年購股權計劃及本公司任何其他購股權計劃已授予及將授予該人士之購股權（包括已行使、已註銷及尚未行使者）而已發行及將予發行之股份總數，超逾本公司已發行股份之0.1%及總價值超逾5,000,000港元，則必須事先獲得股東批准。

Share options and share option scheme (continued)

5. Time of exercise of options

Options may be exercised at any time commencing on the date as the Board may determine and ending on such date as the Board may determine but shall not exceed 10 years from the date of grant (which is the date of offer of grant if the offer for the grant of the option is accepted).

6. Minimum holding period of the option before it can be exercised

The 2011 Share Option Scheme does not specify any minimum holding period but the Board has the authority to determine the minimum period for which a share option in respect of some or all of the shares forming the subject of the share options must be held before it can be exercised.

7. Acceptance and payment on acceptance

Offer for the grant of options must be accepted within 30 days inclusive of the day on which such offer was made. No consideration is required to be paid by the grantee of an option to the Company on acceptance of the offer for the grant of an option.

8. Exercise Price

The exercise price is determined by the Board, and will not be less than the higher of the closing price of the Shares on the date of offer of grant and the average closing price of the Shares for the five business days immediately preceding the date of offer of grant.

9. Remaining life of the 2011 Share Option Scheme

Subject to the earlier termination of the 2011 Share Option Scheme in accordance with the rules governing the 2011 Share Option Scheme, the 2011 Share Option Scheme will expire on 29 August 2021.

No share options were granted, outstanding, lapsed, cancelled or exercised at any time during the year ended 31 December 2019.

購股權及購股權計劃(續)

5. 行使購股權之時間

購股權可由董事會決定之起始日至董事會釐定的結束日期內隨時行使，惟結束日期不可超逾授出日期(即倘授出購股權要約獲接納，則為要約授出日期)後十年之日期為限。

6. 購股權行使前最短須持有之期限

二零一一年購股權計劃並無指明任何最短持有期限，但董事會有權決定組成購股權的若干或全部股份的購股權在行使前必須持有之最短期限。

7. 接納及於接納時付款

授出購股權之要約必須在提出該等要約當日起三十日內(包括當日)予以接納。購股權承授人於接納授出購股權之要約時，毋須支付任何代價予本公司。

8. 行使價

行使價由董事會釐定，其將不會低於股份於要約授出日期之收市價及股份於緊接要約授出日期前五個營業日之平均收市價(兩者以較高者為準)。

9. 二零一一年購股權計劃之尚餘期限

除非因根據二零一一年購股權計劃之規則而須提早終止二零一一年購股權計劃，否則二零一一年購股權計劃將於二零二一年八月二十九日屆滿。

於截至二零一九年十二月三十一日止年度，概無授出任何購股權或於任何時間有購股權尚未行使、已失效、註銷或已行使。

Connected Transaction

Save as disclosed in Note 33 to the financial statements, there was no connected transaction or continuing connected transaction undertaken by the Company during the year ended 31 December 2019 and up to the date of this annual report which was required to be disclosed pursuant to Chapter 14A of the Listing Rules.

Related party transactions

Details of the significant related party transactions undertaken during the year ended 31 December 2019 are disclosed in Note 33 to the financial statements.

For those related party transactions that constituted connected transactions or continuing connected transactions (as the case may be) under the Listing Rules, these transactions are exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Contractual arrangements

Loovee through Loovee Science and Technology Development Co., Ltd.* (深圳市樂唯科技開發有限公司) (the "OPCO") and its subsidiaries (the "OPCO Group"), is principally engaged in the development and operation of online social platforms. The OPCO is a limited liability company established under the laws of the PRC and is owned as to 80% by Mr. LI Feng* (李鋒) and 20% by Mr. LIAO Guoxin* (廖國新), equity owners of the OPCO nominated by the Company (the "VIE Equity Owners").

On 24 April 2017, Loovee Science and Technology (Shenzhen) Co., Ltd.* (樂唯科技(深圳)有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of Loovee (the "WFOE"), the OPCO and the VIE Equity Owners entered into certain structured contracts namely, the Exclusive Technology Consulting and Services Agreement, the Business Operation Agreement, the Exclusive Call Option Agreement, the Equity Interest Pledge Agreements, the Powers of Attorney, the Commitment Letters and the Spousal Consent Letters (collectively, the "VIE Contracts") to enable the financial results, the entire economic benefits and the risks of the business of the OPCO Group to flow onto the WFOE and to enable the WFOE to gain control over the OPCO Group (the "Contractual Arrangements").

* For identification purpose only

關連交易

除財務報表附註33所披露者外，於截至二零一九年十二月三十一日止年度直至本年報日期，本公司並無進行根據上市規則第14A章須予披露之關連交易或持續關連交易。

有關聯人士交易

於截至二零一九年十二月三十一日止年度進行之重大有關連人士交易詳情於財務報表附註33內披露。

就根據上市規則構成關連交易或持續關連交易(視情況而定)之有關連人士交易而言，該等交易獲豁免遵守上市規則第14A章之申報、年度審閱、公佈及獨立股東批准規定。

合約安排

樂唯透過深圳市樂唯科技開發有限公司(「OPCO」)及其附屬公司(「OPCO集團」)主要從事開發及經營網上社交平台。OPCO為根據中國法律成立之有限公司，由本公司提名之OPCO股權擁有人李鋒先生、廖國新先生(「VIE股權擁有人」)分別擁有80%及20%權益。

於二零一七年四月二十四日，樂唯科技(深圳)有限公司(一間根據中國法律成立之公司，為樂唯之間接全資附屬公司)(「WFOE」、OPCO與VIE股權擁有人訂立若干結構性合約，即獨家技術諮詢服務協議、業務經營協議、獨家購買權協議、股權質押協議、授權委託書、承諾函及配偶承諾函(統稱「VIE合約」)，致使OPCO集團業務之財務業績、全部經濟利益及風險流入WFOE，並讓WFOE取得對OPCO集團之控制權(「合約安排」)。

* 僅供識別

Contractual arrangements (continued) Financial contribution of the OPCO Group to the Group

The aggregate revenues of the OPCO Group that were attributable to the Group through VIE Contracts amounted to approximately US\$30,344,000 for the year ended 31 December 2019 (2018: approximately US\$43,545,000). As at 31 December 2019, the net assets attributable to the OPCO Group were approximately US\$8,384,000 (2018: approximately US\$9,265,000).

Reasons for the Contractual Arrangements

According to The Guidance Catalogue of Industries for Foreign Investment (2017 Amended)* (《外商投資產業指導目錄(2017年修訂)》) (the “**Catalogue**”) and the Negative List (2019)* (《外商投資准入特別管理措施(負面清單)(2019年版)》) (the “**Negative List**”) which with effect from 30 July 2019, value-added telecommunications service business is restricted for foreign investors and foreign ownership in such business (except e-commerce) cannot exceed 50%, and in particular, internet cultural business (except for music) is prohibited for foreign investors.

The OPCO Group is principally engaged in the development and operation of online social platforms which is considered to be engaged in the provision of value-added telecommunications services and the internet cultural business, a restricted and prohibited business respectively for foreign investors pursuant to the Catalogue. As the Group does not possess the required qualifications, Loozee cannot directly or indirectly hold the equity interest in the OPCO as a foreign investor.

In order to comply with the applicable PRC laws and regulations including the Catalogue/Negative List, the WFOE, the OPCO and the VIE Equity Owners entered into the VIE Contracts to enable the financial results, the entire economic benefits and the risks of the business of the OPCO Group to flow onto the WFOE and to enable the WFOE to gain control over the OPCO Group.

合約安排(續) OPCO集團對本集團之財務貢獻

截至二零一九年十二月三十一日止年度，本集團透過VIE合約應佔OPCO集團之總收益約為30,344,000美元(二零一八年：約43,545,000美元)。於二零一九年十二月三十一日，OPCO集團應佔資產淨值約為8,384,000美元(二零一八年：約9,265,000美元)。

訂立合約安排之原因

根據《外商投資產業指導目錄(2017年修訂)》(「目錄」)及自二零一九年七月三十日生效的《外商投資准入特別管理措施(負面清單)(2019年版)》(「負面清單」)，外國投資者從事增值電信服務業務受到限制，外商於有關業務(電子商貿除外)之擁有權不得超過50%，尤其是，外國投資者被禁止從事網絡文化業務(音樂除外)。

OPCO集團主要從事開發及經營網上社交平台，故被視為從事提供增值電信服務及網絡文化業務，而有關業務根據目錄分別屬外國投資者受限制及禁止從事之業務。由於本集團並不具備所需資格，因此樂唯作為外國投資者不可直接或間接持有OPCO之股權。

為遵守中國適用法律及法規(包括目錄/負面清單)，WFOE、OPCO與VIE股權擁有人已訂立VIE合約，致使OPCO集團業務之財務業績、全部經濟利益及風險流入WFOE，並讓WFOE取得對OPCO集團之控制權。

Contractual arrangements (continued)
Summary of the major terms of the VIE Contracts

The following sets out the principal terms of the VIE Contracts, which were in place since 1 June 2017:

1. The Exclusive Technology Consulting and Services Agreement was entered into between the WFOE and the OPCO for an initial term of 10 years from the date of execution (which may be extended at the sole discretion of the WFOE), pursuant to which the WFOE has the exclusive rights to provide the OPCO with consulting services at a service fee that is equal to 100% of the net profit of the OPCO after deducting taxes, costs and expenses incurred during the course of business.
2. The Business Operation Agreement was entered into between the WFOE, the OPCO and VIE Equity Owners for an initial term of 10 years from the date of execution (which may be extended at the sole discretion of the WFOE) pursuant to which the VIE Equity Owners agreed that, without the prior written consent from the WFOE, the OPCO would not enter into any transaction or perform any act that could materially affect its assets, businesses, personnels, undertakings, rights or operations. The VIE Equity Owners also agreed (i) to vote for or appoint nominees designated by the WFOE to serve as the directors, chairman, general managers, financial controllers and other senior managers of the OPCO; (ii) to accept and implement proposals set forth by the WFOE regarding employment, day-to-day business operations and financial management; and (iii) to unconditionally transfer any dividend or other interest declared by the OPCO to the WFOE.

合約安排 (續)
VIE 合約之主要條款概要

以下載列自二零一七年六月一日起生效之 VIE 合約之主要條款：

1. WFOE 與 OPCO 訂立之獨家技術諮詢服務協議，由簽立日期起計初步為期 10 年，並可由 WFOE 全權酌情延長，據此，WFOE 擁有獨家權向 OPCO 提供諮詢服務，服務費用相等於 OPCO 扣除業務過程中所產生稅項、成本及開支後之全部純利。
2. WFOE、OPCO 與 VIE 股權擁有人已訂立業務經營協議，由簽立日期起計初步為期 10 年，並可由 WFOE 全權酌情延長，據此，VIE 股權擁有人同意，在未經 WFOE 事先書面同意下，OPCO 不會進行任何交易或作出任何行動，從而對其資產、業務、人員、義務、權利或營運造成實質影響。VIE 股權擁有人亦同意 (i) 投票支持或委任由 WFOE 指定之代名人出任 OPCO 之董事、主席、總經理、財務主管及其他高級經理；(ii) 接納及實行 WFOE 在委聘、日常業務經營及財務管理方面訂明之建議；及 (iii) 向 WFOE 無條件轉讓 OPCO 宣派之任何股息或其他權益。

Contractual arrangements (continued)
Summary of the major terms of the VIE Contracts
(continued)

3. The Exclusive Call Option Agreement was entered into by the WFOE, the OPCO and the VIE Equity Owners which shall remain effective until all the equity interests in the OPCO held by the VIE Equity Owners are transferred or assigned to the WFOE or its designated party. Pursuant to the Exclusive Call Option Agreement, the VIE Equity Owners unconditionally and irrevocably granted the WFOE an irrevocable and exclusive option to purchase or designate one or more persons to purchase, to the extent permitted under the relevant PRC laws and regulations, all or part of their equity interests in the OPCO at the total purchase price of RMB10,000 for 100% of the equity interests, or 1% of the evaluation price or the minimum price permitted by the then applicable PRC laws (if evaluation is required).

The OPCO also granted the WFOE an irrevocable and exclusive option to purchase or designate another party to purchase, to the extent permitted under the relevant PRC laws and regulations, any or all of the assets owned by the OPCO (including its equity interest in Leyi Science and Technology Co. Ltd.* (深圳市樂宜科技有限公司)) at the lower of (i) the book value; and (ii) the minimum price permitted by the then applicable PRC laws.

合約安排 (續)
VIE 合約之主要條款概要 (續)

3. WFOE、OPCO 與 VIE 股權擁有人已訂立獨家購買權協議，有關協議將一直生效，直至 VIE 股權擁有人持有之全部 OPCO 股權轉讓或分配予 WFOE 或其指定人士為止。根據獨家購買權協議，VIE 股權擁有人無條件及不可撤回地向 WFOE 授出不可撤回獨家認購權，以在中國相關法律及法規許可下購買或指定一名或以上人士購買 OPCO 全部或部分股權，全部股權之總購買價須為人民幣 10,000 元，或（倘須評估）評估價之 1% 或屆時適用中國法律許可之最低價格。

OPCO 亦向 WFOE 授出不可撤回獨家認購權，以在中國相關法律及法規許可下購買或指定其他人士購買 OPCO 擁有之任何或全部資產（包括其於深圳市樂宜科技有限公司之股權），購買價為以下兩者之較低者：(i) 賬面值；及 (ii) 屆時適用中國法律許可之最低價格。

* For identification purpose only

* 僅供識別

Contractual arrangements (continued)
Summary of the major terms of the VIE Contracts
(continued)

4. The Equity Interest Pledge Agreement was entered into by the WFOE (as pledgee) and the VIE Equity Owners (as pledgers) which was effective on the date when the pledge of the equity interests in the OPCO was registered on the register of members of the OPCO and shall remain binding until the VIE Equity Owners discharge all their obligations under the Contractual Arrangements or termination of the VIE Contracts (other than the Equity Interest Pledge Agreement).

Pursuant to the Equity Interest Pledge Agreement, the VIE Equity Owners agreed to pledge all of their equity interests in the OPCO (including any equity interest subsequently acquired or subscribed) to the WFOE to guarantee the performance by the OPCO and the VIE Equity Owners of their respective obligations under the Contractual Arrangements.

5. The Powers of Attorney were entered into by the VIE Equity Owners for an initial term of 10 years from the date of execution (which may be extended at the discretion of WFOE). Pursuant to the Powers of Attorney, each of the VIE Equity Owners irrevocably appointed the WFOE as their attorney-in-fact to act for all matters pertaining to the OPCO and to exercise all of their rights as shareholders of the OPCO.

合約安排 (續)
VIE 合約之主要條款概要 (續)

4. WFOE (作為質權人) 與 VIE 股權擁有人 (作為出質人) 訂立之股權質押協議，有關協議將於 OPCO 股權質押記載於 OPCO 股東名冊當日生效，並於 VIE 股權擁有人解除其於合約安排項下所有責任或終止 VIE 合約 (除股權質押協議外) 前一直具約束力。

根據股權質押協議，VIE 股權擁有人同意向 WFOE 質押其於 OPCO 之全部股權 (包括其後收購或認購之任何股權)，以擔保 OPCO 及 VIE 股權擁有人履行彼等各自於合約安排項下之責任。

5. VIE 股權擁有人訂立之授權委託書，由簽立日期起計初步為期 10 年，並可由 WFOE 酌情延長。根據授權委託書，各 VIE 股權擁有人不可撤回地委任 WFOE 為彼等之實際授權代表，就與 OPCO 有關之所有事宜行事，並以 OPCO 股東身分行使彼等所有權利。

Contractual arrangements (continued)
Summary of the major terms of the VIE Contracts
(continued)

6. The Commitment Letters were entered into by the VIE Equity Owners pursuant to which the VIE Equity Owners irrevocably undertook that:

- (i) for whatever reason the equity interests in the OPCO are transferred or inherited to other person(s) (including but not limited to bankruptcy, divorce or death of the VIE Equity Owners), such transferee(s) or successor(s) shall be legally bound by the VIE Contracts (as appropriate) and such transfer or inheritance or other relevant arrangement shall not contravene the VIE Contracts unless with the prior written consent from the WFOE;
- (ii) all the equity interests held in the OPCO shall not form part of their matrimonial property and all decisions made by them in the OPCO shall not be affected by their spouses;
- (iii) they shall not, whether directly or indirectly through any other person or entity, participate in, carry out, acquire or hold any interest in any business which is or may be in competition with the OPCO or its related companies, and shall not do anything which gives rise to any conflict of interest between them and the WFOE;
- (iv) they shall transfer any assets of the OPCO obtained as a result of the liquidation of the OPCO to the WFOE at nil consideration or the lowest price permitted by the applicable laws; and
- (v) they shall unconditionally return any proceeds received as a result of the exercise of the option under the Exclusive Call Option Agreement to the WFOE or its designated party.

合約安排 (續)
VIE 合約之主要條款概要 (續)

6. VIE 股權擁有人訂立之承諾函，據此，VIE 股權擁有人不可撤回地承諾：

- (i) 除非獲得 WFOE 事先書面同意，無論任何原因 (包括但不限於 VIE 股權擁有人破產、離婚或身故)，倘 OPCO 股權轉讓予或由其他人士承繼，有關承讓人或承繼人將受到 VIE 合約 (如適用) 約束，而有關轉讓或承繼或其他相關安排不會抵觸 VIE 合約；
- (ii) 彼等持有之所有 OPCO 股權不會構成夫妻共有財產之任何部分，且彼等於 OPCO 作出之所有決定均不會受配偶影響；
- (iii) 彼等不會直接或間接透過任何其他人士或實體參與、從事或收購任何會或可能與 OPCO 或其關連公司競爭之業務或於其中持有任何權益，且不會作出任何會導致彼等與 WFOE 之間出現利益衝突之事宜；
- (iv) 彼等會以零代價或按適用法例許可之最低價格向 WFOE 轉讓因 OPCO 清盤而獲得之任何 OPCO 資產；及
- (v) 彼等會向 WFOE 或其指定人士無條件歸還因行使獨家購買權協議項下認購權而收取之任何所得款項。

Contractual arrangements (continued)
Summary of the major terms of the VIE Contracts
(continued)

7. The Spousal Consent Letters were entered into by the spouses of the VIE Equity Owners (the spouse of each of the VIE Equity Owners executed a Spousal Consent Letter separately). The spouse of each of the VIE Equity Owners irrevocably agreed that:
- (i) all the equity interests held by the VIE Equity Owners in the OPCO and all the benefits generated from these equity interests do not form part of their matrimonial property;
 - (ii) all the benefits generated from the equity interests in the OPCO belong to the VIE Equity Owners and can be dealt with in any way by the VIE Equity Owners without the consent of their spouses;
 - (iii) the VIE Equity Owners may execute any supplemental document to the relevant VIE Contracts without the signature, confirmation, consent and approval from their spouses; and
 - (iv) they shall be bound by the relevant VIE Contracts in the event that they obtain any equity interest in the OPCO held by the VIE Equity Owners for any reason.

Risks associated with the Contractual Arrangements and actions taken by the Company to mitigate the risks

The following are the risks associated with the Contractual Arrangements. Further details of the risks were set out in the circular of the Company dated 28 April 2017.

- The PRC government may determine that the VIE Contracts do not comply with applicable regulations
- The VIE Contracts may not be as effective as direct ownership in providing control over the OPCO
- The VIE Equity Owners may potentially have conflicts of interest with the Group

合約安排 (續)
VIE 合約之主要條款概要 (續)

7. VIE 股權擁有人之配偶訂立之配偶承諾函(各 VIE 股權擁有人之配偶已個別簽立配偶承諾函)。各 VIE 股權擁有人之配偶不可撤回地同意：
- (i) VIE 股權擁有人持有之所有 OPCO 股權及該等股權產生之所有利益不會構成彼等夫妻共有財產之任何部分；
 - (ii) OPCO 股權產生之所有利益屬於 VIE 股權擁有人，並可由 VIE 股權擁有人以任何形式處置而毋須獲得其配偶同意；
 - (iii) VIE 股權擁有人可簽立相關 VIE 合約之任何補充文件而毋須獲得其配偶簽署、確認、同意及批准；及
 - (iv) 倘彼等就任何原因取得 VIE 股權擁有人持有之任何 OPCO 股權，彼等會受到相關 VIE 合約約束。

有關合約安排之風險以及本公司為減低風險採取之行動

以下為有關合約安排之風險。有關風險之進一步詳情載於本公司日期為二零一七年四月二十八日之通函。

- 中國政府可能裁定 VIE 合約不符合適用法規
- VIE 合約在提供對 OPCO 控制權方面之效用可能不及直接擁有權
- VIE 股權擁有人可能與本集團存在利益衝突

Contractual arrangements (continued)
Risks associated with the Contractual Arrangements and actions taken by the Company to mitigate the risks (continued)

- Certain provisions in the VIE Contracts may not be enforceable under the PRC laws
- The Contractual Arrangements under the VIE Contracts may be subject to the scrutiny of the PRC tax authorities and additional tax may be imposed
- The Group does not have any insurance which covers the risks relating to the VIE Contracts and the transactions contemplated thereunder
- WFOE's ability to acquire the equity interests in the OPCO may be subject to various limitations and substantial costs
- Economic risks the WFOE bears as the primary beneficiary of the OPCO, financial support to the OPCO and potential exposure of Loovee to losses
- Uncertainty to the Group when the foreign ownership restriction in value-added telecommunications services is relaxed

In order to mitigate the risks of the Contractual Arrangements, the Company had adopted a series of internal control measures including, among others, appointing an executive director or senior management to the board of the OPCO (the **"Responsible Director"**) to enforce all management controls of the OPCO. As at the date of this annual report, Mr. LI Feng* (李鋒) has been appointed as the Responsible Director and he had conducted regular site visits to the OPCO and conducted interviews with the relevant senior management of the OPCO every six months and submitted the interview notes to the designated Director of the Board.

The Responsible Director will also consult the Company's PRC legal adviser (the **"PRC Legal Adviser"**) from time to time to check if there are any legal developments in the PRC affecting the arrangement contemplated under the VIE Contracts, and immediately report to the designated Director of the Board thereafter so as to allow the Board to determine if any modification or amendment is required to be made.

* For identification purpose only

合約安排 (續)
有關合約安排之風險以及本公司為減低風險採取之行動 (續)

- 根據中國法律，VIE合約若干條文未必可強制執行
- VIE合約項下合約安排可能須受中國稅務機關審查及可能須繳納額外稅項
- 本集團並無就與VIE合約及其項下擬進行交易有關之風險投保
- WFOE收購OPCO股權之能力可能面對多項限制及產生龐大成本
- WFOE作為OPCO之主要受益對象所承擔之經濟風險、對OPCO之財務支持及樂唯可能蒙受之損失
- 當增值電信服務之外資所有權限制放寬時，本集團或須面對不確定因素

為減低合約安排之風險，本公司已採納一系列內部監控措施，包括(其中包括)委任一名執行董事或高級管理層加入OPCO董事會(「**負責董事**」)，主要負責執行OPCO所有管理監控事宜。於本年報日期，李鋒先生已獲委任為負責董事，彼定期巡視OPCO及每隔六個月與OPCO相關高級管理層會面，並向董事會指定董事呈交會議記錄。

負責董事亦將不時諮詢本公司之中國法律顧問(「**中國法律顧問**」)，以核實有否存在任何中國法律進展足以影響VIE合約項下擬進行安排，並向董事會指定董事即時匯報以便董事會決定是否需要作出任何更改或修訂。

* 僅供識別

Contractual arrangements (continued)
Requirements related to Contractual Arrangements
(other than relevant foreign ownership restrictions)

1. As advised by the PRC Legal Adviser, the VIE Contracts do not violate mandatory provisions of laws and regulations of validity nature, including those applicable to the business of the WFOE and the OPCO, and the articles of association of the WFOE and the OPCO. The VIE Contracts are legally binding on each relevant party to the VIE Contracts and shall not be deemed as “concealing illegal intentions with a lawful form” and void under the PRC contract law. The GAAP’s Notice 13 prohibits foreign investors from using any agreements or contractual agreements to gain control of or operate an online game business in the PRC. Taking into account that details of the implementation and the scope for execution of the GAAP’s Notice 13 have not yet been issued by the relevant authorities and based on confirmations by the relevant authorities in the interviews with the same, the PRC Legal Adviser is of the view that the VIE Contracts would not constitute a violation of the GAAP’s Notice 13. The WFOE had not encountered any interference or encumbrance from any governing bodies in operating its business through the OPCO under the VIE Contracts.

合約安排 (續)
有關合約安排之規定(有關外資所有權限制除外)

1. 中國法律顧問表示，VIE合約並無違反法律及法規的效力性之強制性規定(包括WFOE及OPCO業務所適用者)以及WFOE及OPCO之組織章程細則。VIE合約對VIE合約之各有關訂約方均具有法律約束力，且不應視為「以合法形式掩蓋非法目的」及於中國合同法下無效。新聞出版總署13號通知禁止外國投資者透過任何協議或合同協議於中國控制或經營網絡遊戲業務。由於有關當局尚未頒佈執行新聞出版總署13號通知之細節及範圍，加上考慮到有關當局在面談過程中就此作出之確認，中國法律顧問認為VIE合約不會構成違反新聞出版總署13號通知。WFOE根據VIE合約透過OPCO經營業務時並無面對任何監管機構之干預或阻撓。

Contractual arrangements (continued)
Requirements related to Contractual Arrangements
(other than relevant foreign ownership restrictions)

(continued)

2. The VIE Contracts are governed by and will be construed in accordance with the PRC laws and contain a provision for resolving disputes by arbitration at South China International Economic and Trade Arbitration Commission* (華南國際經濟貿易仲裁委員會) in accordance with its arbitration rules. The VIE Contracts provide that the arbitration tribunal may award remedies over the equity interests or assets of the OPCO, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of the OPCO. The VIE Contracts also include a clause in relation to dispute resolution among the parties where, when awaiting the formation of the arbitration tribunal or otherwise under appropriate conditions, the parties thereto may seek temporary injunctive relief or other temporary remedies from the courts in Hong Kong, Bermuda, the PRC and the locations where the principal assets of the Company or the OPCO are located. However, the PRC Legal Adviser is of the view that pursuant to the PRC laws, the arbitration tribunal may have no power to grant the aforementioned remedies or injunctive relief or to order the winding up of the OPCO. In addition, even though the VIE Contracts provide that overseas courts (e.g. courts in Hong Kong and Bermuda) shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws.

The Subject Persons Undertaking

Each of Mr. ZHOU Xijian, Mr. ZHANG Qi and Mr. ZHOU Congwei (collectively, the "Subject Persons") has undertaken to the Company that (the "Subject Persons Undertaking"), after completion:

- (i) he shall maintain his PRC nationality so as to be qualified as a "PRC investor"; and

合約安排 (續)
有關合約安排之規定 (有關外資所有權限制除外) (續)

2. VIE合約受中國法律規管及將按其詮釋，並載有根據仲裁規則於華南國際經濟貿易仲裁委員會以仲裁形式解決爭議之條文。VIE合約規定，仲裁庭可就OPCO之股權或資產頒佈補救措施、禁令濟助(例如就經營業務或強制轉讓資產)或頒令OPCO清盤。VIE合約亦載有條文解決訂約方之間爭議，據此，當等候仲裁庭成立或在適當情況下，相關訂約方可向香港、百慕達、中國及本公司或OPCO主要資產所在地之法院尋求臨時禁令濟助或其他臨時補救措施。然而，中國法律顧問認為，根據中國法律，仲裁庭可能無權授出上述補救措施或禁令濟助或頒令OPCO清盤。此外，即使VIE合約規定海外法院(例如香港及百慕達法院)須有權授出若干濟助或補救措施，該等濟助或補救措施未必可根據中國法律予以承認或強制執行。

有關人士承諾

周希儉先生、張琦先生及周聰偉先生(統稱「有關人士」)已各自向本公司承諾(「有關人士承諾」)，於完成後：

- (i) 彼將維持其中國國籍，以符合「中國投資者」資格；及

Contractual arrangements (continued)

The Subject Persons Undertaking (continued)

(ii) he shall only dispose of any of his interest in the Shares, if:

- (a) after such disposal, the Company shall still be considered as “controlled” by “PRC investors”;
- (b) all the other Subject Persons have given their written consent to such disposal; and
- (c) where the disposal would result in the Subject Persons together holding not more than 50% voting rights in the Company, the transferee in such a disposal must:
 - (1) be a “PRC investor”; and
 - (2) provide the same undertaking to the Company as the Subject Persons did.

Prior to such disposal, the Subject Persons must demonstrate to the satisfaction of the Company and the Stock Exchange that the Company shall remain “controlled” by “PRC investors” after such disposal.

The aforesaid undertakings were made to the Company solely for the purpose of complying with the relevant foreign investment laws and related laws applicable to the Group from time to time in connection with domestic investment and shall remain effective until compliance with the relevant foreign investment laws and related laws is not required and shall only terminate subject to the approval of the Company and that the Subject Persons can demonstrate to the satisfaction of the Company and the Stock Exchange that the Group is no longer required to comply with the relevant foreign investment laws and related laws in relation to domestic investment.

Each of the Subject Persons confirmed to the Company that they have complied with the undertaking for the period from the completion of acquisition, up to and until 31 December 2019.

合約安排 (續)

有關人士承諾 (續)

(ii) 彼只在以下情況方會出售其於股份之任何權益：

- (a) 於出售有關股份後本公司仍被視為受「中國投資者」控制；
- (b) 所有其他有關人士均已書面同意進行有關出售；及
- (c) 倘出售將導致有關人士合共持有本公司之投票權不超過50%，有關出售事項之承讓人必須：
 - (1) 為「中國投資者」；及
 - (2) 向本公司作出與有關人士相同之承諾。

於進行有關出售事項前，有關人士必須向本公司及聯交所證明並令其信納本公司將於有關出售事項後仍受「中國投資者」控制。

上述承諾純粹就遵守相關外商投資法律及不時適用於本集團有關國內投資之相關法律而向本公司作出，並將維持有效直至毋須遵守相關外商投資法律及相關法律為止，並只能在本公司批准及有關人士能向本公司及聯交所證明並令其信納本集團再毋須就國內投資遵守相關外商投資法律及相關法律之前提下方可終止。

各有關人士已向本公司確認，彼等自完成收購起直至二零一九年十二月三十一日止期間一直遵守有關承諾。

Contractual arrangements (continued)

The Company's Undertaking

The Company has undertaken to the Stock Exchange (the "Company's Undertaking") that:

1. the Company shall at all times enforce the letters of undertakings provided by the Subject Persons; and
2. save for any issue of new shares pursuant to the exercise of any share options, the Company shall not issue any new shares to any person(s) who is/are not the Subject Persons, whether pursuant to the specific mandate and/or the general mandate from the shareholders, unless the following conditions are satisfied: (i) the aggregate shareholdings of all the Subject Persons would represent not less than 50% (or such other percentage shareholding in the Company as required by applicable PRC laws and regulations from time to time as confirmed in writing by the Company's PRC Legal Adviser to ensure "control" of the Company as defined in and for the purpose of the draft PRC Foreign Investment Law* (《中華人民共和國外國投資法(草案徵求意見稿)》) and the Explanation on the draft PRC Foreign Investment Law* (《關於〈中華人民共和國外國投資法(草案徵求意見稿)〉的說明》) (collectively, the "Draft Law") so that the VIE Contracts continue to be in full force and effect) of the enlarged issued share capital of the Company, assuming all share options have been fully exercised, upon completion of such issue of shares; and (ii) the Stock Exchange has confirmed in writing that it has no objection to the proposed issue of shares. If so requested by the Stock Exchange, the Company shall provide to the Stock Exchange a legal opinion issued by a PRC Legal Adviser for its assessment of the implications (if any) of the proposed issue of shares under the Draft Law.

The Company's Undertaking shall continue in full force and effect unless and until the Company is no longer required to comply with the relevant PRC laws and regulations governing the VIE Contracts and the Stock Exchange has given its written consent for the termination of the Company's Undertaking.

The Company confirmed that it has complied with the Company's Undertaking for the period from the completion of acquisition, up to and until 31 December 2019

* For identification purpose only

合約安排(續)

本公司之承諾

本公司向聯交所承諾(「本公司之承諾」):

1. 本公司一直令有關人士所提供承諾函生效；及
2. 除因行使任何購股權而發行之任何新股份外，本公司不得向並非有關人士之任何人士發行任何新股份(不論根據股東之特別授權及/或一般授權)，惟達成以下條件則除外：(i) 假設於完成相關股份發行後，所有購股權已獲全面行使，全體有關人士之股權總數不少於本公司經擴大已發行股本之50%(或適用中國法律及法規不時規定於本公司股權之其他百分比，並經本公司之中國法律顧問書面確認，確保本公司之「控制權」(定義見《中華人民共和國外國投資法(草案徵求意見稿)》及《關於〈中華人民共和國外國投資法(草案徵求意見稿)〉的說明》(統稱「草案徵求意見稿」)及就草案徵求意見稿而言)，以使VIE合約持續全面生效及有效)；及(ii) 聯交所已書面確認，其並不反對建議發行股份。倘聯交所要求，本公司將根據草案徵求意見稿向聯交所提供中國法律顧問就其對建議發行股份之涵義(如有)評估而發出之法律意見。

除非及直至本公司再毋須遵守規管VIE合約之相關中國法律及法規以及聯交所已發出書面同意終止本公司之承諾，否則本公司之承諾將持續全面生效及有效。

本公司確認，其自完成收購起直至二零一九年十二月三十一日止期間一直遵守本公司之承諾。

* 僅供識別

Material changes

Save as disclosed above, there had not been any material change in the Contractual Arrangements and/or the circumstances under which they were adopted for the year ended 31 December 2019.

Unwinding of the contractual arrangements

Pursuant to the relevant provisions of the VIE Contracts, the WFOE has the right to unwind the VIE Contracts as soon as the relevant PRC laws allow the WFOE to register itself as the shareholder of the OPCO. The VIE Equity Owners have also undertaken that in the event the relevant PRC laws allow the WFOE to operate the business of the OPCO without the VIE Contracts in the future, they shall unwind the VIE Contracts and return any consideration received if the WFOE or its designated party acquires the equity interests in the OPCO from them.

Up to the date of this report, there has not been any unwinding of any Contractual Arrangements, nor has there been any failure to unwind any Contractual Arrangements when the restrictions that led to the adoption of the Contractual Arrangements are removed.

Major customers and vendors of the Group

During the year ended 31 December 2019, the five largest customers of the Group in aggregate accounted for approximately 38.5% of the Group's revenue and the largest customer accounted for approximately 20.6% of the revenue of the Group.

The five largest vendors of the Group in aggregate accounted for approximately 19.1% of the Group's total shipment volume placed by the Group and the largest vendor accounted for approximately 7.1% of the Group's total shipment value placed by the Group.

None of the Directors, their respective close associates or any Shareholders (which to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) had any interest in the customers or vendors noted above.

Purchase, sale or redemption of securities

During the year ended 31 December 2019, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any securities of the Company.

Pre-emptive rights

There are no provisions for pre-emptive rights under the By-laws or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

重大變動

除上文所披露者外，於截至二零一九年十二月三十一日止年度，合約安排及／或採用該等安排之情況概無出現任何重大變動。

解除合約安排

根據VIE合約之相關條文，只要中國相關法律容許WFOE自行登記為OPCO之股東，則WFOE有權解除VIE合約。VIE股權擁有人亦承諾，倘中國相關法律日後容許WFOE毋須透過VIE合約經營OPCO旗下業務，VIE股權擁有人將解除VIE合約並退還任何已收代價，前提為WFOE或其指定人士須向彼等收購OPCO之股權。

截至本報告日期，概無解除任何合約安排，亦無任何導致採納合約安排之限制經移除後無法解除任何合約安排之情況。

本集團主要客戶及供應商

於截至二零一九年十二月三十一日止年度，本集團五家最大客戶合共佔本集團的收益約38.5%，其中最大一家客戶佔本集團的收益約20.6%。

本集團之五家最大供應商合共佔本集團購貨之付運量總值約19.1%，其中最大供應商佔本集團購貨之付運量總值約7.1%。

本公司各董事、彼等各自之緊密聯繫人士或任何股東（據董事所知擁有本公司已發行股本多於5%者）概無於上述任何客戶或供應商當中擁有任何權益。

購買、出售或贖回證券

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

優先購買權

公司細則或百慕達法律概無有關優先購買權之條文規定本公司須按持股比例向現有股東發售新股份。

Donation

During the year ended 31 December 2019, the Group made charitable donations of approximately HK\$15,000.

Public float

As at the date of this report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

Events after the reporting period

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, cash flows and operating results at the date on which these financial statements are authorised to issue.

Save as disclosed above, there is no material subsequent event affecting the Group after reporting period and up to the date of this report.

Review by Audit Committee

The audit committee of the Company ("Audit Committee") currently comprises three independent non-executive Directors, namely Mr. LAU Shu Yan (Chairman), Mr. WANG Arthur Minshiang and Mr. ZHANG Huijun. The Audit Committee has reviewed with the management of the Company the audited Financial Statements.

Auditor

The consolidated financial statements for the year ended 31 December 2019 have been audited by Ernst & Young who will retire and, being eligible, offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Ernst & Young as auditor of the Company is to be proposed at the forthcoming AGM.

On behalf of the Board

ZHOU Xijian

Chairman and non-executive Director

Hong Kong, 31 March 2020

* For identification purpose only

捐款

於截至二零一九年十二月三十一日止年度，本集團已作出慈善捐款約15,000港元。

公眾持股量

於本報告日期，根據本公司可獲得之公開資料及就董事所知，本公司一直維持上市規則所規定之公眾持股量。

報告期後事項

於二零二零年初爆發2019冠狀病毒病後，全球已採取並繼續實施一連串預防及監控措施。本集團正密切關注2019冠狀病毒病爆發之發展，及其對商業及經濟活動之阻礙，並評估其對本集團財務狀況、現金流量及營運業績之影響。鑑於2019冠狀病毒病爆發不停變化之性質，於授權發佈此財務報表日，並無法合理估計其對本集團財務狀況，現金流量和營運業績的影響。

除上文所披露者外，於報告期後及直至本報告日期，概無發生對本集團構成影響的重大期後事項。

審核委員會之審閱

本公司之審核委員會（「審核委員會」）現時由三名獨立非執行董事組成，即劉樹仁先生（主席）、王敏祥先生及張會軍先生。審核委員會已與本公司管理層共同審閱經審核財務報表。

核數師

安永會計師事務所已審核於截至二零一九年十二月三十一日止年度之綜合財務報表並將於應屆股東週年大會上告退，惟其符合資格並願意膺選連任。一項續聘安永會計師事務所為本公司核數師之決議案將在應屆股東週年大會上提呈。

代表董事會

周希儉

主席兼非執行董事

香港，二零二零年三月三十一日

* 僅供識別

Independent Auditor's Report

獨立核數師報告書



Ernst & Young
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

Tel : +852 2846 9888
Fax : +852 2868 4432
www.ey.com

安永會計師事務所
香港中環
添美道1號
中信大廈22樓

電話 : +852 2846 9888
傳真 : +852 2868 4432
www.ey.com

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Daohe Global Group Limited

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Daohe Global Group Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 123 to 227, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

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

獨立核數師報告書

致道和環球集團有限公司全體股東

(於百慕達註冊成立之有限公司)

意見

我們已審核載於第123頁至227頁的道和環球集團有限公司(「**貴公司**」)及其附屬公司(統稱「**貴集團**」)的綜合財務報表，此綜合財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表、綜合現金流量表以及綜合財務報表附註(包括主要會計政策概要)。

我們認為，該等綜合財務報表已按照香港會計師公會(「**香港會計師公會**」)所頒佈香港財務報告準則(「**香港財務報告準則**」)真實而公平地反映 貴集團於二零一九年十二月三十一日之綜合財務狀況以及其截至該日止年度之綜合財務表現及綜合現金流量，並已按香港公司條例之披露規定妥為編製。

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**」)進行審核。我們於該等準則項下的責任在本報告核數師對審核綜合財務報表之責任一節中詳述。我們獨立於 貴集團並根據香港會計師公會之職業會計師道德守則(「**守則**」)及已遵循守則履行其他道德責任。我們相信，我們所獲得的審核憑證能充足和適當地為我們的審核意見提供基礎。

Key audit matters

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審核事項

根據我們的專業判斷，關鍵審核事項為我們審核本期綜合財務報表中最重要的事項。我們在整體審核綜合財務報表和就此形成意見時處理此等事項，而不會就此等事項單獨發表意見，惟我們就以下各事項提供了在審核中如何處理該事項的描述。

我們履行了我們報告中核數師對審核綜合財務報表之責任一節中所述的責任，包括與這些事項有關的職責。因此，我們的審核包含了執行旨在回應我們對綜合財務報表重大錯報風險的評估的程序。我們的審核程序的結果，包括為處理以下事項而執行的程序，為我們對隨附綜合財務報表的審計意見提供了基礎。

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 我們的審核如何處理關鍵審核事項
----------------------------	---

Impairment of other intangible assets

其他無形資產減值

The Group had other intangible assets with a carrying amount before impairment of US\$11,925,000 as at 31 December 2019 allocated to the operation of online social platforms cash generating unit ("CGU"), which was fully impaired during the year and impairment loss of US\$11,925,000 was recognised in profit or loss for the year.

於二零一九年十二月三十一日，貴集團擁有賬面值（未計減值）為11,925,000美元的其他無形資產，分配至經營網上社交平台現金產生單位（「現金產生單位」），且已於年內全數減值，並已於年內於損益確認減值虧損11,925,000美元。

We assessed the competence, capabilities and objectivity of the independent professional valuer engaged by management.

我們已評估管理層所委聘獨立專業估值師之資歷、能力及客觀性。

Independent Auditor's Report

獨立核數師報告書

Key audit matters (continued)

關鍵審核事項(續)

Key audit matter 關鍵審核事項	How our audit addressed the key audit matter 我們的審核如何處理關鍵審核事項
<p>Management engaged an independent professional valuer to determine the valuation model for the impairment assessment. Based on the assessment of the recoverable amounts of the CGU, management recognised impairment loss of US\$11,925,000 in respect of other intangible assets in the current year.</p> <p>管理層已委聘獨立專業估值師以釐定減值評估之估值模型。基於評估現金產生單位之可收回金額，管理層確認本年度其他無形資產減值虧損11,925,000美元。</p> <p>The determination of recoverable amounts, being the higher of fair value less costs of disposal and value-in-use, requires significant management judgement and estimates of variables such as expected growth in revenue and gross margins and the discount rates.</p> <p>釐定可收回金額(即公平值減出售成本與使用價值的較高者)需要重大管理層判斷及變量估計(如預期收益增長及毛利率以及貼現率)。</p> <p>Relevant disclosures are included in Notes 3 and 16 to the consolidated financial statements.</p> <p>相關披露載於綜合財務報表附註3及16。</p>	<p>We reviewed management's assessment of the recoverable amounts. Our audit procedures included examining and recalculating management's discounted cash flow projections for the determination of value-in-use and assessing key assumptions such as the growth rates, expected growth in revenue and gross margin by comparison to the historical performance of the CGU. We also performed sensitivity analyses on the assumptions used in the cash flow projections. Further, we involved our internal valuation specialists to assist us with our assessment of the methodology and the discount rates used to determine the value-in-use of the CGU.</p> <p>我們已審閱管理層對可收回金額的評估。我們的審核程序包括審閱及重新計算管理層的貼現現金流量預測以釐定使用價值，及透過比較現金產生單位的過往表現評估增長率、預期收益增長及毛利率等主要假設。我們亦對現金流量預測所使用的假設進行敏感度分析。此外，我們安排內部估值專家協助我們評估釐定現金產生單位使用價值所用方法及貼現率。</p> <p>We also assessed the related disclosures made in the consolidated financial statements.</p> <p>我們亦已評估綜合財務報表所作出相關披露。</p>

Independent Auditor's Report 獨立核數師報告書

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises 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 the directors for the consolidated financial statements

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年度報告內的其他資料

貴公司董事需為其他資料負責。其他資料包括年度報告內的資料，但不包括綜合財務報表及相關核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對其他資料發表任何形式的鑒證結論。

審核綜合財務報表時，我們的責任為閱讀其他資料，於此過程中，考慮其他資料是否與綜合財務報表或我們於審核過程中所了解的情況有重大抵觸，或者似乎有重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料有重大錯誤陳述，我們須報告該事實。於此方面，我們沒有任何報告。

董事對綜合財務報表之責任

貴公司董事之責任乃按香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，真實而公平地呈列其內容以及進行董事認為必要之內部監控，確保綜合財務報表之編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司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，除非貴公司董事有意將集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會協助貴公司董事履行監督貴集團的財務報告流程的責任。

Independent Auditor's Report

獨立核數師報告書

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. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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.

核數師對審核綜合財務報表之責任

我們的目標乃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。我們的報告依據百慕達一九八一年公司法第90條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

合理保證為高水平的保證，但不能保證按照香港審計準則進行的審核總能發現重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期其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，則被視為重大錯誤陳述。

根據香港審計準則進行審核時，我們運用專業判斷，於整個審核過程中保持專業懷疑態度。我們亦：

- 識別及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，因應該等風險設計及執行審核程序，以及獲取充足及適當的審核憑證，作為我們提供意見的基礎。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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 了解與審核相關的內部控制，以設計在有關情況下屬適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

核數師對審核綜合財務報表之責任(續)

- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 總結董事採用持續經營會計基礎的適當性，並根據所獲取的審核憑證，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。倘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注意綜合財務報表中的相關披露。假若有關的披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日止所取得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營業務。
- 評估綜合財務報表的整體列報方式、結構及內容(包括披露)事項以及綜合財務報表是否公平反映相關交易及事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足適當的審核憑證，以便對綜合財務報表發表意見。我們負責 貴集團審核的指導、監督及執行。我們為審核意見承擔全部責任。

我們與審核委員會溝通審核的計劃範圍及時間以及重大審核發現等，其中包括我們在審核中識別出內部控制的任何重大不足之處。

我們亦向審核委員會提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並就所有被合理認為會影響我們獨立性的關係及其他事項以及相關的防範措施(如適用)與審核委員會溝通。

Independent Auditor's Report 獨立核數師報告書

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Ms. Chau Suet Fung, Dilys.

Ernst & Young

Certified Public Accountants

Hong Kong
31 March 2020

核數師對審核綜合財務報表之責任(續)

從與審核委員會溝通的事項中，我們決定哪些事項對本期間綜合財務報表的審核最為重要，因而構成關鍵審核事項。我們在核數師報告中闡釋該等事項，除非法律或規例不允許公開披露該等事項，或在極端罕見的情況下，若有合理預期於我們報告中註明某事項造成的負面後果將超過其產生的公眾利益，則本行決定不應在報告中註明該事項。

出具本獨立核數師報告的審核項目合夥人為周雪鳳女士。

安永會計師事務所

執業會計師

香港
二零二零年三月三十一日

Consolidated Statement of Profit or Loss

綜合損益表

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

		Note	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
		附註		
REVENUE	收益	5	65,692	107,513
Cost of sales	銷售成本		(51,156)	(79,799)
Gross profit	毛利		14,536	27,714
Other income	其他收入	5	1,342	846
Selling and marketing expenses	銷售及市場推廣開支		(4,560)	(12,196)
General and administrative expenses	一般及行政開支		(19,397)	(20,845)
Finance costs	財務費用	7	(119)	–
Gain on disposal of subsidiaries	出售附屬公司之收益		–	7
(Loss)/gain on dissolution of a subsidiary	解散一家附屬公司之 (虧損)/收益	30	(55)	8
Share of loss of a joint venture	應佔一家合營公司之虧損		(1)	(1)
Impairment losses on other intangible assets	其他無形資產減值虧損	16	(11,925)	(21,747)
Impairment losses on goodwill	商譽減值虧損		–	(66,496)
LOSS BEFORE TAX	除稅前虧損	6	(20,179)	(92,710)
Income tax credit	所得稅抵免	10	4,690	8,536
LOSS FOR THE YEAR	年度虧損		(15,489)	(84,174)
ATTRIBUTABLE TO:	下列人士應佔：			
Owners of the Company	本公司擁有人		(15,477)	(84,160)
Non-controlling interests	非控股權益		(12)	(14)
			(15,489)	(84,174)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	本公司普通股權益持有人 應佔每股虧損			
(expressed in US cents)	(以美仙呈列)	11		
Basic	基本		(1.03)	(5.58)
Diluted	攤薄		(1.03)	(5.58)

Consolidated Statement of Comprehensive Income

綜合全面收益表

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

		Note 附註	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
LOSS FOR THE YEAR	年度虧損		(15,489)	(84,174)
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收入/(虧損)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	於其後期間可能會重新分類至損益之其他全面收入/(虧損):			
Exchange differences:	匯兌差額:			
Translation of foreign operations	換算海外業務		(1,024)	(2,969)
Dissolution of a subsidiary	解散一家附屬公司	30	3	-
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods	於其後期間可能會重新分類至損益之其他全面虧損		(1,021)	(2,969)
Other comprehensive income that will not be classified to profit or loss in subsequent periods:	於其後期間不會分類至損益之其他全面收入:			
Remeasurements from a defined benefit plan	定額福利計劃之重新計量	28(a)	41	50
OTHER COMPREHENSIVE LOSS FOR THE YEAR	年度其他全面虧損		(980)	(2,919)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年度全面虧損總額		(16,469)	(87,093)
ATTRIBUTABLE TO:	下列人士應佔:			
Owners of the Company	本公司擁有人		(16,454)	(87,079)
Non-controlling interests	非控股權益		(15)	(14)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年度全面虧損總額		(16,469)	(87,093)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

		Note	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	509	716
Right-of-use assets	使用權資產	14(a)	1,206	–
Goodwill	商譽	15	–	–
Other intangible assets	其他無形資產	16	–	18,476
Investment in a joint venture	於一家合營公司之投資	18	–	8
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產	17	270	270
Deposits	按金	22	29	349
Deferred tax asset	遞延稅項資產	19	4	4
Total non-current assets	非流動資產總值		2,018	19,823
CURRENT ASSETS	流動資產			
Inventories	存貨	20	313	262
Trade receivables	應收貿易賬款	21	6,462	8,774
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	22	4,929	4,416
Cash and cash equivalents	現金及現金等值項目	23	12,723	17,192
Total current assets	流動資產總值		24,427	30,644
CURRENT LIABILITIES	流動負債			
Trade payables	應付貿易賬款	24	1,820	3,799
Accruals, provisions and other payables	應計費用、撥備及其他應付款項	25	7,733	7,792
Contract liabilities	合約負債	26	629	1,521
Lease liabilities	租賃負債	14(b)	1,077	–
Loan from a shareholder	來自一名股東貸款	33(a)	3,856	3,856
Bank borrowing	銀行借款	27	631	–
Tax payable	應付稅項		296	2,446
Total current liabilities	流動負債總額		16,042	19,414
NET CURRENT ASSETS	流動資產淨值		8,385	11,230
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		10,403	31,053

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2019
於二零一九年十二月三十一日

		Note	2019	2018
		附註	二零一九年	二零一八年
			US\$'000	US\$'000
			千美元	千美元
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	19	13	4,632
Post-employment benefits	僱員退休福利	28	371	414
Provisions	撥備	25	–	1,405
Lease liabilities	租賃負債	14(b)	241	–
Total non-current liabilities	非流動負債總額		625	6,451
NET ASSETS	資產淨值		9,778	24,602
EQUITY	權益			
Share capital	股本	29	20,128	20,128
Reserves	儲備		(10,350)	4,409
Equity attributable to owners of the Company	本公司擁有人應佔權益		9,778	24,537
Non-controlling interests	非控股權益		–	65
TOTAL EQUITY	權益總額		9,778	24,602

HO Chi Kin 何致堅
Director 董事

WONG Hing Lin, Dennis 黃慶年
Director 董事

Consolidated Statement of Changes in Equity

綜合權益變動表

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	Special reserve ¹	Capital redemption reserve	Capital reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
	Note										
	附註										
At 1 January 2019	於二零一九年一月一日	20,128	153,409*	184*	48*	-	3,629*	(152,861)*	24,537	65	24,602
Loss for the year	年度虧損	-	-	-	-	-	-	(15,477)	(15,477)	(12)	(15,489)
Other comprehensive (loss)/income for the year:	年度其他全面(虧損)/收入:										
Exchange differences:	匯兌差額:										
Translation of foreign operations	海外業務換算	-	-	-	-	-	(1,021)	-	(1,021)	(3)	(1,024)
Dissolution of a subsidiary	解散一家附屬公司	-	-	-	-	-	3	-	3	-	3
Remeasurements from a defined benefit plan	定額福利計劃之重新計量	-	-	-	-	-	-	41	41	-	41
	28(a)										
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	-	-	(1,018)	(15,436)	(16,454)	(15)	(16,469)
Contribution from a shareholder ¹	來自一名股東注資 ¹	-	-	-	-	1,695	-	-	1,695	-	1,695
Dissolution of a subsidiary	解散一家附屬公司	-	-	-	-	-	-	-	-	(50)	(50)
At 31 December 2019	於二零一九年十二月三十一日	20,128	153,409*	184*	48*	1,695*	2,611*	(168,297)*	9,778	-	9,778

¹ During the year, the Group has settled the Hong Kong tax case with IRD and part of the tax payment totalled US\$885,000 was paid by a shareholder directly to IRD through an escrow agent. The balance of escrow sum of US\$810,000 (after deducting the related legal and professional fee) was paid by the shareholder through the escrow agent to a subsidiary of the Company in January 2020. The total amount of US\$1,695,000 was treated as a contribution from a shareholder and credited to the capital reserve of the Company.

¹ 年內，本集團與稅務局就香港稅務案件達成和解，並由一名股東通過託管代理直接支付給稅務局合共885,000美元的稅務付款。託管金額結餘為810,000美元(扣除相關法律及專業費用後)，已由該股東從託管代理於二零二零年一月支付予本公司一家附屬公司。總額1,695,000美元被視為一名股東的注資，並計入本公司的資本儲備。

Consolidated Statement of Changes in Equity

綜合權益變動表

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	Share option reserve	Special reserve [#]	Capital redemption reserve	Available-for-sale financial asset revaluation reserve	Exchange fluctuation reserve	Accumulated losses	Total	Non-controlling interests	Total equity	
		股本	股份溢價	購股權儲備	特別儲備 [#]	資本贖回儲備	可供出售金融資產重估儲備	匯兌波動儲備	累計虧損	總計	非控股權益	權益總額	
		Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
		附註	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	
At 1 January 2018	於二零一八年一月一日		20,128	153,409*	306*	184*	48*	109*	6,598*	(69,283)*	111,499	(8)	111,491
Adjustment on adoption of HKFRS 9	採納香港財務報告準則第9號之調整		-	-	-	-	(109)	-	109	-	-	-	-
Restated balance at 1 January 2018	於二零一八年一月一日之重列餘額		20,128	153,409	306	184	48	-	6,598	(69,174)	111,499	(8)	111,491
Loss for the year	年度虧損		-	-	-	-	-	-	(84,160)	(84,160)	(14)	(84,174)	
Other comprehensive (loss)/income for the year:	年度其他全面(虧損)/收入:												
Exchange difference on translation of foreign operations	換算海外業務之匯兌差額		-	-	-	-	-	(2,969)	-	(2,969)	-	(2,969)	
Remeasurements from a defined benefit plan	定額福利計劃之重新計量	28(a)	-	-	-	-	-	-	50	50	-	50	
Total comprehensive loss for the year	年度全面虧損總額		-	-	-	-	-	(2,969)	(84,110)	(87,079)	(14)	(87,093)	
Equity-settled share option arrangement	以股權支付之購股權安排		-	-	117	-	-	-	-	117	-	117	
Share options lapsed during the year	年內已失效之購股權		-	-	(423)	-	-	-	423	-	-	-	
Set-up of a new subsidiary	成立一家新附屬公司		-	-	-	-	-	-	-	-	74	74	
Disposal of subsidiaries	出售附屬公司		-	-	-	-	-	-	-	-	5	5	
Dissolution of a subsidiary	解散一家附屬公司	30	-	-	-	-	-	-	-	-	8	8	
At 31 December 2018	於二零一八年十二月三十一日		20,128	153,409*	-	184*	48*	-	3,629*	(152,861)*	24,537	65	24,602

[#] Special reserve represents the difference between the nominal value of share capital of the Company issued and the aggregate amount of nominal value of share capital of subsidiaries acquired by the Company through an exchange of shares.

[#] 特別儲備相當於本公司已發行股本面值與本公司透過以交換股份方式收購之附屬公司股本面值總額之差額。

* These reserve amounts comprise the negative consolidated reserves of US\$10,350,000 (2018: consolidated reserves of US\$4,409,000).

* 該等儲備金額包括負面綜合儲備10,350,000美元(二零一八年:綜合儲備4,409,000美元)。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Note	2019	2018
	附註	二零一九年	二零一八年
		US\$'000	US\$'000
		千美元	千美元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得之現金流量		
Loss before tax:	除稅前虧損：	(20,179)	(92,710)
Adjustments for:	經調整：		
Finance costs	財務費用	7	119
Share of loss of a joint venture	應佔一家合營公司虧損		1
Bank interest income	銀行利息收入	5	(25)
Investment income	投資收入	5	(190)
Fair value gain on a financial asset at fair value through profit or loss	按公平值計入損益之金融資產之公平值收益		-
			(41)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	6	(1)
Gain on disposal of subsidiaries	出售附屬公司之收益		-
(Gain)/loss on dissolution of a subsidiary	解散一家附屬公司之(收益)/虧損	6	55
			(8)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6	317
Depreciation of right-of-use assets	使用權資產折舊	6	1,849
Amortisation of other intangible assets	其他無形資產攤銷	6	5,858
Impairment losses on goodwill	商譽減值虧損		-
			66,496
Impairment losses on other intangible assets	其他無形資產減值虧損	6	11,925
Impairment losses on right-of-use assets	使用權資產減值虧損	6	52
Impairment of trade receivables	應收貿易賬款減值	6	304
Write-down of inventories	存貨撇減		-
			62
Equity-settled share option expenses	以股權支付之購股權費用		-
			117
		85	9,271
Increase in inventories	存貨增加		(51)
(Increase)/decrease in trade receivables	應收貿易賬款(增加)/減少		2,008
Decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少		413
Decrease in trade payables	應付貿易賬款減少		(1,979)
Decrease in accruals, provisions, other payables and contract liabilities	應計費用、撥備、其他應付款項及合約負債減少		(1,857)
Increase/(decrease) in post-employment benefits	僱員退休福利增加/(減少)		(2)
			5
Cash generated from/(used in) operations	經營業務所得/(所耗)現金		(1,383)
Tax paid	已付稅項		(278)
Penalty and interest paid for Hong Kong tax case	香港稅務案件的已付罰款及利息		(1,035)
Interest paid for lease liabilities	租賃負債的已付利息		(95)
Net cash flows from/(used in) operating activities	經營活動所得/(所耗)現金淨額		(2,791)
			3,723

Consolidated Statement of Cash Flows

綜合現金流量表

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

			2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
		Note 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量			
Bank interest received	已收銀行利息		25	30
Purchases of property, plant and equipment	購買物業、廠房及設備	13	(166)	(482)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		42	25
Disposal of subsidiaries	出售附屬公司		-	(1)
Dissolution of a joint venture	解散一家合營公司	18	7	-
Purchase of financial assets at fair value through profit or loss	購買按公平值計入損益之金融資產		(16,720)	(17,634)
Proceed from redemption of financial assets at fair value through profit or loss	贖回按公平值計入損益之金融資產所得款項		16,910	18,390
Net cash flows from investing activities	投資活動所得現金流量淨額		98	328
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量			
Principal portion of lease payments/finance lease rental payments	租賃付款／融資租賃租金付款之本金部分	14	(1,900)	-
New bank borrowing	新增銀行借款		888	-
Repayment of bank borrowing	償還銀行借款		(230)	-
Bank interest paid	已付銀行利息		(24)	-
Net cash flows used in financing activities	融資活動所耗現金流量淨額		(1,266)	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加／(減少)淨額		(3,959)	4,051
Cash and cash equivalents at beginning of year	年初之現金及現金等值項目		17,192	13,278
Effect of foreign exchange rate changes, net	匯率變動之影響，淨額		(510)	(137)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年終之現金及現金等值項目		12,723	17,192
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目之結餘分析			
Cash and cash equivalents	現金及現金等值項目		12,723	17,192

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

1. CORPORATE INFORMATION

Daohe Global Group Limited (the “**Company**”) is an investment holding company and its subsidiaries (together with the Company collectively referred to as the “**Group**”) are principally engaged in the trading and supply chain management services, and operation of online social platforms.

The Company was incorporated in Bermuda on 25 January 2002 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) since 10 May 2002. The directors regard Sino Remittance Holding Limited, which was incorporated in Seychelles, as the controlling shareholder of the Company and Daohe Global Investment Holding Limited, which was incorporated in Seychelles, as the ultimate controlling shareholder of the Company as at 31 December 2019.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) (which include all HKFRSs, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are presented in United States dollars (“**US\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司資料

Daohe Global Group Limited 道和環球集團有限公司(「**本公司**」)為投資控股公司，其附屬公司(與本公司合稱為「**本集團**」)主要從事貿易及供應鏈管理服務及經營網上社交平台。

本公司於二零零二年一月二十五日根據百慕達一九八一年公司法在百慕達註冊成立為受豁免有限責任公司。本公司之註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。本公司股份於二零零二年五月十日在香港聯合交易所有限公司(「**聯交所**」)主板上市。於二零一九年十二月三十一日，董事視華匯控股有限公司(於塞舌爾註冊成立)為本公司控股股東，並將道和環球投資控股有限公司(於塞舌爾註冊成立)視為本公司的最終控股股東。

2.1 編製基準

此等財務報表乃根據香港會計師公會(「**香港會計師公會**」)頒佈之香港財務報告準則(「**香港財務報告準則**」)(當中包括所有香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)、香港公認會計原則以及香港公司條例之披露規定編製。除按公平值計入損益之金融資產採用公平值計量外，此等財務報表乃根據歷史成本法編製。此等財務報表乃以美元(「**美元**」)呈列，除另有指明外，所有價值均調整至最接近之千位數。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司截至二零一九年十二月三十一日止年度之財務報表。附屬公司指由本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務獲得或有權獲得被投資方的可變回報，且可行使在被投資方的權力而影響有關回報時(即現時賦予本集團主導被投資方相關活動的能力)，則視為擁有控制權。

倘本公司直接或間接擁有的被投資方投票權或類似權利少於多數，則本集團評估其對被投資方是否擁有權力時，會考慮所有相關事實及情況，包括：

- (a) 與被投資方之其他投票權擁有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司之財務報表之報告期間與本公司相同，並按一致之會計政策編製。附屬公司之業績自本集團獲得控制權之日起予以綜合，並持續綜合直至該控制權終止之日為止。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準(續)

綜合基準(續)

損益及其他全面收入之各部分計入本集團母公司擁有人及非控股權益，儘管非控股權益將因此而出現虧損結餘。所有與本集團成員間之交易相關之集團內公司間之資產及負債、權益、收入、開支及現金流量均於綜合時悉數對銷。

倘事實及情況顯示上文所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。倘於一家附屬公司之擁有權權益發生變動但並未失去控制權，則按權益交易方式入賬。

倘本集團失去對一家附屬公司之控制權，須取消確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計匯兌差額；並須確認(i)所收取之代價之公平值；(ii)所保留之任何投資之公平值及(iii)任何因此產生之損益賬內之盈餘或虧絀。以往本集團於其他全面收入中確認之部分須按本集團直接出售相關資產或負債所規定之同一基準重新歸類為損益或保留溢利(倘適用)。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and amendments to HKFRSs for the first time for the preparation of the Group's current year's financial statements.

Amendments to HKFRS 9 HKFRS 16	<i>Prepayment Features with Negative Compensation Leases</i>
Amendments to HKAS 19 Amendments to HKAS 28 HK(IFRIC)-Int 23	<i>Plan Amendment, Curtailment or Settlement Long-term Interests in Associates and Joint Ventures Uncertainty over Income Tax Treatments</i>
Annual Improvements 2015–2017 Cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Other than as explained below regarding the impact of HKFRS 16, the adoption of the above new and amendments to the standards has had no significant financial effect on these financial statements.

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions.

2.2 會計政策及披露之變動

本集團已首次採納以下新訂及經修訂香港財務報告準則，以編製本集團於本年度的財務報表。

香港財務報告準則第9號之修訂 香港財務報告準則第16號 香港會計準則第19號之修訂 香港會計準則第28號之修訂 香港(國際財務報告詮釋委員會)–詮釋第23號 二零一五年至二零一七年週期之年度改進	具有負補償之提前還款特點 租賃 計劃修訂、縮減或結清 聯營公司及合營企業之長期權益 所得稅處理之不確定性 香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂
--	---

除下文所闡述有關香港財務報告準則第16號之影響外，採納上述新訂及經修訂準則對該等財務報表並無重大財務影響。

香港財務報告準則第16號取代香港會計準則第17號*租賃*、香港(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*、香港(準則詮釋委員會)–詮釋第15號*經營租賃 – 優惠*及香港(準則詮釋委員會)–詮釋第27號*評估涉及租賃法律形式交易之內容*。該準則載列確認、計量、呈列及披露租賃之原則，並要求承租人以單一資產負債表模式列明所有租賃，以確認及計量使用權資產及租賃負債，惟若干確認豁免除外。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

The Group adopted HKFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 會計政策及披露之變動(續)

本集團採用經修訂追溯採納法採納香港財務報告準則第16號，首次應用日期為二零一九年一月一日。根據此方法，該項準則已獲追溯應用，首次採納之累計影響為於二零一九年一月一日之保留盈利期初結餘之調整，而二零一八年之比較資料並無重列，且繼續沿用香港會計準則第17號及相關詮釋予以呈報。

租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制可識別資產使用之權利，則該合約為租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益以及擁有指示使用可識別資產之權利時，即擁有控制權。本集團選擇應用過渡性之實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號釐定為租賃之合約。根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號未釐定為租賃之合約不予重新評估。因此，香港財務報告準則第16號項下之租賃定義僅適用於在二零一九年一月一日或之後訂立或變更之合約。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

As a lessee — Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of property, motor vehicles and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“**short-term leases**”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impacts on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019.

The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

2.2 會計政策及披露之變動(續)

作為承租人 — 先前分類為經營租賃之租賃

採納香港財務報告準則第16號之影響性質

本集團擁有多個物業、汽車及其他設備項目之租賃合約。作為承租人，本集團先前根據對租賃是否將資產所有權之絕大部分回報及風險轉移至本集團之評估，將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團採用單一方法確認及計量所有租賃之使用權資產及租賃負債，惟低價值資產租賃(按個別租賃基準選擇)及租期為12個月或以內的租賃(「**短期租賃**」)(按相關資產類別選擇)之兩項選擇性豁免除外。本集團確認使用權資產折舊(及減值，如有)及尚未償還租賃負債之應計利息(為財務費用)，而非於自二零一九年一月一日開始之租期內以直線法於經營租賃項下確認租金開支。

過渡影響

於二零一九年一月一日之租賃負債按剩餘租賃付款之現值，使用二零一九年一月一日之增量借款利率貼現後予以確認。

使用權資產根據租賃負債金額計量，並就與緊接二零一九年一月一日前於財務狀況表確認之租賃相關之任何預付或應計租賃付款金額作出調整。所有該等資產於該日均根據香港會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨列示使用權資產。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

As a lessee — Leases previously classified as operating leases (continued)

Impacts on transition (continued)

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 January 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease

The impacts arising from the adoption of HKFRS 16 as at 1 January 2019 are as follows:

2.2 會計政策及披露之變動(續)

作為承租人 — 先前分類為經營租賃之租賃(續)

過渡影響(續)

於二零一九年一月一日應用香港財務報告準則第16號時，本集團使用以下選擇性實際權宜辦法：

- 對於租期自首次應用日期起12個月內終止之租賃應用短期租賃豁免
- 倘合約包含延期／終止租賃之選擇權，則使用事後方式釐定租期

於二零一九年一月一日採納香港財務報告準則第16號所產生之影響如下：

		Increase/ (decrease) 增加／(減少) US\$'000 千美元
Assets	資產	
Increase in right-of-use assets (Note 14(a))	使用權資產增加(附註14(a))	2,945
Liabilities	負債	
Decrease in accruals, provisions and other payables	應計費用、撥備及其他應付款項減少	(110)
Increase in lease liabilities (Note 14(b))	租賃負債增加(附註14(b))	3,055
Increase in total liabilities	負債總額增加	2,945

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

As a lessee — Leases previously classified as operating leases (continued)

Impacts on transition (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 is as follows:

2.2 會計政策及披露之變動(續)

作為承租人 — 先前分類為經營租賃之租賃(續)

過渡影響(續)

於二零一九年一月一日之租賃負債與於二零一八年十二月三十一日之經營租賃承擔之對賬如下：

		US\$'000 千美元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日之經營租賃承擔	3,246
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日之加權平均增量借款利率	4%
Discounted operating lease commitments as at 1 January 2019	於二零一九年一月一日之貼現經營租賃承擔	3,107
Less: Commitments relating to short-term leases and those leases with a remaining lease term ended on or before 31 December 2019	減：與短期租賃及該等餘下租期於二零一九年十二月三十一日或之前屆滿之租賃有關之承擔	(49)
Commitments relating to leases of low-value assets	與低價值資產租賃有關之承擔	(3)
Lease liabilities as at 1 January 2019	於二零一九年一月一日之租賃負債	3,055

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i> ¹
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i> ¹
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
HKFRS 17	<i>Insurance Contracts</i> ²
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i> ¹

1. Effective for annual periods beginning on or after 1 January 2020
2. Effective for annual periods beginning on or after 1 January 2021
3. No mandatory effective date yet determined but available for adoption

The Group considers that the above new and amendment to HKFRSs issued but not yet effective are unlikely to have a significant impact on the consolidated financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於此等財務報表內應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第3號之修訂	業務的定義 ¹
香港財務報告準則第9號、香港會計準則第39號及香港財務報告準則第7號之修訂	利率基準改革 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂(二零一一年)	投資者與其聯營公司或合營公司之間出售或注入資產 ³
香港財務報告準則第17號	保險合約 ²
香港會計準則第1號及香港會計準則第8號之修訂	重大的定義 ¹

- 1 於二零二零年一月一日或之後開始的年度期間生效
- 2 於二零二一年一月一日或之後開始的年度期間生效
- 3 強制生效日期尚未釐定，但可供採納

本集團認為上述已頒佈但尚未生效之新訂及經修訂香港財務報告準則不大可能對綜合財務報表造成重大影響。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control, is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investment in a joint venture is stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of a joint venture are included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's investment in the joint venture, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of joint venture is included as part of the Group's investment in joint venture.

Upon the loss of joint control over the joint venture, any difference between the carrying amount of the joint venture upon loss of joint control and the proceeds from the disposal is recognised in profit or loss.

2.4 主要會計政策概要

合營公司

合營公司指對安排擁有共同控制權的各方對合營公司資產淨值享有權利的一類合營安排。共同控制是指按照合約同意對某項安排所共有的控制，共同控制僅在當相關活動要求共同享有控制權之各方作出一致同意之決定時存在。

本集團於一家合營公司的投資以權益會計法按本集團應佔資產淨值減任何減值虧損於綜合財務狀況表列賬。

會計政策如有差異則作出調整使之一致。

本集團應佔合營公司收購後業績及其他全面收入應分別於綜合損益表及綜合其他全面收入列賬。此外，倘直接於合營公司的權益確認一項變動，則本集團會視乎情況於綜合權益變動表確認應佔任何變動。本集團與合營公司之間交易產生的未變現收益及虧損均按本集團所佔合營公司的投資比例撇銷，惟如有證據顯示未變現虧損是由於所轉讓資產出現減值則除外。收購合營公司所產生的商譽計入本集團於一家合營公司的部分投資。

失去對合營公司的共同控制權後，失去共同控制權時合營公司之賬面值與出售事項所得款項之間的任何差額於損益中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 主要會計政策概要(續)

業務合併及商譽

業務合併乃以收購法入賬。轉讓之代價乃以收購日期之公平值計量。該公平值為於收購日期本集團轉讓之資產之公平值、本集團承擔被收購方之前度擁有人之負債，及本集團發行以換取被收購方控制權之股本權益之總和。於每項業務合併中，本集團選擇是否以公平值或被收購方之可識別資產淨值之應佔比例，計算於被收購方屬現時擁有人權益並賦予擁有人權利於清盤時按比例分佔實體之資產淨值之非控股權益。非控股權益之所有其他部分乃按公平值計量。收購相關成本於產生時列為支出。

當本集團收購一項業務時，會根據合約條款、於收購日期之經濟環境及相關條件，評估將承接之金融資產及負債，以作出適合之分類及標示，當中包括將被收購方主合約中之嵌入式衍生工具進行分離。

倘業務合併為分階段進行，已持有之股權須按收購日之公平值重新計量，由此產生的任何收益或虧損於損益確認。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at period end. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

由收購方將予轉讓之任何或然代價須於收購日期按公平值確認。歸類為資產或負債之或然代價按公平值計量，公平值變動於損益確認。歸類為權益之或然代價毋須重新計量。其後結算在權益中入賬。

商譽最初按成本計量，即已轉讓總代價、已確認非控股權益金額及本集團已持有之被收購方股權之公平值三者之總和，超逾所收購可識別資產淨值及所承擔負債之差額。倘該代價及其他項目之總和低於所收購資產淨值之公平值，於評估後其差額將於損益中確認為議價收購收益。

首次確認後，商譽按成本值減任何累積減值虧損計值。商譽每年均作減值測試，倘有事件或情況變動顯示商譽之賬面值可能出現減值，該項檢討或更頻繁地進行。本集團於期末作出年度商譽減值測試。就減值測試而言，因業務合併而購入之商譽自收購日期起分配至預期可從合併產生之協同效益中獲益之本集團各個現金產生單位或現金產生單位組別，而無論本集團之其他資產或負債是否已分配予該等單位或單位組別。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its financial asset at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

減值乃通過評估與商譽有關之現金產生單位(或現金產生單位組別)之可收回金額來確定。凡現金產生單位(或現金產生單位組別)之可收回金額低於其賬面值，即確認減值虧損。已確認之商譽減值虧損不可在之後期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組別)而該單位之部分業務已出售，則在釐定所出售業務之收益或虧損時，與所出售業務相關之商譽計入該業務賬面值。在該情況下出售之商譽根據所出售業務之相對價值和現金產生單位之保留份額進行計值。

公平值計量

本集團於各報告期末按公平值計量其按公平值計入損益之金融資產。公平值指於計量日市場參與者之間的有序交易中，就出售資產所收取之價格或轉讓負債所支付之價格。計量公平值時假設出售資產或轉讓負債之交易於資產或負債的主要市場或(在未有主要市場的情況下)最有利市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者基於最佳經濟利益行事，資產或負債的公平值使用市場參與者為資產或負債定價所用假設計量。

非金融資產之公平值計量計及市場參與者將資產用於最高增值及最佳用途或將資產售予用於最高增值及最佳用途之另一名市場參與者而創造經濟利益的能力。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平值計量(續)

本集團針對不同情況使用不同估值方法，確保有足夠數據計量公平值，並盡量利用相關可觀察輸入數據，減少使用不可觀察數據。

公平值於財務報表計量或披露之所有資產及負債，均基於對計量公平值整體而言屬重要之最低層輸入數據按下述公平值層級分類：

- 第一層 – 按同等資產或負債於活躍市場之報價(未經調整)計算
- 第二層 – 按估值技巧計算(對公平值計量而言屬重大之最低層輸入值直接或間接為可觀察數據)
- 第三層 – 按估值技巧計算(對公平值計量而言屬重大之最低層輸入值為不可觀察數據)

對於按經常性基準於財務報表確認之資產及負債，本集團於各報告期末重新評估分類(基於對計量公平值整體而言屬重大之最低層輸入數據)，確定有否在不同層級之間轉移。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than deferred tax assets, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產之減值

倘資產存在減值跡象或須進行年度減值測試(除遞延稅項資產、金融資產及商譽外)，會就該項資產之可收回數額作出估計。資產之可收回數額按資產或現金產生單位之可使用價值及其公平值扣除銷售成本兩者中之較高金額計算，並將其釐定為個別資產，除非該項資產產生之現金流入不能大致獨立於其他資產或資產組別所產生之現金流入，在此情況下，可收回數額以該項資產所屬之現金產生單位釐定。

資產之賬面值超逾其可收回數額時，減值虧損方予以確認。於評估可使用價值時，估計未來現金流量將以稅前貼現率貼現至現值，以反映貨幣時間價值之現時市場評估及該項資產之特定風險。減值虧損將於其發生期間於損益表中從與已減值資產功能一致的支出類別扣除。

於各個報告期末會評估是否有跡象顯示資產於先前確認之減值虧損可能不再存在或可能已減少。如存在有關跡象，則會就有關可收回數額作出估計。僅於釐定該項資產之可收回數額之估計出現變動時，先前確認之資產(商譽除外)之減值虧損方可撥回；惟在假設於過往年度並無就該項資產確認減值虧損，高出於此情況下所釐定之賬面值之數額(扣除任何折舊／攤銷)則不得撥回。該減值虧損之撥回於其發生期間計入損益表內。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要(續)

關連人士

在下列情況下，有關人士將為本集團之關連人士：

- (a) 有關方為任何個人或其近親，而此人：
 - (i) 對本集團擁有控制權或與他人共同擁有控制權；
 - (ii) 可對本集團發揮重大影響力；或
 - (iii) 為本集團或其母公司之主要管理人員；

或

- (b) 有關方為下列任何情況適用之實體：
 - (i) 該實體與本集團屬同一集團之成員公司；
 - (ii) 一間實體為另一間實體之聯營公司或合營公司(或另一間實體之母公司、附屬公司或同系附屬公司)；
 - (iii) 該實體與本集團為同一第三方之合營公司；
 - (iv) 一間實體為第三方實體之合營公司及另一方實體為該第三方實體之聯營公司；
 - (v) 該實體為本集團或與本集團有關連之任何實體就僱員福利而設立之僱員退休福利計劃；
 - (vi) 該實體受(a)定義之人士控制或與他人共同控制；
 - (vii) (a)(i)定義之人士對該實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員；及
 - (viii) 實體或該集團之任何成員公司向本集團或本集團之母公司提供主要管理人員服務。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of 5 years or the lease terms
Furniture and equipment	3 to 5 years
Motor vehicles	5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊

物業、廠房及設備乃按成本值減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本包括其購入價及將資產達至運作狀況及運送至使用位置以作其計劃用途所產生之任何直接應計成本。物業、廠房及設備項目開始運作後所產生之支出，如保養維修費用，一般於產生期間在損益表中扣除。滿足確認條件之重大檢修支出將撥充資本計入資產賬面值作為重置處理。物業、廠房及設備之重要部分需按階段重置，本集團將有關部分確認為具有特定可使用年期之個別資產並相應計算折舊。

折舊乃就每項物業、廠房及設備項目之估計可使用年期以直線法攤銷其成本至其剩餘價值。就此目的所用之主要年率如下：

租賃物業裝修	五年或租約年期 (以較短者為準)
傢俬及設備	三至五年
汽車	五年

倘物業、廠房及設備項目不同部分之可使用年期不同，則該項目之成本按合理基準分配至不同部分，而各部分個別折舊。

剩餘價值、可使用年期及折舊方法會至少於各財政年度末進行檢討及調整(如適用)。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the period the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial period end.

Technology platforms

Technology platform is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful lives of 5 years.

Computer software and non-compete agreement

The computer software and non-compete agreement are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 3 years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

2.4 主要會計政策概要(續)

物業、廠房及設備以及折舊(續)

物業、廠房及設備項目(包括首次確認的任何重要部分)·於出售時或當預期使用或出售該項目將不會帶來未來經濟利益時取消確認。於資產取消確認之期間於損益表確認之任何出售或報廢損益·為銷售所得款項淨額與相關資產賬面值之差額。

無形資產(商譽除外)

單獨收購之無形資產於首次確認時按成本計量。於業務合併中收購之無形資產之成本為其於收購日期之公平值。無形資產之可使用年期可評估為有限期或無限期。年期有限之無形資產其後於可使用經濟年期內攤銷·並於該無形資產出現可能減值跡象時進行減值評估。可使用年期有限之無形資產之攤銷期及攤銷方法至少須於各財政期間末檢討一次。

技術平台

技術平台按成本減任何減值虧損列賬·並以直線法於其估計可使用年期5年內攤銷。

電腦軟件及不競爭協議

電腦軟件及不競爭協議按成本減任何減值虧損列賬·並以直線法於其估計可使用年期3年內攤銷。

研發成本

所有研究成本於產生時自損益表扣除。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Properties	2 to 5 years
Other equipment	2 to 5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用)

本集團於合約開始時評估合約是否為租賃或包含租賃。倘合約賦予權利於一段時間內控制已識別資產的用途以換取代價，則該合約為租賃或包含租賃。

本集團作為承租人

本集團對所有租賃應用單一確認及計量方法，惟短期租賃及低價值資產租賃除外。本集團確認租賃負債以作出租款項，而使用權資產指使用相關資產的權利。

(a) 使用權資產

於租賃開始日期確認使用權資產。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債金額、初始已產生直接成本及於開始日期或之前作出之租賃付款減任何已收取租賃優惠。使用權資產於租期與資產估計可使用年期(以較短者為準)按直線法折舊如下：

物業	2至5年
其他設備	2至5年

倘租賃資產的所有權於租期結束前轉移至本集團，或成本反映購買選擇權之行使，則折舊以資產估計可使用年期計算。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

Group as a lessee (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of properties and other equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

2.4 主要會計政策概要(續)

租賃(自二零一九年一月一日起適用) (續)

本集團作為承租人(續)

(b) 租賃負債

於租賃開始日期，租賃負債按租期內作出之租賃付款之現值予以確認。租賃付款包括固定付款(包括實質固定付款)減任何應收租賃優惠。租賃付款亦包括本集團合理地確定行使之購買選擇權之行使價及在租期反映本集團行使終止選擇權之情況下終止租賃而需支付之罰款。

在計算租賃付款之現值時，倘租賃中所隱含之利率不易確定，則本集團在租賃開始日期使用增量借款利率。於開始日期後，租賃負債之金額將會增加以反映利息的增加及就已作出之租賃付款作出扣減。此外，倘有修改、租賃付款日後因指數或比率變動出現變動、租期出現變動、實質固定租賃付款變動或購買相關資產之評估改變，則租賃負債之賬面值將獲重新計量。

(c) 短期租賃及低價值資產租賃

本集團對物業及其他設備的短期租賃(即自開始日期起租期為12個月或以下且不含購買選擇權的租賃)應用短期租賃確認豁免，亦對其認為屬低價值的辦公室設備租賃應用低價值資產租賃確認豁免。短期租賃及低價值資產租賃的租賃付款以直線法按租期確認為開支。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

2.4 主要會計政策概要(續)

租賃(於二零一九年一月一日前適用)

出租人保留資產所有權之絕大部分回報與風險之租約入賬為經營租約。如本集團為承租方，以經營租約承租所支付之租金扣除自出租人收取的任何優惠按租約之期限以直線法於損益表中扣除。

投資及其他金融資產

首次確認及計量

首次確認時，金融資產分類為其後按攤銷成本、按公平值計入其他全面收益及按公平值計入損益計量。

於首次確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用可行權宜方法並未對重大融資成分的影響作出調整的應收貿易賬款外，本集團初步按公平值加上(倘金融資產並非按公平值計入損益)交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的應收貿易賬款根據下文「收益確認」所載政策按香港財務報告準則第15號釐定的交易價格計量。

為使金融資產按攤銷成本或按公平值計入其他全面收益進行分類及計量，其需產生純粹為支付本金及未償還本金利息(「純粹為支付本金及利息」)的現金流量。現金流量並非純粹為支付本金及利息之金融資產以按公平值計入損益分類及計量，而不論業務模式。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Initial recognition and measurement (continued)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

首次確認及計量(續)

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式釐定現金流量是否來自收取合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量之金融資產於其目的是持有金融資產以收取合約現金流量的業務模式內持有，而以按公平值計入其他全面收益分類及計量之金融資產則於其目的是持有以收取合約現金流量及出售的業務模式內持有。並非於上述業務模式內持有之金融資產以按公平值計入損益分類及計量。

金融資產的所有常規買賣於交易日期(即本集團承諾買入或出售資產之日)確認。常規買賣指須於法規或市場慣例一般設定的期間內交收資產的金融資產買賣。

其後計量

金融資產其後視乎以下分類而進行計量：

按攤銷成本入賬的金融資產(債務工具)

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to the statement of profit or loss.

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

按公平值計入其他全面收益之金融資產(債務工具)

就按公平值計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或回撥乃於損益表確認，計算方式與計算按攤銷成本計量之金融資產者相同。餘下公平值變動於其他全面收益確認。於終止確認後，於其他全面收益確認之累計公平值變動回流至損益表。

指定按公平值計入其他全面收益之金融資產(股權投資)

於初步確認後，倘股權投資符合香港會計準則第32號「金融工具：呈列」項下之股權定義，且並非持作買賣，本集團可選擇不可撤回地將該股權投資分類為指定按公平值計入其他全面收益之股權投資。分類乃按個別工具基準而釐定。

該等金融資產之收益及虧損永不回流損益表。倘股息付款權已確立，而股息相關經濟利益很可能流向本集團，且股息金額能可靠計量，則股息會於損益表確認為其他收入，惟倘本集團受惠於該等所得款項作為收回部分金融資產成本則作別論，在此情況下，有關收益會入賬為其他全面收益。指定按公平值計入其他全面收益之股權投資無須進行減值評估。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value through profit or loss are also recognised as other income in the statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

其後計量(續)

按公平值計入損益之金融資產

按公平值計入損益之金融資產按公平值於財務狀況表列賬，而公平值變動淨額於損益表確認。

該類別包括本集團不可撤回地選擇按公平值計入其他全面收益進行分類的衍生工具及股本投資。分類為按公平值計入損益之金融資產的股本投資的股息亦在支付權確立，與股息有關的經濟利益很大機會流入本集團，且能夠可靠計量股息金額時於損益表確認為其他收入。

當嵌入混合合約(包括金融負債及非金融主體)的衍生工具具備與主體不緊密相關的經濟特徵及風險；具備與嵌入式衍生工具相同條款的單獨工具符合衍生工具的定義；且混合合約並非按公平值計入損益計量，則該衍生工具與主體分開並作為單獨衍生工具列賬。嵌入式衍生工具按公平值計量，且其變動於損益表確認。僅當合約條款出現變動，以致大幅改變其他情況下所須現金流量時或當原分類至按公平值計入損益之金融資產獲重新分類時，方進行重新評估。

嵌入混合合約(包括金融資產主體)的衍生工具不得單獨列賬。金融資產主體連同嵌入式衍生工具須整體分類為按公平值計入損益之金融資產。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

2.4 主要會計政策概要(續)

取消確認金融資產

金融資產(或(如適用)一項金融資產之一部分或一組同類金融資產之一部分)主要於下列情況下將取消確認(即將其從本集團的綜合財務狀況表中移除):

- 收取該項資產所得現金流量之權利經已屆滿; 或
- 本集團已轉讓收取該項資產所得現金流量之權利, 或根據一項「轉付」安排, 在未有嚴重延緩之情況下, 已全數承擔向第三者支付所收取現金流量之責任; 並(a)已轉讓該項資產之絕大部分風險及回報, 或(b)並無轉讓或保留該項資產絕大部分風險及回報, 但已轉讓該項資產之控制權。

倘本集團已轉讓其收取一項資產所得現金流量之權利或已訂立一項轉付安排, 會評估其有否保留該資產擁有權之風險及回報, 以及其程度。當本集團並無轉讓或保留該項資產之絕大部分風險及回報, 亦無轉讓該項資產之控制權時, 則已轉讓資產將以本集團持續參與該項資產為限而繼續確認入賬。在此情況下, 本集團亦確認相關負債。已轉讓資產及相關負債按反映本集團已保留的權利及責任之基準而計量。

持續參與採取就已轉讓資產提供擔保的形式, 按資產原賬面值與本集團可能須償還的代價之最高數額兩者中之較低者計量。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month expected credit loss). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 主要會計政策概要(續)

金融資產減值

本集團確認對並非按公平值計入損益持有的所有債務工具預期信貸虧損的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。

一般方法

預期信貸虧損分兩個階段確認。就自首次確認起未有顯著增加的信貸風險而言，預期信貸虧損為未來12個月內可能發生違約事件而導致的信貸虧損(12個月預期信貸虧損)計提撥備。就自初始確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備(全期預期信貸虧損)。

於各報告日期，本集團評估財務工具的信貸風險自首次確認以來是否大幅增加。進行評估時，本集團會比較報告日期就財務工具產生的違約風險與於首次確認日期就財務工具產生的違約風險，並會考慮合理及有理據且毋須花費過度成本或精力即可獲得的資料，包括過往經驗及前瞻性資料。

就按公平值計入其他全面收益的債務投資而言，本集團應用低信貸風險簡化方法。於各報告日期，本集團使用所有合理及有理據且毋須花費過度成本或精力即可獲得的資料，評估債務投資是否被視為具有低信貸風險。進行評估時，本集團會重新計估債務投資的外部信貸評級。此外，本集團認為，倘合約付款已逾期超過30日，則信貸風險顯著增加。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of expected credit losses except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month expected credit losses
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime expected credit losses
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime expected credit losses

2.4 主要會計政策概要(續)

金融資產減值(續)

一般方法(續)

倘合約付款已逾期90日，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，在沒有計及本集團所持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

按公平值計入其他全面收益的債務投資及按攤銷成本入賬的金融資產按一般方法進行減值，並就計量預期信貸虧損分類為下列階段，惟下文所詳述應用簡化方法入賬的應收貿易賬款除外。

- 階段1 – 金融工具的信貸風險自首次確認以後並無顯著增加，其虧損撥備按等同12個月預期信貸虧損的金額計量
- 階段2 – 金融工具的信貸風險自首次確認以來顯著增加(惟並非信貸減值的金融資產)，其虧損撥備按等同全期預期信貸虧損的金額計量
- 階段3 – 於報告日期為信貸減值的金融資產(惟並非購買或發起的信貸減值金融資產)，其虧損撥備按等同全期預期信貸虧損的金額計量

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating expected credit losses. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, bank borrowings and a loan from a shareholder.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

2.4 主要會計政策概要(續)

金融資產減值(續)

簡化方法

就不具重大融資成分或本集團應用可行權宜方法並未對重大融資成分的影響作出調整的應收貿易賬款而言，本集團應用簡化方法計算預期信貸虧損。根據簡化方法，本集團並無追溯信貸風險變動，而是根據各報告日期的全期預期信貸虧損確認虧損撥備。本集團已設立根據其過往信貸虧損經驗計算之撥備矩陣，並按債務人的特定前瞻性因素及經濟環境作出調整。

首次確認及計量

金融負債於首次確認時歸類為按公平值計入損益之金融負債、貸款及借貸、應付款項，或在有效對沖中歸類為指定屬對沖工具之衍生工具(視適用情況而定)。

所有金融負債最初按公平值確認，如屬貸款及借貸以及應付款項，則扣除直接歸屬之交易成本。

本集團之金融負債包括應付貿易賬款、其他應付款項、銀行借款及來自一名股東貸款。

其後計量

金融負債其後視乎以下分類而進行計量：

按攤銷成本計量的金融負債

於首次確認後，計息貸款及借貸其後使用實際利率法按攤銷成本計量，惟倘貼現影響屬非重大，則金融負債按成本列賬。有關盈利及虧損均於負債取消確認時，透過實際利率攤銷程序於損益表確認。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Loans and borrowings

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling price less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.4 主要會計政策概要(續)

金融負債

貸款及借貸

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益表之財務費用內。

取消確認金融負債

當負債責任獲解除或註銷或屆滿時，即取消確認金融負債。

倘現有金融負債被來自同一出借方但不同條款之另一筆金融負債替代，或現有負債之條款被大幅修訂，此變動或修訂被視作取消確認原來負債並確認新負債，而各賬面值間之差額則於損益表中確認。

抵銷金融工具

當現行有可予執行之法律權利以抵銷確認金額及有意按淨額基準償付，或變現資產與清還負債同時進行，方會抵銷金融資產及金融負債及於財務狀況表內呈報淨金額。

存貨

存貨按成本值與可變現淨值兩者中之較低者列賬。成本乃按加權平均基準釐定。可變現淨值乃基於估計售價減完成銷售及處置所產生之任何估計費用。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目指庫存現金及活期存款以及可隨時轉換為已知數額現金，受非重大價值變動風險影響並於購入後一般三個月內到期之短期及高流動性投資，再扣減須按要求償還並構成本集團現金管理之組成部分之銀行透支。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued)

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要(續)

現金及現金等值項目(續)

就綜合財務狀況表而言，現金及現金等值項目指庫存現金及銀行現金，包括無限制用途之定期存款及性質與現金類似的資產。

撥備

當由於過往事件導致現時須承擔法律或推定責任而未來可能須流失資源以履行責任，且能可靠估計責任之數額，則會確認撥備。

倘貼現影響重大，則所確認之撥備數額為預計履行責任所需之未來開支在報告期末之現值。隨時間流逝使貼現現值增加之款項計入損益表之財務費用。

所得稅

所得稅包括即期及遞延稅項。與於損益賬外確認之項目有關之所得稅，於損益賬外之其他全面收入或直接於權益確認。

即期稅項資產及負債，乃根據於報告期末已實施或已大致實施之稅率(及稅法)，並考慮本集團業務所在國家之現行詮釋及慣例，按預期自稅務當局退回或付予稅務當局之金額計算。

遞延稅項乃採用負債法，對於報告期末資產及負債之計稅基準與其賬面值之一切暫時性差額就財務申報作出撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and a joint venture, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and a joint venture, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項負債就一切應課稅暫時差額予以確認，惟以下情況除外：

- 首次確認商譽或於非業務合併交易中之資產或負債(於交易時並不影響會計溢利或應課稅溢利或虧損)所產生之遞延稅項負債；及
- 與於附屬公司及一家合營公司之投資有關之應課稅暫時差額，而撥回暫時差額之時間可以控制及暫時差額有可能於可見將來不會撥回者。

遞延稅項資產乃就所有可予扣減暫時差額、未動用稅項抵免及任何未動用稅項虧損之結轉而確認，但以將有應課稅溢利以動用可扣稅暫時差額、未動用稅項抵免之結轉及未動用稅項虧損以作對銷為限，確認遞延稅項資產，惟以下情況除外：

- 首次於非業務合併交易中確認之資產或負債(於交易時並不影響會計溢利或應課稅溢利或虧損)所產生之可予扣減暫時差額之遞延稅項資產；及
- 就與附屬公司及一家合營公司之投資有關之可予扣減暫時差額，僅於暫時差額將會在可見將來撥回及將有應課稅溢利作為抵銷，以動用暫時差額之情況下，才確認遞延稅項資產。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產之賬面值乃於各報告期末進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部分遞延稅項資產為止。未確認之遞延稅項資產乃按已可能獲得足夠應課稅溢利以收回全部或部分遞延稅項資產之情況下於各報告期末再評估並予以確認。

遞延稅項資產及負債乃根據於報告期末已實施或已大致實施之稅率(及稅法)，按變現資產或清償負債之期間預期適用之稅率予以估量。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應課稅實體或於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅項負債及資產或同時變現資產及結算負債之不同應課稅實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

政府補貼

倘可合理保證將獲得補貼及將符合所有附帶條件，則按公平值確認政府補貼。倘該補貼與一項開支項目有關，則於擬用作補償之成本支銷期間有系統地確認為收入。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) *Sales of merchandise*

Revenue from the sale of merchandise is recognised at the point when the control of the asset is transferred to the customer, generally on delivery of the goods.

(b) *Commission income*

Commission income is recognised at the point in time when the control of the underlying goods procured by the Group are transferred.

2.4 主要會計政策概要 (續)

收益確認

與客戶的合約收益

與客戶的合約收益在貨品或服務的控制權轉讓至客戶時予以確認，其金額反映本集團預期就交換該等貨品或服務而有權獲得之代價。

當合約中的代價包含可變金額時，代價的金額於本集團向客戶就交換該等貨品或服務而有權獲得的代價估計。可變代價按合約開始時估計並受到約束，直至與可變代價相關的不確定因素其後獲解除時，所確認的累計收益金額極有可能不會發生重大收益撥回為止。

對於客戶付款及轉讓協定產品或服務期間為一年或一年以下之合約，交易價格採用香港財務報告準則第15號中實際權宜之計，不會對重大融資部分之影響作出調整。

(a) *商品銷售*

商品銷售之收益於資產控制權轉移至客戶時予以確認，一般為該貨品之交付。

(b) *佣金收入*

佣金收入於本集團所採購相關貨品之控制權轉讓時確認。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

- (c) *Internet value-added services ("IVAS") revenue*
Revenue from IVAS is generated from the Group's online social platforms. Revenue is recognised when persuasive evidence of an arrangement exists, service has been rendered, the price is fixed or determinable and collection is reasonably assured. Revenue is deferred until these criteria are met as described below.

The Group operates a virtual currency system, under which the users can directly purchase virtual currency on a mobile phone application ("APP") via online payment systems provided by third parties including payments using mobile phones, internet debit/credit cards and other third party payment systems. The virtual currency can be used to purchase virtual items and virtual services on the APP.

The Group creates and offers consumable and durable virtual items to be used by users on the Group's online social platform and other services, which the Group operates and maintains. The virtual items are sold to users at different specified prices as predetermined by the Group. Users purchase virtual items from the Group and present them to other users for appreciation or consumption by themselves, which provide users with recognised status, such as priority speaking rights or special symbols over a certain period of time on the APP.

Upon the sales of the virtual currency, the Group typically has an implied obligation to provide services to enable the virtual currency to be consumed in the APP through the virtual items and virtual services in the APP. As a result, the proceeds received from sales of the virtual currency are initially recorded as deferred revenue. The attributable portion of the deferred revenue relating to values of the virtual currency consumed is immediately or ratably recognised as revenue only when the services are rendered to the respective users.

2.4 主要會計政策概要(續)

收益確認(續)

與客戶的合約收益(續)

- (c) *互聯網增值服務(「互聯網增值服務」) 收益*
互聯網增值服務收益源自本集團之網上社交平台。當存在安排之具說服力證據，已提供服務、售價已釐定或可釐定，以及可合理確保收取款項時，即確認收益。收益將予遞延，直到達成下文所述標準為止。

本集團經營虛擬貨幣系統，據此，用戶可透過流動電話應用程式(「應用程式」)經第三方所提供線上付款系統直接購買虛擬貨幣，包括使用流動電話、互聯網扣賬卡／信用卡及其他第三方付款系統進行付款。虛擬貨幣可用作於應用程式上購買虛擬物品及虛擬服務。

本集團創建及提供消耗性及持久性虛擬物品，供用戶於本集團所經營及維護之網上社交平台及其他服務使用。虛擬物品按本集團預設之不同指定價格售予用戶。用戶向本集團購買虛擬物品，並轉贈其他用戶以表謝意或自用，此舉可提升客戶等級，例如於一段時間內在應用程式上享有優先發言權或特殊符號。

銷售虛擬貨幣後，本集團通常有隱含義務提供服務，以便透過應用程式以虛擬貨幣消費虛擬物品及虛擬服務。因此，銷售虛擬貨幣所得款項最初記錄為遞延收益。與所消費虛擬貨幣價值有關之遞延收益可歸屬部分僅於提供服務予相應用戶時即時或按比例確認為收益。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(c) *Internet value-added services ("IVAS") revenue (continued)*

For the purposes of determining when services have been provided to the respective users, the Group has determined that consumable virtual items represent items that are extinguished after being consumed by the users, upon which revenue is recognised (as a release from deferred revenue). The Group has determined that durable virtual items are distinguished over the time when the durable virtual items are consumed by the users (e.g. when the special symbols are displayed as the users' APP). Accordingly, the related revenue is recognised over such consumption or display period.

(d) *Advertising and other services income*

Income from the rendering of services and advertising income are recognised at the point in time when the services are rendered.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset.

Reimbursement income from customers, handling fee income, inspection and laboratory test income are recognised when the services are rendered.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2.4 主要會計政策概要(續)

收益確認(續)

與客戶的合約收益(續)

(c) *互聯網增值服務(「互聯網增值服務」) 收益(續)*

為確定向相應用戶提供服務之時間，本集團將消耗性虛擬物品界定為用戶消費後撤銷之項目，並即時確認收益(從遞延收益中解除)。本集團釐定持久性虛擬物品將於用戶消費持久性虛擬物品期間(例如當特殊符號顯示於用戶應用程式時)隨時間區分。因此，相關收益於上述消費或顯示期內確認。

(d) *廣告及其他服務收入*

提供服務之收入及廣告收入於提供服務時確認。

其他收入

利息收入按金融工具之估計年期以實際利率法將估計未來現金收入精確貼現至金融資產賬面淨值而累計。

來自客戶之償付收入、手續費收入、檢驗及實驗室測試收入於提供服務時確認。

合約負債

於本集團轉讓相關貨品或服務前，合約負債於自客戶收取付款或付款到期(以較早者為準)時予以確認。當本集團履約(即轉讓相關貨品或服務的控制權予客戶)時，合約負債確認為收益。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("**equity-settled transactions**").

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

2.4 主要會計政策概要(續)

以股份支付

本公司設有購股權計劃，以獎勵及酬謝為本集團業務取得成功作出貢獻之合資格參與者。本集團之僱員(包括董事)會收取以股份支付形式付出之酬金，而僱員會提供服務作為換取股本工具之代價(「**以股權支付交易**」)。

以股權支付交易之成本(連同股本之相應增加)會於達到表現及/或服務條件之期間於僱員福利開支確認。由各報告期末至歸屬日期間就以股權支付交易確認之累計開支，反映歸屬期屆滿時之程度，以及本集團對最終歸屬股本工具數目之最佳估計。期內於損益表扣除或計入之數額，乃期初與期終確認之累計開支之變動。

服務及非市場表現條件非考慮授出獎勵當日公平值之考慮因素，但能否滿足該等條件之可能性則構成本集團對最終歸屬之權益工具數量之最佳估計一部分。市場表現條件已反映於授出權利當日之公平值。任何與獎勵相關之其他條件，但不屬於相關服務必要條件，均考慮作非歸屬條件。除非附帶服務及/或表現條件，非歸屬條件已反映於獎勵之公平值而該獎勵立即計入開支內。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments (continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要(續)

以股份支付(續)

由於非市場表現及／或服務條件未能獲滿足，未最終歸屬之獎勵不會確認為開支。當獎勵包括一個市場或非歸屬條件時，於所有其他表現及／或服務條件獲滿足之前提下，無論市場或非歸屬條件是否獲滿足，有關交易均被視為已歸屬。

當以股權支付報酬之條款作出修訂時，如已符合報酬的原先條款，則會確認最少之開支，猶如條款未曾作出任何修訂。此外，修訂如會導致任何以股份支付之總公平值增加或按修訂日計量對僱員有利，則會就任何有關修訂確認開支。

當以股權支付報酬註銷時，會視作報酬已於註銷當日經已歸屬，而報酬尚未確認之任何開支會即時予以確認。此包括屬本集團或僱員控制範圍內之非歸屬條件並無達到之任何報酬。然而，倘註銷之報酬有任何替代新報酬，並指定為授出當日之替代報酬，則該項註銷及新報酬會如上段所述被視為原有報酬之修訂般處理。

未行使購股權之攤薄影響在計算每股盈利時反映為額外股份攤薄。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits

(i) Pension schemes

Defined contribution pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries which operate in mainland China and other overseas countries are required to participate in the pension scheme operated by the local municipal government. Contributions are made based on the requirements of the respective local municipal government, the contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Defined benefit pension scheme

The Group operates a defined benefit pension plan, which requires contributions to be made to a separately administered fund, for those employees who are eligible to participate in the scheme. The cost of providing benefits under the defined benefit plan is determined separately using the projected unit credit valuation method.

2.4 主要會計政策概要(續)

其他僱員福利

(i) 退休金計劃

定額供款退休金計劃

本集團根據強制性公積金計劃條例實行定額供款強制性公積金退休福利計劃(「強積金計劃」)，對象為合資格參與強積金計劃之僱員。供款乃按僱員之基本薪金百分比計算，並按強積金計劃之規則於應付時自損益表中扣除。強積金計劃之資產與本集團資產分開持有，另由獨立運作之基金管理。本集團就強積金計劃所作之僱主供款，於供款時即全數歸僱員所有。

本集團於中國內地及其他海外國家經營之附屬公司之僱員須參加當地市政府運作之退休金計劃。供款乃根據各地方市政府之要求而作出，該供款乃根據中央退休金計劃之規則於應付時自損益表中扣除。

定額福利退休金計劃

本集團實行一項定額福利退休金計劃，該計劃要求本集團為合資格參與該計劃之僱員向獨立運作之基金作出供款。根據該等定額福利計劃提供福利之成本乃按預測單位信貸估值法單獨釐定。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

(i) Pension schemes (continued)

Defined benefit pension scheme (continued)

Remeasurements arising from defined benefit pension plans, comprising actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained profits through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss at the earlier of:

- the date of the plan amendment or curtailment; and
- the date that the Group recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation under “General and administrative expenses” in the consolidated statement of profit or loss by function:

- service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- net interest expense or income

2.4 主要會計政策概要(續)

其他僱員福利(續)

(i) 退休金計劃(續)

定額福利退休金計劃(續)

因定額福利退休金計劃而產生之重新計量，包括精算收益及虧損、資產上限之影響(不包括計入定額福利負債淨額之利息淨額的款項)以及計劃資產之回報(不包括計入定額福利負債淨額之利息淨額的款項)，即時於綜合財務狀況表中確認，並透過其產生期間之其他全面收入於保留溢利內相應記入借方或記入貸方。重新計量於隨後期間不會重新分類至損益。

過往服務成本按下列較早者於損益內確認：

- 計劃修訂或縮減之日期；及
- 本集團確認重組相關成本之日期。

利息淨額乃採用貼現率將定額福利負債或資產淨值進行貼現計算。本集團在綜合損益表「一般及行政開支」中按功能確認定額福利責任淨值之下列變動：

- 服務成本(包括當期服務成本、過往服務成本、縮減及不定期結算之收益及虧損)
- 利息開支或收入淨額。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Other employee benefits (continued)

(ii) Employee leave entitlements

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

(iii) Termination benefits

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

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and association and bye-laws grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要(續)

其他僱員福利(續)

(ii) 僱員休假權利

本集團根據僱員合約按曆年基準向其僱員提供有薪年假。於若干情況下，於報告期末仍未支取之年假容許結轉，留待有關僱員於來年享用。於本年度由僱員享有及結轉之有薪假期之預期日後成本於報告期末累計。

(iii) 離職福利

離職福利於本集團不再能夠撤回該等福利之提供時及本集團確認涉及支付離職福利之重組成本時(以較早者為準)確認。

股息

末期股息於股東在股東大會上批准時確認為負債。建議末期股息於財務報表附註內披露。

由於本公司之組織章程大綱及細則以及公司細則授予董事宣派中期股息之權力，故中期股息同時予以建議及宣派。因此，中期股息於建議及宣派時即時確認為負債。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in US\$, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

外幣

本財務報表乃以美元(即本公司之功能貨幣)呈列。本集團內各實體自行釐定其功能貨幣，計入各實體財務報表之項目乃以該功能貨幣計量。本集團屬下實體所記錄之外幣交易按交易當日適用相應功能貨幣匯率首次入賬。以外幣列賬之貨幣資產及負債按報告期末適用之功能貨幣匯率換算。結算或換算貨幣項目產生之差額於損益表確認。

結算或換算貨幣項目產生之差額於損益表確認，惟指定為本集團對沖海外業務淨投資其中一部分之貨幣項目除外，有關貨幣項目於其他全面收入確認，直至出售有關淨投資為止，屆時累計金額重新分類至損益表。該等貨幣項目之匯兌差額所產生稅項支出及抵免亦記入其他全面收入。

以外幣歷史成本計算之非貨幣項目按首次交易當日之匯率換算。以外幣公平值計算之非貨幣項目則採用計量公平值當日之匯率換算。換算按公平值計量之非貨幣項目產生之收益或虧損按與確認項目公平值變動之收益或虧損一致之方式處理(即公平值收益或虧損於其他全面收入或損益中確認之項目之匯兌差額亦分別於其他全面收入或損益中確認)。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The functional currencies of certain overseas subsidiaries and a joint venture are currencies other than the US\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into US\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into US\$ at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into US\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into US\$ at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司及合營公司以美元以外之貨幣作為功能貨幣。於報告期末，該等實體之資產及負債已按報告期末適用之匯率換算為美元，而其損益表已按年內加權平均匯率換算為美元。

由此產生之匯兌差額在其他全面收入中確認，並在匯兌波動儲備中累計。出售海外業務時，其他全面收入中有關該項特定海外業務之成份於損益表中確認。

因收購海外業務而產生之任何商譽及對收購所產生資產及負債賬面值之公平值調整作為海外業務之資產及負債處理，並按收市匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量按現金流量日期之適用匯率換算為美元。海外附屬公司於整年持續產生之經常性現金流量按年內加權平均匯率換算為美元。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Accounting for companies governed under contractual arrangements as subsidiaries

The Group's operation of online social platform business is carried out through a domestic company, established under the laws of the People's Republic of China (the "PRC"), namely Loovee Science and Technology Development Co. Ltd.* (深圳市樂唯科技開發有限公司) ("Loovee Development"). Loovee Development holds the necessary licenses and approvals to operate internet-related businesses in the PRC.

The Company does not have any equity interest in Loovee Development. The directors of the Company assessed whether or not the Group has control over Loovee Development based on whether the Group has the power over Loovee Development, has rights to variable returns from its involvement with Loovee Development and has the ability to affect those returns through its power over Loovee Development. After assessment, the directors of the Company concluded that the Group has control over Loovee Development as a result of the contractual arrangements as detailed in Note 39 and other measures. Accordingly, the Group has consolidated the financial information of Loovee Development and its subsidiaries in the consolidated financial statements during the year.

* For identification purpose only

3. 主要會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，此等判斷、估計及假設會影響收益、開支、資產及負債之呈報金額及附帶披露事項以及或然負債之披露。該等假設及估計之不確定因素可能導致未來須對受影響資產或負債之賬面值作出重大調整。

判斷

於應用本集團會計政策之過程中，除涉及估計之判斷外，管理層已作出以下對財務報表已確認金額構成重大影響之判斷：

受合約安排規管之公司作為附屬公司入賬

本集團透過深圳市樂唯科技開發有限公司（「樂唯開發」）（根據中華人民共和國（「中國」）法律成立之國內公司）進行經營網上社交平台業務。樂唯開發持有於中國經營互聯網相關業務之必要牌照及批准。

本公司於樂唯開發並無任何股權。本公司董事評估本集團是否於樂唯開發擁有控制權時，乃基於本集團是否於樂唯開發擁有權力、是否享有參與樂唯開發業務所得可變回報之權利，以及能否運用對樂唯開發之權力影響該等回報。於評估後，本公司董事認為，基於附註39所詳述合約安排及其他措施，本集團於樂唯開發擁有控制權。因此，本集團將本年度樂唯開發及其附屬公司之財務資料於綜合財務報表綜合計算。

* 僅供識別

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

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

Impairment of other intangible assets

The Group determines whether other intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which the other intangible assets are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of other intangible assets at 31 December 2019 were Nil (2018: US\$18,476,000). More details are given in Note 16 to the financial statements.

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the expected credit losses on the Group's trade receivables is disclosed in Note 21 to the financial statements.

3. 主要會計判斷及估計(續)

估計之不確定性

下文討論於報告期末極可能導致資產及負債賬面值須於下一財政年度內作出重大調整之未來重要假設及估計不確定性之其他重要來源。

其他無形資產減值

本集團至少每年釐定其他無形資產是否出現減值。此舉要求估計已獲分配其他無形資產之現金產生單位之使用價值。估計使用價值要求本集團對來自現金產生單位之預期未來現金流量作出估計，亦須選擇合適貼現率計算該等現金流量之現值。於二零一九年十二月三十一日，其他無形資產之賬面值為零(二零一八年：18,476,000美元)。進一步詳情載於財務報表附註16。

應收貿易賬款之預期信貸虧損撥備

本集團以撥備矩陣計算應收貿易賬款的預期信貸虧損。撥備率乃以各個具有類似虧損模式的客戶分部分組的逾期日數為基準。

撥備矩陣初步按本集團過往觀察到的違約率計算得出。本集團將調整矩陣以調整過往信貸虧損經驗與前瞻性資料。於各報告日期，過往觀察到的違約率將予更新，並分析未來其可能發生的變化。

對過往觀察到的違約率、預測經濟狀況及預期信貸虧損之間的相關性評估為一項重要估計。預期信貸虧損的金額易受環境變化及預測經濟狀況所影響。本集團的過往信貸虧損經驗及經濟狀況預測亦可能無法代表未來客戶的實際違約。有關本集團應收貿易賬款預期信貸虧損的資料披露於財務報表附註21。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Income tax and deferred tax

The Group is subject to income taxes in various jurisdictions. Significant judgement is required in determining the amount of the provision for tax and the timing of payment of the related taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact on the income tax and deferred tax provisions in the periods in which such determination is made. The carrying amount of deferred tax assets and liabilities as at 31 December 2019 was US\$4,000 (2018: US\$4,000) and US\$13,000 (2018: US\$4,632,000) respectively. The carrying amount of tax payable as at 31 December 2019 was US\$296,000 (2018: US\$2,446,000).

4. OPERATING SEGMENT INFORMATION

During the year ended 31 December 2019, the Group terminated the money lending business, and consequently, the Group's business comprises two reportable operating segments as follows:

- (a) trading and supply chain management services; and
- (b) operation of online social platforms.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment loss, which is a measure of adjusted loss before tax. The adjusted loss before tax is measured consistently with the Group's loss before tax except that bank interest income, interest on bank borrowings, loss on dissolution of a subsidiary, share of loss of a joint venture as well as corporate and other unallocated expenses are excluded from such measurement.

3. 主要會計判斷及估計(續)

估計之不確定性(續)

所得稅及遞延稅項

本集團須繳納多個司法權區之所得稅。於釐定稅項撥備金額及支付有關稅項之時間時須作出重大判斷。日常業務過程中多項交易及計算方式導致不能明確釐定最終稅項。倘該等事宜之最終結果與最初記錄金額不同，該差額將影響有關釐定期間之所得稅及遞延稅項撥備。於二零一九年十二月三十一日，遞延稅項資產及負債之賬面值分別為4,000美元(二零一八年：4,000美元)及13,000美元(二零一八年：4,632,000美元)。於二零一九年十二月三十一日，應付稅項之賬面值為296,000美元(二零一八年：2,446,000美元)。

4. 經營分類資料

於截至二零一九年十二月三十一日止年度，本集團已終止其貸款業務，故本集團之業務由以下兩個可呈報之經營分類組成：

- (a) 貿易及供應鏈管理服務；及
- (b) 經營網上社交平台。

管理層分開監察本集團經營分類之業績，以就資源分配及表現評估作出決定。分類表現乃根據屬於經調整除稅前虧損計量項目之可呈報分類虧損作出評估。經調整除稅前虧損之計量方法與本集團除稅前虧損一致，惟銀行利息收入、銀行借款利息、解散一家附屬公司之虧損、應佔一家合營公司之虧損以及企業及其他未分配開支則不包括於該計量中。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

4. 經營分類資料(續)

		Trading and supply chain management services 貿易及供應 鏈管理服務 US\$'000 千美元	Operation of online social platforms 經營網上 社交平台 US\$'000 千美元	Money lending business 貸款業務 US\$'000 千美元	Total 總計 US\$'000 千美元
Year ended 31 December 2018	截至二零一八年 十二月三十一日止年度				
Segment revenue:	分類收益：				
Revenue from external customers	來自外界客戶之收益	63,968	43,545	-	107,513
Segment results	分類業績	(10,814)	(79,702)	(7)	(90,523)
Bank interest income	銀行利息收入				30
Gain on disposal of subsidiaries	出售附屬公司之收益				7
Gain on dissolution of a subsidiary	解散一家附屬公司之收益				8
Share of loss of a joint venture	應佔一家合營公司之虧損				(1)
Corporate and other unallocated expenses	企業及其他未分配 開支				(2,231)
Loss before tax	除稅前虧損				(92,710)
Income tax credit	所得稅抵免				8,536
Loss for the year	年度虧損				(84,174)
Other segment information:	其他分類資料：				
Impairment losses on goodwill	商譽減值虧損	12,733	53,763	-	66,496
Impairment losses on other intangible assets	其他無形資產 減值虧損	-	21,747	-	21,747
Amortisation of other intangible assets	其他無形資產攤銷	-	13,266	-	13,266
Depreciation of property, plant and equipment	物業、廠房及設備折舊	150	193	-	343
Capital expenditures	資本開支	68	414	-	482
Impairment of trade receivables	應收貿易賬款減值	54	-	-	54

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Geographical information

(a) Revenue from external customers

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
PRC	中國	33,097	47,008
Southern hemisphere	南半球	15,285	33,060
North America	北美洲	11,766	18,113
Europe	歐洲	3,992	7,592
Others	其他	1,552	1,740
		65,692	107,513

The revenue information above is based on the locations of the customers.

上述收益資料乃根據客戶所在地呈列。

(b) Non-current assets

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
PRC	中國	1,095	18,888
Hong Kong	香港	454	614
Others	其他	195	47
		1,744	19,549

The non-current asset information above is based on the locations of assets and excludes financial asset at fair value through profit or loss and a deferred tax asset.

上述非流動資產資料乃根據資產所在地呈列，並不包括按公平值計入損益之金融資產及遞延稅項資產。

4. 經營分類資料(續)

地域資料

(a) 來自外界客戶之收益

(b) 非流動資產

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Information about major customers

Revenue from major customers, which individually amounted to 10% or more of the Group's revenue, is set out below:

		Operating segment 經營分類	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Customer A	客戶 A		13,563	14,514
Trading and supply chain management services	貿易及供應鏈管理服務			
Customer B	客戶 B		N/A*	17,598
Trading and supply chain management services	貿易及供應鏈管理服務		不適用*	
			13,563	32,112

* smaller than 10%

* 少於10%

5. REVENUE AND OTHER INCOME

An analysis of the Group's revenue is as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Revenue from contracts with customers	與客戶的合約收益		
Sales of merchandise	商品銷售	25,113	51,884
Commission income	佣金收入	10,235	12,084
IVAS revenue	互聯網增值服務收益	15,723	32,801
Advertising and other services income	廣告及其他服務收入	14,621	10,744
		65,692	107,513

5. 收益及其他收入

本集團收益之分析如下：

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE AND OTHER INCOME (continued)

(i) Disaggregated revenue information

5. 收益及其他收入(續)

(i) 分拆收益資料

Segments	分類	Trading and supply chain management services 貿易及供應鏈管理服務 US\$'000 千美元	Operation of online social platforms 經營網上社交平台 US\$'000 千美元	Total 總計 US\$'000 千美元
For the year ended 31 December 2019	截至二零一九年十二月三十一日止年度			
Type of goods or services	貨物或服務類型			
Sales of merchandise	商品銷售	25,113	–	25,113
Commission income	佣金收入	10,235	–	10,235
IVAS revenue	互聯網增值服務收益	–	15,723	15,723
Advertising and other services income	廣告及其他服務收入	–	14,621	14,621
		35,348	30,344	65,692
Geographical markets	地區市場			
PRC	中國	2,753	30,344	33,097
Southern hemisphere	南半球	15,285	–	15,285
North America	北美洲	11,766	–	11,766
Europe	歐洲	3,992	–	3,992
Others	其他	1,552	–	1,552
		35,348	30,344	65,692
Timing of revenue recognition	收益確認之時間			
Goods/services transferred/ rendered at a point in time	於某時點轉讓/提供 貨物/服務	35,348	30,344	65,692

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE AND OTHER INCOME (continued)

5. 收益及其他收入 (續)

(i) Disaggregated revenue information (continued)

(i) 分拆收益資料 (續)

Segments	分類	Trading and supply chain management services 貿易及供應鏈管理服務 US\$'000 千美元	Operation of online social platforms 經營網上社交平台 US\$'000 千美元	Total 總計 US\$'000 千美元
For the year ended 31 December 2018	截至二零一八年十二月三十一日止年度			
Type of goods or services	貨物或服務類型			
Sales of merchandise	商品銷售	51,884	–	51,884
Commission income	佣金收入	12,084	–	12,084
IVAS revenue	互聯網增值服務收益	–	32,801	32,801
Advertising and other services income	廣告及其他服務收入	–	10,744	10,744
		63,968	43,545	107,513
Geographical markets	地區市場			
PRC	中國	3,463	43,545	47,008
Southern hemisphere	南半球	33,060	–	33,060
North America	北美洲	18,113	–	18,113
Europe	歐洲	7,592	–	7,592
Others	其他	1,740	–	1,740
		63,968	43,545	107,513
Timing of revenue recognition	收益確認之時間			
Goods/services transferred/ rendered at a point in time	於某時點轉讓/提供貨物/服務	63,968	43,545	107,513

(ii) The following table shows the amounts of revenue recognised in the current reporting period that was included in contract liabilities at the beginning of the reporting period:

(ii) 下表顯示於本報告期間確認並於報告期初列入合約負債的收益金額：

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:	於報告期初列入合約負債的已確認收益：		
Sales of merchandise	商品銷售	276	101
IVAS revenue	互聯網增值服務收益	1,245	1,172
		1,521	1,273

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE AND OTHER INCOME (continued)

(iii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sales of merchandise

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

Commission income

The performance obligation is satisfied upon delivery of the underlying goods procured by the Group and payment is generally due within 30 to 60 days from the invoice date.

IVAS revenue

The performance obligation is satisfied when persuasive evidence of an arrangement exists, service has been rendered, the price is fixed or determinable and collection is reasonably assured. Revenue is deferred until these criteria are met, details of IVAS revenue and its recognition are set out in Note 2.4.

Advertising and other service income

The performance obligation is satisfied when the services are rendered and payment is generally due within 30 to 90 days from the invoice date.

- (iv) The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Amounts expected to be recognised as revenue:	預期確認為收益的金額：		
Within one year	一年內	629	1,521

5. 收益及其他收入(續)

(iii) 履約責任

本集團履約責任的資料概述如下：

商品銷售

履約責任在交付貨品時履行，付款通常於交付後起計30至90天內到期，惟新客戶一般會被要求預付款項。

佣金收入

履約責任在交付本集團採購之相關貨品時履行，付款通常自發票日期起計30至60天內到期。

互聯網增值服務收益

履約責任在當具說服力證據之安排出現、已提供服務、售價已釐定或可釐定，以及可合理確保收取款項時履行。收益將予遞延，直到達成有關標準為止，有關互聯網增值服務收益及其確認的詳情載於附註2.4。

廣告及其他服務收入

履約責任在提供服務時履行，付款通常自發票日期起計30至90天內到期。

- (iv) 於十二月三十一日分配至餘下履約責任(未履行或部分未履行)的交易價格金額如下：

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE AND OTHER INCOME (continued)

An analysis of the Group's other income is as follows:

5. 收益及其他收入(續)

本集團之其他收入之分析如下：

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Other income	其他收入		
Bank interest income	銀行利息收入	25	30
Reimbursement income from customers	來自客戶之償付收入	2	1
Handling fee income	手續費收入	44	105
Inspecting and laboratory test income	檢驗及實驗室測試收入	63	61
Fair value gain on a financial asset at fair value through profit or loss	按公平值計入損益之金融資產之公平值收益	-	41
Investment income	投資收入	190	-
Others	其他	1,018	608
		1,342	846

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/
(crediting):

6. 除稅前虧損

本集團之除稅前虧損乃經扣除／(計入)以下各項：

		Note 附註	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Cost of inventories sold*	已售存貨之成本*		22,168	45,475
Cost of services provided*	已提供服務之成本*		28,988	34,324
Depreciation	折舊			
– Property, plant and equipment	– 物業、廠房及設備	13	317	343
– Right-of-use assets	– 使用權資產	14(c)	1,849	–
			2,166	343
Amortisation of other intangible assets*	其他無形資產攤銷*	16	5,858	13,266
Research and development costs*:	研發成本*:			
Current year expenditure	本年度開支		1,280	1,183
Minimum lease payments under operating leases	經營租賃下 最低租金付款		–	1,994
Lease payments not included in the measurement of lease liabilities	非列入租賃負債計量的租金 付款	14(c)	89	–
Auditor's remuneration	核數師酬金		332	317
Employee benefit expense (including directors' remuneration – Note 8):	僱員福利開支 (包括董事薪酬 – 附註8):			
Salaries, bonuses and allowances	薪金、花紅及津貼		12,323	13,366
Staff welfare and benefits	員工福利及福祉		1,752	1,541
Pension scheme contributions^	退休金計劃供款^		362	427
– defined contribution scheme	– 定額供款計劃		8	10
– defined benefit plans	– 定額福利計劃	28(a)		
			14,445	15,344
Equity-settled share option expense	以股權支付之購股權費用		–	117
Foreign exchange differences, net	匯兌差額淨額		(106)	(55)
Impairment losses on goodwill	商譽減值虧損	15	–	66,496
Impairment losses on other intangible assets	其他無形資產減值 虧損	16	11,925	21,747
Impairment of trade receivables	應收貿易賬款減值	21	304	54
Impairment of right-of-use assets	使用權資產減值	14(c)	52	–
Write-down of inventories	存貨撇減		–	62
Fair value gain on a financial asset at fair value through profit or loss	按公平值計入損益之 金融資產之公平值收益		–	(41)
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備之收益		(1)	(19)
Gain on disposal of subsidiaries	出售附屬公司之收益		–	(7)
Loss/(gain) on dissolution of a subsidiary	解散一家附屬公司之 虧損／(收益)	30	55	(8)

* Included in cost of sales in the consolidated statement of profit or loss.

^ At 31 December 2019, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years (2018: Nil).

* 計入綜合損益表之銷售成本內。

^ 於二零一九年十二月三十一日，本集團並無重大已沒收退休金計劃供款可供抵銷未來供款(二零一八年：無)。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

7. FINANCE COSTS

7. 財務費用

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Interest on bank borrowings	銀行借款利息	24	–
Interest on lease liabilities (Note 14(b))	租賃負債利息(附註14(b))	95	–
		119	–

8. DIRECTORS' REMUNERATION

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

8. 董事薪酬

本年度根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條以及公司(披露董事利益資料)規例第2部須予披露之董事薪酬如下：

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Fees	袍金	262	262
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	970	1,075
Performance related bonuses	表現掛鈎花紅	–	293
Pension scheme contributions	退休金計劃供款	79	67
		1,049	1,435
Total	總計	1,311	1,697

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

8. DIRECTORS' REMUNERATION (continued)

The emoluments of each director are set out below:

8. 董事薪酬(續)

每名董事之酬金載列如下：

Year ended	截至二零一九年	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
31 December 2019	十二月三十一日止年度	袍金	薪金、津貼及實物利益	表現掛鈎花紅	退休金計劃供款	總薪酬
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Directors:	執行董事：					
WONG Hing Lin, Dennis	黃慶年	-	752	-	75	827
HO Chi Kin (i)	何致堅 (i)	-	185	-	2	187
LONG Liping (ii)	龍利平 (ii)	-	33	-	2	35
Non-executive Director:	非執行董事：					
ZHOU Xijian	周希儉	154	-	-	-	154
Independent non-executive Directors:	獨立非執行董事：					
WANG Arthur Minshiang	王敏祥	46	-	-	-	46
LAU Shu Yan	劉樹人	31	-	-	-	31
ZHANG Huijun	張會軍	31	-	-	-	31
		262	970	-	79	1,311

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

8. DIRECTORS' REMUNERATION (continued)

8. 董事薪酬(續)

Year ended	截至二零一八年	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total remuneration
31 December 2018	十二月三十一日止年度	袍金	薪金、津貼及實物利益	表現掛鈎花紅	退休金計劃供款	總薪酬
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Directors:	執行董事：					
YU Lei (iii)	余磊(iii)	–	200	–	2	202
WONG Hing Lin, Dennis	黃慶年	–	615	280	62	957
HO Chi Kin (i)	何致堅(i)	–	154	13	2	169
TSANG Chun Ho Anthony (also known as Zichen) (iv)	曾俊豪 (亦稱為子辰)(iv)	–	106	–	1	107
Non-executive Director:	非執行董事：					
ZHOU Xijian	周希儉	154	–	–	–	154
Independent non-executive Directors:	獨立非執行董事：					
WANG Arthur Minshiang	王敏祥	46	–	–	–	46
LAU Shu Yan	劉樹人	31	–	–	–	31
ZHANG Huijun	張會軍	31	–	–	–	31
		262	1,075	293	67	1,697

Notes:

- (i) Appointed with effect from 13 February 2018. The amount above includes only his remuneration during his tenure as a director. Mr. HO Chi Kin has tendered his resignation as an Executive Director with effect from 31 March 2020.
- (ii) Appointed with effect from 16 April 2019. The amount above includes only his remuneration during his tenure as a director.
- (iii) Resigned with effect from 1 January 2019. The amount above includes only his remuneration from 1 January 2018 to date of resignation.
- (iv) Resigned with effect from 23 March 2018. The amount above includes only his remuneration from 1 January 2018 to date of resignation.

附註：

- (i) 自二零一八年二月十三日起獲委任。上述金額僅包括彼擔任董事期間之薪酬。何致堅先生已辭任執行董事並於二零二零年三月三十一日起生效。
- (ii) 自二零一九年四月十六日起獲委任。上述金額僅包括彼擔任董事期間之薪酬。
- (iii) 自二零一九年一月一日起辭任。上述金額僅包括自二零一八年一月一日起至辭任日期之薪酬。
- (iv) 自二零一八年三月二十三日起辭任。上述金額僅包括自二零一八年一月一日起至辭任日期之薪酬。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

8. DIRECTORS' REMUNERATION (continued)

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

During the year ended 31 December 2019, no emolument was paid to or receivable by any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office as a director of any member of the Group or of any other office in connection with the management of the Group (2018: Nil).

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2018: two) directors, details of whose remuneration are set out in Note 8 above. Details of the remuneration for the year of the remaining three (2018: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

8. 董事薪酬(續)

年內概無董事放棄或同意放棄任何酬金之安排(二零一八年：無)。

於截至二零一九年十二月三十一日止年度，並無向任何董事支付或應付酬金作為其加盟或於加盟本集團時之獎勵，或作為本集團任何成員公司之董事或有關本集團管理層之任何其他職位之離職補償(二零一八年：無)。

9. 五位最高薪酬僱員

年內五位最高薪酬僱員包括兩位(二零一八年：兩位)董事，其薪酬詳情載於上文附註8。年內，其餘三位(二零一八年：三位)非本公司董事或行政總裁之最高薪酬僱員之薪酬詳情如下：

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	669	743
Performance related bonuses	表現掛鈎花紅	-	51
Pension scheme contributions	退休金計劃供款	5	17
		674	811

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES (continued)

The number of non-director and non chief executive highest paid employees whose remuneration fell within the following bands presented in Hong Kong dollars (“HK\$”) is as follows:

9. 五位最高薪酬僱員 (續)

非董事及非行政總裁之最高薪酬僱員以港元(「港元」)呈列之薪酬屬以下範圍之人數如下：

		Number of employees 僱員人數	
		2019 二零一九年	2018 二零一八年
HK\$1,00,001 to HK\$1,500,000 (equivalent to US\$128,535 to US\$192,801)	1,000,001 港元至 1,500,000 港元 (相等於 128,535 美元至 192,801 美元)	2	–
HK\$1,500,001 to HK\$2,000,000 (equivalent to US\$192,802 to US\$257,069)	1,500,001 港元至 2,000,000 港元 (相等於 192,802 美元至 257,069 美元)	–	1
HK\$2,000,001 to HK\$3,000,000 (equivalent to US\$257,070 to US\$385,604)	2,000,001 港元至 3,000,000 港元 (相等於 257,070 美元至 385,604 美元)	1	2
		3	3

During the year ended 31 December 2019, no emolument was paid to or received by any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office in connection with the management of the affairs of the Group (2018: Nil).

截至二零一九年十二月三十一日止年度，概無向任何五位最高薪酬僱員支付或由彼等收取任何酬金作為加盟或於加盟本集團時之獎勵，或作為有關本集團事務管理職位之離職補償(二零一八年：無)。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

10. INCOME TAX CREDIT

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 except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2018: Nil) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. Taxes on profits assessable outside Hong Kong have been calculated at the rates of tax prevailing in the jurisdiction in which the Group operates.

10. 所得稅抵免

香港利得稅乃根據年內於香港產生之估計應課稅溢利按16.5%(二零一八年:16.5%)之稅率計提撥備,惟本集團的一間附屬公司除外,該公司為符合自二零一八/二零一九課稅年度起生效的兩級制利得稅稅率制度的實體。該附屬公司首筆2,000,000港元(二零一八年:無)的應課稅溢利按8.25%的稅率繳稅,其餘應課稅溢利則按16.5%的稅率繳稅。香港以外地區之應課稅溢利稅項則根據本集團營運所在司法權區之現行稅率計算。

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Current	即期		
– Hong Kong	– 香港	27	155
– Outside Hong Kong	– 香港以外地區	101	86
Net overprovision in prior years	過往年度超額撥備淨額	(371)	(28)
Deferred (Note 19)	遞延(附註19)	(4,447)	(8,749)
Total tax credit for the year	年度稅項抵免總額	(4,690)	(8,536)

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

10. INCOME TAX CREDIT (continued)

A reconciliation of the tax credit applicable to loss before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax credit at the effective tax rates are as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Loss before tax	除稅前虧損	(20,179)	(92,710)
Tax at the statutory tax rates	按法定稅率計算之稅項	(3,330)	(15,301)
Adjustments in respect of current tax of previous periods	過往期間即期稅項之調整	(371)	(28)
Effect of different rates for companies operating in other jurisdictions	於其他司法權區所經營公司適用不同稅率之影響	(1,543)	(2,159)
Income not subject to tax	毋須課稅收入	(1,285)	(3,781)
Expenses not deductible for tax	不可扣稅開支	1,453	12,664
Tax losses utilised from previous periods	動用過往期間之稅項虧損	-	(9)
Tax losses not recognised	未確認之稅項虧損	288	51
Others	其他	98	27
Tax credit for the year	年度稅項抵免	(4,690)	(8,536)

During the year ended 31 December 2019, the Group reached a settlement with the Inland Revenue Department in Hong Kong ("IRD") for an amount of approximately HK\$22.9 million (equivalent to approximately US\$2.9 million) in respect of queries on the modus operandi of the Group and the chargeability of profits for the years of assessment from 2003/2004 to 2017/2018 (the "Case"). The board of directors of the Company considers the settlement reached with IRD is in the interest and benefit of the Group and its shareholders as a whole. As sufficient tax provisions have been made in the financial statements, the settlement did not have any material impact on the profit and loss account of the Group for the year.

10. 所得稅抵免(續)

適用於按本公司及其大多數附屬公司所在司法權區法定稅率計算之除稅前虧損之稅項抵免與按實際稅率計算之稅項抵免之對賬如下：

截至二零一九年十二月三十一日止年度，本集團與香港稅務局(「稅務局」)就有關本集團由二零零三／二零零四至二零一七／二零一八課稅年度的營運模式及溢利的申報繳稅的查詢(「案件」)達成和解，金額約為22,900,000港元(相等於約2,900,000美元)。本公司董事會認為，與稅務局達成和解符合本集團及其股東整體利益。由於財務報表已計提足夠稅項撥備，故和解並不會對本集團於本年度的損益賬造成任何重大影響。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

11. LOSS PER SHARE

The calculation of the basic loss per share amounts is based on the loss for the year attributable to owners of the Company, and the number of ordinary shares in issue during the year.

The Group had no dilutive potential ordinary shares in issue for the year.

The calculations of the basic and diluted loss per share are based on:

11. 每股虧損

每股基本虧損金額乃根據本公司擁有人應佔年度虧損及年內已發行普通股數目計算。

年內，本集團並無已發行具攤薄潛力普通股。

每股基本及攤薄虧損之計算乃基於：

		2019 二零一九年	2018 二零一八年
Loss	虧損		
Loss attributable to owners of the Company (US\$'000)	本公司擁有人應佔虧損 (千美元)	(15,477)	(84,160)
Number of ordinary shares	普通股數目		
Number of ordinary shares in issue during the year ('000)	年內已發行普通股數目 (千股)	1,509,593	1,509,593

12. DIVIDENDS

The directors do not recommend the payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

12. 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任何末期股息(二零一八年：無)。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 US\$'000 千美元	Furniture and equipment 傢俬及設備 US\$'000 千美元	Motor vehicles 汽車 US\$'000 千美元	Total 總計 US\$'000 千美元
31 December 2019	二零一九年十二月三十一日				
At 1 January 2019:	於二零一九年一月一日：				
Cost	成本	2,153	2,541	412	5,106
Accumulated depreciation	累計折舊	(2,012)	(2,078)	(300)	(4,390)
Net carrying amount	賬面淨值	141	463	112	716
At 1 January 2019, net of accumulated depreciation	於二零一九年一月一日，扣除累計折舊	141	463	112	716
Additions	添置	26	124	16	166
Disposals	出售	(28)	(13)	-	(41)
Depreciation provided during the year (Note 6)	年度撥備折舊 (附註6)	(90)	(196)	(31)	(317)
Exchange realignment	匯兌調整	(1)	(12)	(2)	(15)
At 31 December 2019, net of accumulated depreciation	於二零一九年十二月三十一日，扣除累計折舊	48	366	95	509
At 31 December 2019:	於二零一九年十二月三十一日：				
Cost	成本	1,942	2,481	425	4,848
Accumulated depreciation	累計折舊	(1,894)	(2,115)	(330)	(4,339)
Net carrying amount	賬面淨值	48	366	95	509
31 December 2018	二零一八年十二月三十一日				
At 1 January 2018:	於二零一八年一月一日：				
Cost	成本	2,121	2,258	434	4,813
Accumulated depreciation	累計折舊	(1,937)	(1,946)	(335)	(4,218)
Net carrying amount	賬面淨值	184	312	99	595
At 1 January 2018, net of accumulated depreciation	於二零一八年一月一日，扣除累計折舊	184	312	99	595
Additions	添置	48	380	54	482
Disposals	出售	-	(6)	-	(6)
Depreciation provided during the year (Note 6)	年度撥備折舊 (附註6)	(91)	(213)	(39)	(343)
Exchange realignment	匯兌調整	-	(10)	(2)	(12)
At 31 December 2018, net of accumulated depreciation	於二零一八年十二月三十一日，扣除累計折舊	141	463	112	716
At 31 December 2018:	於二零一八年十二月三十一日：				
Cost	成本	2,153	2,541	412	5,106
Accumulated depreciation	累計折舊	(2,012)	(2,078)	(300)	(4,390)
Net carrying amount	賬面淨值	141	463	112	716

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

14. LEASES

The Group has lease contracts for various items of properties and other equipment used in its operations. Leases of properties and other equipment generally have lease terms between 2 and 5 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

(a) Right-of-use assets

		Properties 物業 US\$'000 千美元	Other equipment 其他設備 US\$'000 千美元	Total 總計 US\$'000 千美元
Adjustment on adoption of HKFRS 16 (Note 2.2)	採納香港財務報告準則第16號之調整(附註2.2)	2,820	125	2,945
Additions	添置	178	7	185
Depreciation provided during the year (Note 6)	年度撥備折舊(附註6)	(1,814)	(35)	(1,849)
Impairment during the year (Note 6)	年度減值(附註6)	(52)	-	(52)
Exchange realignment	匯兌調整	(22)	(1)	(23)
At 31 December 2019	於二零一九年十二月三十一日	1,110	96	1,206

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		US\$'000 千美元
Adjustment on adoption of HKFRS 16 (Note 2.2)	採納香港財務報告準則第16號之調整(附註2.2)	3,055
New leases	新租賃	181
Interest expenses (Note 7)	利息開支(附註7)	95
Payment	付款	(1,995)
Exchange realignment	匯兌調整	(18)
At 31 December 2019	於二零一九年十二月三十一日	1,318
Analysed into:	分析至:	
Current portion	即期部分	1,077
Non-current portion	非即期部分	241
		1,318

14. 租賃

本集團擁有其業務中使用的多個物業及其他設備項目的租賃合約。物業及其他設備的租賃通常具有2至5年的租期。一般而言，本集團不得向本集團以外人士轉讓及分租租賃資產。

(a) 使用權資產

(b) 租賃負債

下表載列租賃負債之賬面值以及年內變動：

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

14. LEASES (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Note 附註	2019 二零一九年 US\$'000 千美元	
Interest on lease liabilities	租賃負債利息	7	95
Depreciation charge of right-of-use assets	使用權資產折舊支出	6	1,849
Expense relating to short-term leases	有關短期租賃之開支	6	88
Expense relating to leases of low-value assets	有關租賃低價值資產之開支	6	1
Impairment of right-of-use assets	使用權資產減值	6	52
Total amount recognised in profit or loss	於損益確認之總額		2,085

(d) The total cash outflow for leases are disclosed in notes 31(c) to the financial statements.

14. 租賃(續)

(c) 下表載列於損益確認有關租賃之金額：

(d) 有關租賃的現金流出總額於財務報表附註31(c)披露。

15. GOODWILL

	Note 附註	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
At 1 January, net of accumulated impairment	於一月一日， 扣除累計減值	-	68,373
Impairment during the year	年度減值	6	(66,496)
Exchange realignment	匯兌調整	-	(2,035)
At 31 December, net of accumulated impairment	於十二月三十一日， 扣除累計減值	-	-
At 31 December:	於十二月三十一日：		
Cost	成本	142,780	147,553
Accumulated impairment	累計減值	(142,780)	(147,553)
Net carrying amount	賬面淨值	-	-

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

16. OTHER INTANGIBLE ASSETS

16. 其他無形資產

		Technology platform 技術平台 US\$'000 千美元	Non-competes agreement 不競爭協議 US\$'000 千美元	Computer software 電腦軟件 US\$'000 千美元	Total 總計 US\$'000 千美元
31 December 2019		二零一九年十二月三十一日			
At 1 January 2019, net of accumulated amortisation and impairment	於二零一九年一月一日，扣除累計攤銷及減值	16,973	1,483	20	18,476
Amortisation provided during the year (Note 6)	年度撥備攤銷 (附註6)	(4,827)	(1,017)	(14)	(5,858)
Impairment during the year (Note 6)	年度減值 (附註6)	(11,502)	(418)	(5)	(11,925)
Exchange realignment	匯兌調整	(644)	(48)	(1)	(693)
At 31 December 2019, net of accumulated amortisation and impairment	於二零一九年十二月三十一日，扣除累計攤銷及減值	-	-	-	-
At 31 December 2019:	於二零一九年十二月三十一日：				
Cost	成本	51,805	6,551	87	58,443
Accumulated amortisation and impairment	累計攤銷及減值	(51,805)	(6,551)	(87)	(58,443)
Net carrying amount	賬面淨值	-	-	-	-
31 December 2018		二零一八年十二月三十一日			
At 1 January 2018, net of accumulated amortisation	於二零一八年一月一日，扣除累計攤銷	48,856	5,634	75	54,565
Amortisation provided during the year (Note 6)	年度撥備攤銷 (附註6)	(10,931)	(2,304)	(31)	(13,266)
Impairment during the year (Note 6)	年度減值 (附註6)	(19,978)	(1,746)	(23)	(21,747)
Exchange realignment	匯兌調整	(974)	(101)	(1)	(1,076)
At 31 December 2018, net of accumulated amortisation and impairment	於二零一八年十二月三十一日，扣除累計攤銷及減值	16,973	1,483	20	18,476
At 31 December 2018:	於二零一八年十二月三十一日：				
Cost	成本	54,076	6,838	91	61,005
Accumulated amortisation and impairment	累計攤銷及減值	(37,103)	(5,355)	(71)	(42,529)
Net carrying amount	賬面淨值	16,973	1,483	20	18,476

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

16. OTHER INTANGIBLE ASSETS (continued)

During the year ended 31 December 2019, the Group recognised impairment losses of US\$11,925,000 (2018: US\$21,747,000) since the value in use of the cash generating unit was below their carrying amounts. The impairment losses were recognised based on the results of impairment tests using their value in use in accordance with HKAS 36.

The recoverable amounts of the cash-generating unit have been determined based on value in use calculation using cash flow projections based on financial budgets approved by senior management. There are a number of assumptions and estimates involved in the preparation of cash flow projections for the period covered by the approved budget. Key assumptions include the expected growth in revenues and gross margin, timing of future capital expenditures, long term growth rates and selection of discount rate. Management prepares the financial budgets reflecting actual and prior year performance and market development expectations. Judgement is required to determine the key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections. The discount rate applied to the cash flow projections for operation of online social platforms is 27% (2018: 27%). The estimated growth rate used to extrapolate the cash flows projections for operation of online social platforms beyond the five-year period is 3% (2018: 3%).

Impairment losses were recognised in view of the lower revenues from the cash generating units than forecasted for the second half of 2019 due to the challenging macro environment and economic slowdown in the PRC. Besides, the popularity of live streaming and games has faded since the PRC government imposed a new policy in the second half of 2018. Furthermore, the Group's online social platforms faced fierce competition within the industry, compounded by fast changing trends and tastes of users that adversely affected the business performance and development prospects for the live streaming business. Since the management expects a further decline in business in 2020, the Group revised the forecast based on the latest position, the aforementioned impairment loss on other intangible assets of approximately US\$11.9 million pertaining to this segment has been reported in the financial statements for the year ended 31 December 2019.

16. 其他無形資產 (續)

截至二零一九年十二月三十一日止年度，由於現金產生單位的使用價值低於其賬面值，故本集團確認減值虧損11,925,000美元(二零一八年：21,747,000美元)。減值虧損乃根據香港會計準則第36號所採用使用價值計算之減值測試結果確認。

現金產生單位的可收回金額乃根據其使用價值釐定，使用價值則以高級管理層批准的財務預算為基準作出的現金流量預測計算。在編製經批准預算適用期間之現金流量預測時涉及大量假設及估計。主要假設包括收益及毛利率之預期增長、未來資本開支之時間性、長期增長率及貼現率之選擇。管理層編製可反映實際及以往年度表現及市場發展預期之財政預算。於釐定現金流量預測所採用之主要假設時需要作出判斷，而主要假設的變動對該等現金流量預測有重大影響。經營網上社交平台的現金流量預測採用的貼現率為27%(二零一八年：27%)。推測五年期以外經營網上社交平台的現金流量預測所用估計增長率為3%(二零一八年：3%)。

鑑於中國宏觀環境充滿挑戰且經濟放緩，以致二零一九年下半年現金產生單位的收益低於預測，故確認減值虧損。此外，自中國政府於二零一八年下半年實施新政策後，直播及遊戲的受歡迎程度下降。再者，本集團的網上社交平台面臨激烈的行業競爭，加上變幻莫測的趨勢及用戶喜好，均對直播業務的業務表現及發展前景造成不利影響。由於管理層預期二零二零年業務將進一步下滑，本集團已根據最新狀況修訂預測，故有關該分類的上述其他無形資產減值虧損約11,900,000美元已於截至二零一九年十二月三十一日止年度的財務報表中呈報。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

17. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

17. 按公平值計入損益之金融資產

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Financial asset at fair value through profit or loss	按公平值計入損益之金融資產		
Club membership, at fair value (Note)	會所會籍(按公平值)(附註)	270	270

Note:

The fair value of the club membership is determined with reference to the market price quoted for the relevant club.

附註：

會所會籍之公平值參照相關會所之市場報價而釐定。

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
At 1 January	於一月一日	270	-
Reclassify from available-for-sale financial assets	自可供出售金融資產重新分類	-	229
Restated balance at 1 January	於一月一日經重列結餘	270	229
Fair value gain	公平值收益	-	41
At 31 December	於十二月三十一日	270	270

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

18. INVESTMENT IN A JOINT VENTURE

18. 於一家合營公司之投資

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Share of net assets	應佔資產淨值	-	8
		-	8

CSC Consultancy Co Ltd, a joint venture indirectly held by the Company, was dissolved during the year ended 31 December 2019.

本公司間接持有之一家合營公司北京坤格諮詢有限公司於截至二零一九年十二月三十一日止年度內解散。

		2019 二零一九年 US\$'000 千美元
Share of net assets at 1 January 2019	於二零一九年一月一日應佔之資產淨值	8
Share of loss of a joint venture	應佔合營公司之虧損	(1)
Share of net assets at the date of dissolution	於解散日期應佔之資產淨值	7
Cash received	已收回現金	(7)
		-

19. DEFERRED TAX

Deferred tax asset

The movement in a deferred tax asset during the year is as follows:

19. 遞延稅項

遞延稅項資產

年內遞延稅項資產之變動如下：

		Decelerated tax depreciation allowances 減速稅項 折舊撥備 2019 二零一九年 US\$'000 千美元	Decelerated tax depreciation allowances 減速稅項 折舊撥備 2018 二零一八年 US\$'000 千美元
At beginning of year	於年初	(4)	(12)
Deferred tax charged to the statement of profit or loss during the year	年內於損益表中扣除之遞延稅項	-	8
Deferred tax asset at end of year	於年終之遞延稅項資產	(4)	(4)

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

19. DEFERRED TAX (continued)

Deferred tax liabilities

The movements in deferred tax liabilities during the year are as follows:

		Accelerated tax depreciation allowance	Fair value adjustments arising from acquisition of subsidiaries	Total
		加速稅項折舊撥備	收購附屬公司產生之公平值調整	總計
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
31 December 2019	二零一九年十二月三十一日			
At beginning of year	於年初	13	4,619	4,632
Deferred tax credited to the statement of profit or loss during the year (Note 10)	年內於損益表中計入之遞延稅項(附註10)	-	(4,447)	(4,447)
Exchange differences	匯兌差額	-	(172)	(172)
Deferred tax liability at end of year	於年終之遞延稅項負債	13	-	13
31 December 2018	二零一八年十二月三十一日			
At beginning of year	於年初	17	13,642	13,659
Deferred tax credited to the statement of profit or loss during the year (Note 10)	年內於損益表中計入之遞延稅項(附註10)	(4)	(8,753)	(8,757)
Exchange differences	匯兌差額	-	(270)	(270)
Deferred tax liabilities at end of year	於年終之遞延稅項負債	13	4,619	4,632

At 31 December 2019, the Group had tax losses arising in mainland China of US\$1,776,000 (equivalent to RMB12,389,000) (2018: US\$1,031,000 (equivalent to RMB6,885,000)) that will expire in five years for offsetting against future taxable profits of the companies in which the losses arose.

At 31 December 2019, the Group had estimated tax losses of US\$9,412,000 (equivalent to HK\$73,225,000) (2018: US\$8,795,000 (equivalent to HK\$68,425,000)) arising in Hong Kong that are available indefinitely for offsetting against future taxable profit of the companies in which the losses arised.

19. 遞延稅項(續)

遞延稅項負債

年內遞延稅項負債之變動如下：

		Accelerated tax depreciation allowance	Fair value adjustments arising from acquisition of subsidiaries	Total
		加速稅項折舊撥備	收購附屬公司產生之公平值調整	總計
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
31 December 2019	二零一九年十二月三十一日			
At beginning of year	於年初	13	4,619	4,632
Deferred tax credited to the statement of profit or loss during the year (Note 10)	年內於損益表中計入之遞延稅項(附註10)	-	(4,447)	(4,447)
Exchange differences	匯兌差額	-	(172)	(172)
Deferred tax liability at end of year	於年終之遞延稅項負債	13	-	13
31 December 2018	二零一八年十二月三十一日			
At beginning of year	於年初	17	13,642	13,659
Deferred tax credited to the statement of profit or loss during the year (Note 10)	年內於損益表中計入之遞延稅項(附註10)	(4)	(8,753)	(8,757)
Exchange differences	匯兌差額	-	(270)	(270)
Deferred tax liabilities at end of year	於年終之遞延稅項負債	13	4,619	4,632

於二零一九年十二月三十一日，本集團源自中國內地之稅項虧損1,776,000美元(相等於人民幣12,389,000元)(二零一八年：1,031,000美元(相等於人民幣6,885,000元))將於五年內到期，可供抵銷產生虧損公司之未來應課稅溢利。

於二零一九年十二月三十一日，本集團源自香港之估計稅項虧損為9,412,000美元(相等於73,225,000港元)(二零一八年：8,795,000美元(相等於68,425,000港元))，可供無限定期抵銷產生虧損公司之未來應課稅溢利。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

19. DEFERRED TAX (continued)

Deferred tax liabilities (continued)

Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

19. 遞延稅項(續)

遞延稅項負債(續)

由於被視為不大可能有應課稅溢利可用以抵銷稅項虧損，故未有就有關虧損確認遞延稅項資產。

20. INVENTORIES

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Finished goods	製成品	313	262

20. 存貨

21. TRADE RECEIVABLES

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Trade receivables	應收貿易賬款	7,317	9,342
Impairment	減值	(855)	(568)
At end of year	於年終	6,462	8,774

21. 應收貿易賬款

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing. The carrying amount of the trade receivables approximates to their fair value.

本集團與客戶之貿易條款主要以信貸方式進行，惟新客戶一般會被要求預付款項。信貸期一般為30至90天。每個客戶均有最高信貸限額。本集團致力對尚未收回之應收款項維持嚴格控制，並設有信貸監控部門，以盡量減低信貸風險。高級管理層定期檢討逾期未收之餘額。本集團並無就其應收貿易賬款結餘持有任何抵押品或實施其他加強信貸措施。應收貿易賬款乃不計利息。應收貿易賬款之賬面值與其公平值相若。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

21. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, and net of loss allowance, is as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Within 30 days	30天以內	3,071	5,521
31 to 60 days	31至60天	2,139	2,158
61 to 90 days	61至90天	766	409
91 to 365 days	91至365天	483	686
Over 1 year	超過一年	3	–
		6,462	8,774

The movements in the loss allowance for impairment of trade receivables are as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
At beginning of year	於年初	568	552
Impairment losses recognised (Note 6)	已確認減值虧損(附註6)	304	54
Amount written off as uncollectible	撇銷為不可收回之款項	(18)	(38)
Exchange differences	匯兌差額	1	–
At end of year	於年終	855	568

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

21. 應收貿易賬款(續)

於報告期末，應收貿易賬款按發票日期(扣除虧損撥備)之賬齡分析如下：

應收貿易賬款之減值撥備變動如下：

於各報告日期採用撥備矩陣進行減值分析，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。一般而言，應收貿易賬款如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

21. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019	於二零一九年十二月三十一日	Past due 逾期					Total 總計
		Current 即期	Less than 3 months 少於3個月	3 to 6 months 3至6個月	6 to 12 months 6至12個月	Over 12 months 超過12個月	
		Expected credit loss rate	預期信貸虧損率	0.1%	0.3%	3.3%	
Gross carrying amount (US\$'000)	賬面總值(千美元)	3,074	2,146	793	808	496	7,317
Expected credit losses (US\$'000)	預期信貸虧損(千美元)	4	7	26	325	493	855

As at 31 December 2018	於二零一八年十二月三十一日	Past due 逾期					Total 總計
		Current 即期	Less than 3 months 少於3個月	3 to 6 months 3至6個月	6 to 12 months 6至12個月	Over 12 months 超過12個月	
		Expected credit loss rate	預期信貸虧損率	0.1%	1.5%	13.4%	
Gross carrying amount (US\$'000)	賬面總值(千美元)	6,039	2,362	447	284	210	9,342
Expected credit losses (US\$'000)	預期信貸虧損(千美元)	6	35	60	257	210	568

21. 應收貿易賬款(續)

以下載列有關使用撥備矩陣對本集團應收貿易賬款信貸風險的資料：

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

22. 預付款項、按金及其他應收款項

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Prepayments	預付款項	864	1,608
Deposits	按金	557	403
Other receivables	其他應收款項	3,537	2,754
		4,958	4,765
Non-current: deposits	非流動：按金	(29)	(349)
		4,929	4,416

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default. The expected credit losses are estimated by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. No loss allowance was provided because management estimated that the expected credit losses as at 31 December 2019 were not significant.

23. CASH AND CASH EQUIVALENTS

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Cash and cash equivalents	現金及現金等值項目	12,723	17,192

At the end of the reporting period, the cash and bank balances of the Group denominated in RMB amounted to approximately US\$9,775,000 (2018: US\$10,246,000). RMB is not freely convertible into other currencies. However, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

22. 預付款項、按金及其他應收款項(續)

以上資產並無逾期或減值。計入上述結餘之金融資產與近期無違約記錄之應收款項有關。預期信貸虧損乃參考本集團的歷史虧損記錄採用虧損率法估計。虧損率將於適當時候作出調整以反映現況及未來經濟情況預測。由於管理層估計二零一九年十二月三十一日的預期信貸虧損不重大，故並無計提虧損撥備。

23. 現金及現金等值項目

於報告期末，本集團以人民幣列值之現金及銀行結餘約為9,775,000美元(二零一八年：10,246,000美元)。人民幣不可自由轉換為其他貨幣。然而，根據中國之外匯管理條例及結匯、售匯及付匯管理規定，本集團可透過獲授權進行外幣兌換業務之銀行將人民幣兌換為其他貨幣。

銀行存款按每日銀行存款利率計算之浮動利率計息。短期定期存款之存款期由一天至三個月不等，視乎本集團之即時現金需要而定，按各短期定期存款之利率計息。銀行結餘乃存放於近期無違約記錄且信譽良好的銀行。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

24. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Within 30 days	30天以內	1,189	2,691
31 to 60 days	31至60天	515	898
61 to 90 days	61至90天	39	26
91 to 365 days	91至365天	20	127
Over 1 year	超過一年	57	57
		1,820	3,799

The trade payables are non-interest-bearing and are normally settled on 30 to 60 day terms.

24. 應付貿易賬款

於報告期末，應付貿易賬款按發票期之賬齡分析如下：

該等應付貿易賬款乃不計息，並一般按30至60天期限清償。

25. ACCRUALS, PROVISIONS AND OTHER PAYABLES

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Accrued expenses and provisions	應計費用及撥備	3,717	4,562
Other payables	其他應付款項	4,016	4,635
		7,733	9,197
Non-current: provisions	非流動：撥備	-	(1,405)
		7,733	7,792

Other payables are non-interest-bearing and have an average term of two months.

25. 應計費用、撥備及其他應付款項

其他應付款項乃不計息，平均期限為兩個月。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

26. CONTRACT LIABILITIES

Details of contract liabilities are as follows:

		31 December 2019 二零一九年 十二月三十一日 US\$'000 千美元	31 December 2018 二零一八年 十二月三十一日 US\$'000 千美元	1 January 2018 二零一八年 一月一日 US\$'000 千美元
Deferred revenue	遞延收益	525	1,245	1,172
Consideration received from customers in advance	預收客戶代價	104	276	101
		629	1,521	1,273

Contract liabilities include the sales proceeds received from customers in connection with the unconsumed virtual currency or unconsumed durable virtual items as deferred revenue and short-term advances received from customers to deliver merchandise. The decrease in contract liabilities in 2019 was mainly due to the decrease in sales proceeds and short-term advances from customers and the increase in contract liabilities in 2018 was mainly due to the increase in sales proceeds and short-term advances from customers.

26. 合約負債

合約負債之詳情如下：

合約負債包括自客戶收取有關未使用虛擬貨幣及未使用可持續虛擬道具之銷售所得款項，作為遞延收益及為交付商品而向客戶收取的短期墊款。二零一九年合約負債減少乃主要由於銷售所得款項及向客戶收取的短期墊款減少所致，而二零一八年合約負債增加則主要由於銷售所得款項及向客戶收取的短期墊款增加所致。

27. BANK BORROWING

The bank borrowing is unsecured, bears interest at 4.35%, is repayable by instalment in 12 months and to be matured at 8 April 2020.

27. 銀行借款

銀行借款屬無抵押，按4.35%計息及於12個月內分期償還，並於二零二零年四月八日到期。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

28. POST-EMPLOYMENT BENEFITS

28. 僱員退休福利

		Notes 附註	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Defined benefit plan	定額福利計劃	(a)	236	277
Other long term post-employment benefits	其他長期僱員退休福利	(b)	135	137
			371	414

Notes:

(a) Defined benefit plan

The Group operates an unfunded defined benefit plan for all its qualifying employees in Taiwan. Under the plan, the employees are entitled to retirement benefits at 3% of their final salary on attainment of a retirement age of 55.

According to the laws and regulations in Taiwan, the Group is obliged to pay its employees in Taiwan, upon retirement, disability or death, post-employment benefits based on the number of years of services and final average salary. The Group carried out an actuarial valuation as at 31 December 2019 of its obligation for post-employment benefits payable to its employees in Taiwan.

The trustees review the level of funding in the plan by the end of each reporting period. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annualities and longevity swaps to manage the risks. The trustees decide the contribution based on the results of the annual review.

The plan is exposed to interest rate risk, the risk of changes in the life expectancy for pensioners and equity market risk.

The most recent actuarial valuations of the present value of the defined benefit obligations were carried out at 31 December 2019 by Hsu Mao-Chin Actuary, a qualified actuary, using the projected unit credit actuarial valuation method.

The principal actuarial assumptions used as at the end of the reporting period were as follows:

		2019 二零一九年 %	2018 二零一八年 %
Discount rate	貼現率	0.7	1.0
Expected rate of salary increase	預期薪金增長率	1.0	2.0

附註：

(a) 定額福利計劃

本集團為其所有合資格台灣僱員設立無供資定額福利計劃。根據該計劃，僱員年屆55歲退休之齡時有權享受最終薪金3%之退休福利。

根據台灣法律及法規，本集團須向其台灣僱員支付在退休、殘疾或身故所享有之福利，並按其台灣僱員服務年期及最終平均薪金支付退休福利。本集團於二零一九年十二月三十一日為台灣僱員退休福利責任進行一次精算估值。

受託人於各個報告期末審閱該計劃之資金水平。審閱包括資產負債配對策略及投資風險管理政策，包括運用年金及壽命掉期管理風險。受託人根據年度審閱結果決定供款。

該計劃承受利率風險以及退休人士預期壽命變化風險及股票市場風險。

定額福利責任現值之最近期精算估值由合資格精算師徐茂欽精算事務所於二零一九年十二月三十一日按預測單位信貸精算估值法進行。

於報告期末採用之主要精算假設如下：

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

28. POST-EMPLOYMENT BENEFITS (continued)

Notes: (continued)

(a) Defined benefit plan (continued)

A quantitative sensitivity analysis for significant assumptions as at the end of the reporting period is shown below:

		Increase in rate	Increase/ (decrease) in net defined benefit obligations	Decrease in rate	Increase/ (decrease) in net defined benefit obligations
		利率增加 %	定額福利 責任淨額 增加/(減少) US\$'000 千美元	利率減少 %	定額福利 責任淨額 增加/(減少) US\$'000 千美元
2019	二零一九年				
Discount rate	貼現率	0.5	(19)	0.5	21
Future salary increase	未來薪金增長率	0.5	21	0.5	(19)
2018	二零一八年				
Discount rate	貼現率	0.5	(23)	0.5	27
Future salary increase	未來薪金增長率	0.5	26	0.5	(23)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The total expenses recognised in the consolidated statement of profit or loss in respect of the plan are as follows:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Current service cost	現有服務成本	5	5
Net interest	利息淨額	3	5
Net benefit expenses recognised in general and administrative expenses	於一般及行政開支確認之福利開支淨額	8	10

28. 僱員退休福利(續)

附註：(續)

(a) 定額福利計劃(續)

於報告期末之重大假設定量敏感度分析如下：

上述敏感度分析乃根據於報告期末主要假設中產生之合理變動所推斷定額福利責任淨額之影響之方式而釐定。

於綜合損益表確認之計劃費用總額如下：

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

28. POST-EMPLOYMENT BENEFITS (continued)

Notes: (continued)

(a) Defined benefit plan (continued)

The movements in the defined benefit obligations and the fair value of plan assets are as follows:

	At beginning of year	Pension cost charged to profit or loss 於損益賬扣除之退休金成本			Remeasurement gains/(losses) in other comprehensive income 於其他全面收入重新計量收益/(虧損)							At end of year	
		Current Service cost	Net interest	Sub-total included in profit or loss	Benefit paid	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in other comprehensive income	Contribution by employer	Exchange realignment		
	於年初	現有服務成本	利息淨額	計入損益賬之小計	已付福利	人口統計假設變動產生之精算變動	財務假設變動產生之精算變動	經驗調整	計入其他全面收入之小計	僱主供款	匯兌調整	於年終	
	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	
2019	二零一九年												
Defined benefit obligation	定額福利責任	516	5	5	10	-	-	(28)	(4)	(32)	-	7	501
Fair value of plan assets	計劃資產之公平值	(239)	-	(2)	(2)	-	-	-	(9)	(9)	(12)	(3)	(265)
Benefit liability	福利負債	277	5	3	8	-	-	(28)	(13)	(41)	(12)	4	236
2018	二零一八年												
Defined benefit obligation	定額福利責任	593	5	8	13	(38)	-	(32)	(7)	(39)	-	(13)	516
Fair value of plan assets	計劃資產之公平值	(255)	-	(3)	(3)	38	-	-	(11)	(11)	(14)	6	(239)
Benefit liability	福利負債	338	5	5	10	-	-	(32)	(18)	(50)	(14)	(7)	277

The defined benefit contributions in Taiwan are made to a fund administered by the government of Taiwan. The major categories of plan assets as a percentage of the fair value of the total plan assets of the centrally administered fund are as follows:

於台灣之定額福利供款乃向一項由台灣政府管理之基金作出。計劃資產主要類別佔該中央管理基金之計劃資產總值公平值之百分比如下：

	2019 二零一九年 %	2018 二零一八年 %	
Equity instruments	股本工具	23	23
Debt instruments	債務工具	11	12
Deposits	存款	17	14
Delegated management	授權管理	49	51

The Group expects to contribute US\$53,000 to its defined benefit plan in 2020.

本集團預期於二零二零年之定額福利計劃供款為53,000美元。

The average duration of the defined benefit obligations at the end of the reporting period was 7.9 years (2018: 9.7 years).

於報告期末，定額福利責任平均為期7.9年(二零一八年：9.7年)。

(b) Other long term post-employment benefits

The balance represents provision for long service payment as required by certain jurisdictions. Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

(b) 其他長期僱員退休福利

結餘指若干司法權區所要求之長期服務金撥備。終止福利於僱員屆正常退休日期前，或僱員接納自願離職以換取該等福利而終止受僱時須予支付。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

29. SHARE CAPITAL

29. 股本

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Authorised:	法定：		
3,000,000,000 (2018: 3,000,000,000) ordinary shares of one and one third US cents (2018: one and one third US cents) each	3,000,000,000 (二零一八年： 3,000,000,000) 股每股面值一又 三分之一美仙(二零一八年： 一又三分之一美仙)之普通股	40,000	40,000
Issued and fully paid:	已發行及繳足：		
1,509,592,701 (2018: 1,509,592,701) ordinary shares of one and one third US cents (2018: one and one third US cents) each	1,509,592,701 (二零一八年： 1,509,592,701) 股每股面值一又 三分之一美仙(二零一八年： 一又三分之一美仙)之普通股	20,128	20,128

30. DISSOLUTION OF A SUBSIDIARY

30. 解散一家附屬公司

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
	Note 附註		
Net assets/(liabilities) of the subsidiary under dissolution	已解散附屬公司之資產/ (負債)淨值	102	(16)
Exchange reserve realised	已變現匯兌儲備	3	-
Non-controlling interest	非控股權益	(50)	8
(Loss)/gain on dissolution of a subsidiary	解散一家附屬公司之 (虧損)/收益	(55)	8

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of US\$185,000 and US\$181,000, respectively, in respect of lease arrangements for properties and other equipment (2018: Nil).

During the year, the Group has settled the Hong Kong tax case and part of the tax payment totalled US\$885,000 was paid by a shareholder directly to IRD through an escrow agent. The settlement was treated as a contribution from a shareholder and credited to the capital reserve of the Company.

(b) Changes in liabilities arising from financing activities

31. 綜合現金流量表附註

(a) 重大非現金交易

年內，本集團就物業及其他設備租賃安排而產生非現金添置使用權資產及租賃負債，分別為185,000美元及181,000美元(二零一八年：零)。

年內，本集團就香港稅務案件達成和解，並由一名股東通過託管代理直接支付給稅務局合共885,000美元的稅務付款。該支付被視為一名股東的注資，並計入本公司的資本儲備。

(b) 融資活動導致的負債變動

		Bank borrowings	Lease liabilities	Loan from a shareholder
		銀行借款	租賃負債	來自一名股東貸款
		US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元
At 31 December 2018	於二零一八年十二月三十一日	–	–	3,856
Adjustment on adoption of HKFRS 16 (Note 2.2)	採納香港財務報告準則第16號的調整(附註2.2)	–	3,055	–
At 1 January 2019 (restated)	於二零一九年一月一日(經重列)	–	3,055	3,856
Cash flows from/(used in) financing activities	融資活動所得/(所耗)現金流量	634	(1,900)	–
New leases	新租賃	–	181	–
Interest expenses	利息開支	24	95	–
Interest paid classified as operating cash flows	分類為經營現金流量的已付利息	–	(95)	–
Exchange realignment	匯兌調整	(27)	(18)	–
At 31 December 2019	於二零一九年十二月三十一日	631	1,318	3,856

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows are as follows:

		2019 二零一九年 US\$'000 千美元
Within operating activities	經營活動的範圍內	184
Within financing activities	融資活動的範圍內	1,900
		2,084

32. COMMITMENTS

(a) The Group had no capital commitments for the acquisition of property, plant and equipment at the end of the year.

(b) Operating lease commitments as at 31 December 2018

The Group leased certain of its office premises, staff quarters, furniture and equipment under operating lease arrangements. The leases had varying terms, escalation clauses and renewal rights.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

31. 綜合現金流量表附註(續)

(c) 租賃現金流量總額

計入現金流量表之租賃現金流出總額如下：

32. 承擔

(a) 本集團於年終概無對購置物業、廠房及設備之資本承擔。

(b) 於二零一八年十二月三十一日的經營租賃承擔

本集團根據經營租賃安排租賃若干辦公室、員工宿舍、傢俬及設備。租賃之租期、調整租金之條款及續租權各異。

於二零一八年十二月三十一日，本集團於不可取消經營租賃下的未來最低租賃付款的到期情況如下：

		Office premises and staff quarters 辦公室及 員工宿舍 US\$'000 千美元	Furniture and equipment 傢俬及設備 US\$'000 千美元
Within one year	一年內	1,963	43
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	1,140	100
		3,103	143

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

33. RELATED PARTY TRANSACTIONS

(a) Loan from a shareholder

At 31 December 2019, the loan from a shareholder of the Company is unsecured, non-interest-bearing and repayable by 22 May 2020.

(b) Compensation of key management personnel of the Group:

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Short term employee benefits	短期僱員福利	970	1,368
Post-employment benefits – defined contribution plans	僱員退休福利 — 一定額供款計劃	79	67
Total compensation paid to key management personnel	支付予主要管理人員之 薪酬總額	1,049	1,435

Further details of directors' emoluments are included in Note 8 to the financial statements.

董事薪酬之進一步詳情載於財務報表附註8。

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of Group's financial instruments as at the end of the reporting period are as follows:

34. 金融工具類別

本集團各類別金融工具於報告期末之賬面值如下：

Financial assets

金融資產

	Note 附註	Financial assets at amortised cost 按攤銷成本 計量之金融資產		Financial asset at fair value through profit or loss 按公平值計入 損益之金融資產		Total 總計	
		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
		Financial asset at fair value through profit or loss		-	-	270	270
Trade receivables	21	6,462	8,774	-	-	6,462	8,774
Financial assets included in prepayments, deposits and other receivables	22	4,094	3,157	-	-	4,094	3,157
Cash and cash equivalents	23	12,723	17,192	-	-	12,723	17,192
		23,279	29,123	270	270	23,549	29,393

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

34. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

Financial liabilities

			Financial liabilities at amortised cost 按攤銷成本計量之金融負債	
		Note	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
		附註		
Trade payables	應付貿易賬款	24	1,820	3,799
Loan from a shareholder	來自一名股東貸款	33(a)	3,856	3,856
Financial liabilities included in accruals, provisions and other payables	計入應計費用、撥備及 其他應付款項之 金融負債	25	4,016	5,590
Bank borrowing	銀行借款	27	631	–
Lease liabilities	租賃負債	14(b)	1,318	–
			11,641	13,245

34. 金融工具類別(續)

金融負債

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

35. 金融工具之公平值及公平值層級

本集團金融工具之賬面值及公平值(賬面值與其公平值合理相若者除外)如下:

Financial assets

		Carrying amount 賬面值		Fair value 公平值	
		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Financial asset at fair value through profit or loss	按公平值計入損益之 金融資產	270	270	270	270

金融資產

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, a loan from a shareholder, financial liabilities included in accruals, provisions and other payables, and bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial asset at fair value through profit or loss is determined with reference to the quoted market price.

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instrument:

Asset measured at fair value:

2019

		Fair value measurement using 採用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一層) US\$'000 千美元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二層) US\$'000 千美元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三層) US\$'000 千美元	Total 總計 US\$'000 千美元
Financial asset at fair value through profit or loss	按公平值計入損益之 金融資產	270	-	-	270

35. 金融工具之公平值及公平值層級(續)

金融資產(續)

管理層評估現金及現金等值項目、應收貿易賬款、計入預付款項、按金及其他應收款項之金融資產、應付貿易賬款、來自一名股東貸款以及計入應計費用、撥備及其他應付款項之金融負債及銀行借款之公平值與其賬面值相若，主要由於該等工具之償還期偏短。

按公平值計入損益之金融資產之公平值乃經參考市場報價後釐定。

公平值層級

下表載列本集團金融工具之公平值計量層級：

按公平值計量之資產：

二零一九年

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Financial assets (continued)
Fair value hierarchy (continued)
2018

35. 金融工具之公平值及公平值層級(續)

金融資產(續)
公平值層級(續)
二零一八年

		Fair value measurement using 採用以下各項進行公平值計量			
		Quoted prices in active markets (Level 1) 於活躍市場 之報價 (第一層) US\$'000 千美元	Significant observable inputs (Level 2) 重大可觀察 輸入值 (第二層) US\$'000 千美元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入值 (第三層) US\$'000 千美元	Total 總計 US\$'000 千美元
Financial asset at fair value through profit or loss	按公平值計入損益之 金融資產	270	-	-	270

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2018: Nil).

The Group did not have any financial liabilities measured at fair value as at 31 December 2019 and 2018.

年內，第一層與第二層之間並無公平值計量之轉撥，亦無轉撥往或轉撥自第三層(二零一八年：無)。

於二零一九年及二零一八年十二月三十一日，本集團並無任何按公平值計量之金融負債。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and bank balances, bank borrowing and finance leases. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the year under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

The Company's functional currency is the US\$ and the functional currencies of majority of the subsidiaries are the US\$, HK\$ and RMB. The Group's transactions, trade receivables and trade payables are mainly denominated in these currencies.

As the exchange rate of the US\$ and HK\$ is pegged, management considers the foreign exchange risk in this respect is not significant.

The Group periodically reviews monetary assets and liabilities held in currencies other than the US\$ and HK\$ in particular RMB to ensure that net exposure is kept at an acceptable level, and will consider hedging significant foreign currency exposure should the need arise. The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in RMB exchange rate, with all other variables held constant, of the Group's loss before tax due to changes in the fair value of monetary assets and liabilities.

36. 財務風險管理目標及政策

本集團主要金融工具包括現金及銀行結餘、銀行借款及融資租賃。該等金融工具之主要目的乃為本集團業務籌集資金。本集團亦有各種其他金融資產及負債，如直接由本集團營運產生之應收貿易賬款及應付貿易賬款等。於整個回顧年度內及一直以來，本集團之政策是不買賣金融工具。

本集團之金融工具所產生主要風險為外幣風險、信貸風險及流動資金風險。董事會檢討及議定管理各項該等風險之政策，茲概述如下。

外幣風險

本公司之功能貨幣為美元，而大部分附屬公司之功能貨幣為美元、港元及人民幣。本集團之交易、應收貿易賬款及應付貿易賬款主要以上述貨幣列值。

由於美元與港元匯率掛鈎，故管理層認為於此方面之外匯風險並不重大。

本集團定期檢討以美元及港元以外貨幣持有之貨幣資產及負債（特別是人民幣），確保承擔之淨風險維持於可接受水平，並在有需要時考慮對沖重大外幣風險。下表列示截至報告期末在所有其他可變因素維持不變之情況下，貨幣資產及負債公平值變動導致本集團除稅前虧損對人民幣匯率合理可能變動之敏感度。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued) Foreign currency risk (continued)

			2019 二零一九年	2018 二零一八年
		Increase/ (decrease) in foreign currency rate 外匯匯率 上升/(下跌) %	Increase/ (decrease) in loss before tax 除稅前虧損 增加/(減少) US\$'000 千美元	Increase/ (decrease) in loss before tax 除稅前虧損 增加/(減少) US\$'000 千美元
If US\$ weakens against RMB	倘美元兌 人民幣貶值	5	(487)	(472)
If US\$ strengthens against RMB	倘美元兌 人民幣升值	(5)	487	472

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. However, as the net foreign exchange exposure of the foreign operations is not significant, the Group does not actively hedge this foreign exchange exposure.

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

36. 財務風險管理目標及政策(續)

外幣風險(續)

本集團於海外業務擁有若干投資，而該等資產淨值需承擔外幣換算風險。然而，由於海外業務之淨外匯風險承擔並不重大，故本集團目前並無積極對沖此外匯風險。

信貸風險

本集團只會與經認可及信譽良好之第三方交易。本集團政策規定所有擬以信貸期交易之客戶須通過信用審核程序。此外，本集團持續監察應收款項結餘，故本集團承受之壞賬風險並不重大。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2019. The amounts presented are gross carrying amounts for financial assets.

		12-month expected credit losses (Stage 1) 十二個月預期信貸虧損 (第一階段)		Lifetime expected credit losses (Simplified approach) 全期預期信貸虧損 (簡化法)		Total 總計	
		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Trade receivables	應收貿易賬款	-	-	6,462	8,774	6,462	8,774
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收款項之 金融資產	4,094	3,157	-	-	4,094	3,157
Cash and cash equivalents	現金及現金等值項目	12,723	17,192	-	-	12,723	17,192
		16,817	20,349	6,462	8,774	23,279	29,123

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in Note 21 to the financial statements.

36. 財務風險管理目標及政策(續)

信貸風險(續)

下表載列基於本集團信貸政策(其乃主要基於逾期資料, 除非其他資料毋需付出不必要的成本或努力即可取得)的信貸質素及信貸最大風險, 以及於二零一九年十二月三十一日的年末階段分類。呈列的金額乃為金融資產的賬面總值。

有關本集團就應收貿易賬款所承受信貸風險之進一步量化資料於財務報表附註21披露。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of banking facilities.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		Within one year 一年內		1 to 5 years 一至五年		Total 總計	
		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
Trade payables	應付貿易賬款	1,820	3,799	-	-	1,820	3,799
Loan from a shareholder	來自一名股東貸款	3,856	3,856	-	-	3,856	3,856
Financial liabilities included in accruals, provision and other payables	計入應計費用、撥備及 其他應付款項之 金融負債	4,016	5,590	-	-	4,016	5,590
Bank borrowing	銀行借款	631	-	-	-	631	-
Lease liabilities	租賃負債	1,077	-	241	-	1,318	-
		11,400	13,245	241	-	11,641	13,245

At 31 December 2019, banking facilities of US\$5,141,000 (2018: US\$10,283,000) has been granted to the subsidiaries which is subject to guarantee given to the banks by the Company, and no facility was utilised at period end (2018: US\$77,000).

36. 財務風險管理目標及政策(續)

流動資金風險

本集團之目標是要充分利用銀行信貸，在資金持續供應與靈活性之間維持平衡。

本集團於報告期末根據已訂約非貼現付款分析之金融負債到期情況如下：

於二零一九年十二月三十一日，授予附屬公司之銀行信貸為5,141,000美元(二零一八年：10,283,000美元)(本公司須就此向銀行提供擔保)，且於期末概無動用信貸(二零一八年：77,000美元)。

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

Capital of the Group comprises all components of shareholders' equity.

37. EVENT AFTER THE REPORTING PERIOD

After the COVID-19 outbreak in early 2020, a series of precautionary and control measures have been and continued to be implemented across the globe. The Group is paying close attention to the development of, and the disruption to business and economic activities caused by, the COVID-19 outbreak and is trying to evaluate its impact on the financial position, cash flows and operating results of the Group. Given the dynamic nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, cash flows and operating results at the date on which these financial statements are authorised to issue.

Save as disclosed above, there is no material subsequent event affecting the Group after reporting period and up to the date of this report.

36. 財務風險管理目標及政策(續)

流動資金風險(續)

資本管理

本集團資本管理之主要目標為確保本集團能夠持續營運及維持穩健資本比率，以支持其業務及盡量提高股東價值。

本集團因應經濟狀況變動管理及調整資本架構。為維持或調整資本架構，本集團可能調整對股東派付之股息、向股東退還資本或發行新股。有關管理資本之目標、政策或程序於截至二零一九年及二零一八年十二月三十一日止年度概無變動。

本集團資本包括股東權益之所有成份。

37. 報告期後事項

於二零二零年初爆發2019冠狀病毒病後，全球已採取並繼續實施一連串預防及監控措施。本集團正密切關注2019冠狀病毒病爆發之發展，及其對商業及經濟活動之阻礙，並嘗試評估其對本集團財務狀況、現金流量及營運業績之影響。鑑於2019冠狀病毒病爆發不停變化之性質，於授權發佈此財務報表日，並無法合理估計其對本集團財務狀況、現金流量和營運業績的影響。

除上文所披露者外，於報告期後及直至本報告日期，概無發生對本集團構成影響的重大期後事項。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

38. 本公司之財務狀況表

		2019 二零一九年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司之投資	8,369	20,026
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	27	32
Due from a subsidiary	應收一間附屬公司	4,797	4,482
Cash and cash equivalents	現金及現金等值項目	15	427
Total current assets	流動資產總值	4,839	4,941
CURRENT LIABILITIES	流動負債		
Accruals	應計費用	78	111
Loan from a shareholder	來自一名股東貸款	3,856	3,856
Total current liabilities	流動負債總值	3,934	3,967
NET CURRENT ASSETS	流動資產淨值	905	974
NET ASSETS	資產淨值	9,274	21,000
EQUITY	權益		
Share capital	股本	20,128	20,128
Reserves (Note)	儲備(附註)	(10,854)	872
TOTAL EQUITY	權益總額	9,274	21,000

HO Chi Kin 何致堅
Director 董事

WONG Hing Lin, Dennis 黃慶年
Director 董事

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of Company's reserves is as follows:

		Share premium	Share option reserve	Capital redemption reserve	Contributed surplus [#]	Capital reserve	Accumulated losses	Total
		股份溢價	購股權儲備	資本贖回儲備	實繳盈餘 [#]	資本儲備	累計虧損	總計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
At 1 January 2018	於二零一八年一月一日	153,409	306	48	9,883	-	(55,812)	107,834
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	-	-	(107,079)	(107,079)
Equity-settled share option arrangement	以股權支付之購股權安排	-	117	-	-	-	-	117
Share options lapsed during the year	年內已失效購股權	-	(423)	-	-	-	423	-
At 31 December 2018	於二零一八年十二月三十一日	153,409	-	48	9,883	-	(162,468)	872
At 1 January 2019	於二零一九年一月一日	153,409	-	48	9,883	-	(162,468)	872
Total comprehensive loss for the year	年度全面虧損總額	-	-	-	-	-	(13,421)	(13,421)
Contributions from a shareholder	來自一名股東注資	-	-	-	-	1,695	-	1,695
At 31 December 2019	於二零一九年十二月三十一日	153,409	-	48	9,883	1,695	(175,889)	(10,854)

[#] The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company is distributable to equity holders. However, the Company cannot declare or pay a dividend or make a distribution out of contributed surplus if (i) it is, or would after the payment be unable to pay its liabilities as they become due or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

38. 本公司之財務狀況表(續)

附註：

本公司之儲備概要如下：

[#] 本公司之實繳盈餘指根據重組所收購附屬公司股份之公平值超逾本公司為交換而發行之股份面值之差額。根據百慕達一九八一年公司法，本公司之實繳盈餘賬目可供分派予權益持有人。然而，本公司在下列情況不得從實繳盈餘中宣派或派付股息或作出分派：(i) 派付後無法支付到期之負債或(ii) 其資產之可變現價值少於其負債及已發行股本以及股份溢價賬之總額。

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

39. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES

Particulars of the principal subsidiaries are as follows:

39. 主要附屬公司資料

主要附屬公司之詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Nominal value of issued and fully paid ordinary share/ registered capital 已發行及繳足 普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Benchmark Profits Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股
Blue Ocean International Group Limited (formerly known as Ever Eagle Limited) ⁴ 藍海國際集團有限公司 (前稱 Ever Eagle Limited) ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股
Daohe Capital Limited 道和資本有限公司	Hong Kong 香港	HK\$1 1港元	100	-	Investment holding 投資控股
Daohe Management Limited 道和管理有限公司	Hong Kong 香港	HK\$1 1港元	100	-	Management services 管理服務
Glory Sino Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	100	-	Investment holding 投資控股
Golden Rules Enterprises Limited 高律有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
IGCS Group Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股
International Laboratory Services Limited 國際檢定服務有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Provision of laboratory services 提供檢定服務
Leiyi Science and Technology Co. Ltd.* ⁴ 深圳市樂宜科技有限公司 ⁴	People's Republic of China 中華人民共和國	RMB10,000,000 人民幣10,000,000元	-	100	Software and information technology services and development 軟件和信息技術服務與開發
Linmark Agency (BVI) Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$50,000 50,000美元	-	100	Investment holding and procurement agent 投資控股及採購代理
Linmark Agency (Hong Kong) Limited	Hong Kong 香港	HK\$10,000 10,000港元	-	100	Procurement agent 採購代理
Linmark Development (BVI) Limited	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Procurement agent 採購代理
Linmark Holdings Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	100	-	Investment holding 投資控股
Linmark (HK) Limited 林麥(香港)有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding, procurement agent and trading of merchandise 投資控股、採購代理及商品貿易

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

39. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (continued)

39. 主要附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Nominal value of issued and fully paid ordinary share/ registered capital 已發行及繳足 普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Linmark International (Bangladesh) Ltd. ⁴	Bangladesh 孟加拉	Taka4,120,000 4,120,000塔卡	-	100	Procurement agent 採購代理
Linmark International (Hong Kong) Limited 林麥國際(香港)有限公司	Hong Kong 香港	HK\$200,000 200,000港元	-	100	Investment holding and procurement agent 投資控股及採購代理
Linmark Merchandise Consultancy (Shenzhen) Limited ^{*1,4} 林麥商品信息諮詢(深圳)有限公司 ^{1,4}	People's Republic of China 中華人民共和國	RMB1,500,000 人民幣1,500,000元	-	100	Provision of marketing consultancy and product development services, and trading of merchandise 提供市場推廣諮詢及產品開發服務 及商品貿易
Linmark Westman Investments Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$11 11美元	-	100	Investment holding 投資控股
Loovee Holdings Inc. ⁴	Cayman Islands 開曼群島	US\$160 160美元	-	100	Investment holding 投資控股
Loovee (Hong Kong) Holdings Limited 樂唯香港控股有限公司	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding 投資控股
Loovee Science and Technology Development Co. Ltd. ^{*3,4} 深圳市樂唯科技開發有限公司 ^{3,4}	People's Republic of China 中華人民共和國	RMB12,500,000 人民幣12,500,000元	-	100	Investment holding and development and operation of online social platforms 投資控股及開發及 經營網上社交平台
Loovee Science and Technology (Shenzhen) Co., Limited ^{*1,4} (*Shenzhen Loovee) 樂唯科技(深圳)有限公司 ^{1,4} (「樂唯深圳」)	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	-	100	Investment holding 投資控股
Power Path Limited ⁴ 騰黃有限公司 ⁴	Hong Kong 香港	HK\$1 1港元	100	-	Provision of secretarial and nominees services to the fellow subsidiaries 為同系附屬公司提供秘書及 代理人服務
Shenzhen Leyi Cultural Communication Co. Ltd. ^{*4} 深圳市樂宜文化傳播有限公司 ⁴	People's Republic of China 中華人民共和國	RMB1,000,000 人民幣1,000,000元	-	100	Production and distribution of film and television and related activities 製作及發行電影與電視劇等 相關業務
Shenzhen Loovee Internet Information Services Co. Ltd. ^{*2,4} 深圳市互聯網信息服務有限公司 ^{2,4}	People's Republic of China 中華人民共和國	RMB5,000,000 人民幣5,000,000元	-	100	Internet information services 互聯網信息服務
Tamarind International Holdings Limited ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding 投資控股

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

39. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (continued)

39. 主要附屬公司資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/ 註冊及業務地點	Nominal value of issued and fully paid ordinary share/ registered capital 已發行及繳足 普通股/ 註冊資本面值	Percentage of equity attributable to the Company 本公司 應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tamarind International Limited	Hong Kong 香港	HK\$1 1港元	-	100	Investment holding and trading of merchandise 投資控股及商品貿易
Tamarind Trading (Shanghai) Limited* ^{1,4} 天馬仕貿易(上海)有限公司 ^{1,4}	People's Republic of China 中華人民共和國	RMB5,500,000 人民幣5,500,000元	-	100	Procurement agent and trading of merchandise 採購代理及商品貿易
Trend Xpress, Inc. ⁴	British Virgin Islands 英屬維爾京群島	US\$1 1美元	-	100	Investment holding and provision of market trend consultancy services 投資控股及提供市場潮流情報 諮詢服務
Trend Xpress Limited 時尚快訊有限公司	Hong Kong 香港	HK\$2 2港元	-	100	Investment holding, provision of market trend consultancy services and trading of merchandise 提供市場潮流情報諮詢服務 及商品貿易
Westman Linmark (Thailand) Ltd.	Thailand 泰國	Ordinary shares Baht 5,880,000 and preference shares Baht 6,120,000 普通股 5,880,000泰銖 及優先股 6,120,000泰銖	-	100	Procurement agent 採購代理
Westman (Singapore) Private Limited	Singapore 新加坡	S\$200,000 200,000新加坡元	-	100	Procurement agent 採購代理

* For identification purpose only

* 僅供識別

Notes to the Financial Statements

財務報表附註

31 December 2019
二零一九年十二月三十一日

39. INFORMATION ABOUT PRINCIPAL SUBSIDIARIES (continued)

- 1 The companies were registered as wholly-foreign-owned enterprises under the laws of the PRC.
- 2 The company was a newly incorporated limited liability company under the laws of the PRC on 4 June 2019.
- 3 Loovee Development is a limited liability company established under the laws of the PRC and under the legal ownership of two independent third parties nominated by the Company (the "VIE Equity Owners"). Shenzhen Loovee, an indirect subsidiary of the Company, Loovee Development and the VIE Equity Owners entered into certain structured contracts namely, the Exclusive Technology Consulting and Services Agreement, the Business Operation Agreement, the Exclusive Call Option Agreement, the Equity Interest Pledge Agreements, the Power of Attorney, the Commitment Letters and the Spousal Consent Letters (together, as "VIE Contracts"). The VIE Contracts provide the Group through Shenzhen Loovee with effective control over Loovee Development.
- 4 The companies were not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for 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.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2020.

39. 主要附屬公司資料(續)

- 1 該等公司根據中國法律註冊為外商獨資企業。
- 2 該公司於二零一九年六月四日根據中國法律新註冊成立之有限公司。
- 3 樂唯開發為根據中國法律成立的有限公司，而本公司提名的兩名獨立第三方持有其法律擁有權（「VIE 股權擁有人」）。本公司的間接附屬公司樂唯深圳、樂唯開發及 VIE 股權擁有人訂立若干結構性合約，包括獨家技術諮詢及服務協議、業務營運協議、獨家認購期權協議、股權質押協議、授權委託書、承諾函及配偶承諾函（統稱「VIE 合約」）。VIE 合約讓本公司透過樂唯深圳有效控制樂唯開發。
- 4 該等公司未經香港安永會計師事務所或安永國際網絡其他成員公司審核。

上表載列董事認為主要影響本年度業績或構成本集團資產淨值重大部分之本公司旗下附屬公司。董事認為，倘詳列其他附屬公司之資料將會使有關資料過於冗長。

40. 批准財務報表

董事會已於二零二零年三月三十一日批准及授權發佈財務報表。

Five-Year Financial Summary

五年財務概要

RESULTS

業績

		Year ended 30 April 截至四月三十日止年度			Eight months ended 31 December 2017 截至 二零一七年 十二月三十一日 止八個月		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 US\$'000 千美元 (Restated) (經重列)	2017 二零一七年 US\$'000 千美元 (Restated) (經重列)		2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元		
REVENUE	收益	94,053	90,470	78,527	107,513		65,692	
Cost of sales	銷售成本	(71,024)	(68,851)	(60,282)	(79,799)		(51,156)	
Gross profit	毛利	23,029	21,619	18,245	27,714		14,536	
Other income	其他收入	639	272	534	816		1,317	
Selling and marketing expenses	銷售及市場推廣開支	-	-	(8,638)	(12,196)		(4,560)	
General and administrative expenses	一般及行政開支	(22,285)	(20,910)	(14,931)	(20,845)		(19,397)	
Finance cost	財務費用	-	-	-	-		(119)	
Expenses in relation to a proposed acquisition	一項建議收購事項之 開支	-	(638)	-	-		-	
Gain on disposal of a subsidiary	出售一家附屬公司之收益	-	62	-	7		-	
Gain/(loss) on dissolution of subsidiaries	解散附屬公司之收益/(虧損)	(5)	-	-	8		(55)	
Impairment losses on goodwill	商譽減值虧損	(887)	-	(73,098)	(66,496)		-	
Impairment losses on other intangible assets	其他無形資產減值虧損	-	-	-	(21,747)		(11,925)	
Operating profit/(loss)	經營溢利/(虧損)	491	405	(77,888)	(92,739)		(20,203)	
Bank interest income	銀行利息收入	14	16	9	30		25	
Share of loss of a joint venture	應佔一家合營公司虧損	-	-	(1)	(1)		(1)	
Profit/(loss) before tax	除稅前溢利/(虧損)	505	421	(77,880)	(92,710)		(20,179)	
Income tax (expense)/credit	所得稅(開支)/抵免	(1,118)	(167)	1,690	8,536		4,690	
Profit/(loss) for the year/period	年度/期間溢利/(虧損)	(613)	254	(76,190)	(84,174)		(15,489)	
Profit/(loss) for the year/period attributable to:	下列人士應佔年度/期間 溢利/(虧損):							
Owners of the Company	本公司擁有人	(560)	290	(76,187)	(84,160)		(15,477)	
Non-controlling interests	非控股權益	(53)	(36)	(3)	(14)		(12)	
Dividends	股息	681	626	-	-		-	
Earnings/(loss) per share (US cents)	每股盈利/(虧損)(美仙)							
Basic*	基本*	(0.05)	0.03	(5.24)	(5.58)		(1.03)	
Diluted*	攤薄*	(0.05)	0.03	(5.24)	(5.58)		(1.03)	

* Earnings per share for the years ended 30 April, 2016 and 2017 have been adjusted for the effect of Share Subdivision of the Company with effect from 10 August 2017.

* 截至二零一六年及二零一七年四月三十日止年度之每股盈利已就本公司自二零一七年八月十日起生效之股份拆細的影響作出調整。

Five-Year Financial Summary
五年財務概要

ASSETS AND LIABILITIES

資產及負債

		At 30 April 於四月三十日		At 31 December 於十二月三十一日		
		2016 二零一六年 US\$'000 千美元	2017 二零一七年 US\$'000 千美元	2017 二零一七年 US\$'000 千美元	2018 二零一八年 US\$'000 千美元	2019 二零一九年 US\$'000 千美元
Non-current assets	非流動資產	27,522	29,767	124,290	19,823	2,018
Current assets	流動資產	32,358	29,599	27,329	30,644	24,427
Total assets	資產總值	59,880	59,366	151,619	50,467	26,445
Current liabilities	流動負債	(18,424)	(16,925)	(20,734)	(19,414)	(16,042)
Non-current liabilities	非流動負債	(512)	(1,781)	(19,394)	(6,451)	(625)
Total liabilities	負債總額	(18,936)	(18,706)	(40,128)	(25,865)	(16,667)
Net assets	資產淨值	40,944	40,660	111,491	24,602	9,778

Corporate Information

公司資料

NON-EXECUTIVE DIRECTOR

ZHOU Xijian (Chairman)

EXECUTIVE DIRECTORS

WONG Hing Lin, Dennis (Chief Executive Officer and President)

HO Chi Kin (Chief Financial Officer)

(resigned with effect from 31 March 2020)

LONG Liping (appointed on 16 April 2019)

YU Lei (resigned with effect from 1 January 2019)

INDEPENDENT NON-EXECUTIVE DIRECTORS

WANG Arthur Minshiang

LAU Shu Yan

ZHANG Huijun

EXECUTIVE COMMITTEE

WONG Hing Lin, Dennis (Chairman of the Committee)

HO Chi Kin (resigned with effect from 31 March 2020)

LONG Liping (appointed on 16 April 2019)

YU Lei (resigned with effect from 1 January 2019)

AUDIT COMMITTEE

LAU Shu Yan (Chairman of the Committee)

WANG Arthur Minshiang

ZHANG Huijun

REMUNERATION COMMITTEE

WANG Arthur Minshiang (Chairman of the Committee)

ZHOU Xijian

ZHANG Huijun

NOMINATION COMMITTEE

ZHOU Xijian (Chairman of the Committee)

WANG Arthur Minshiang

ZHANG Huijun

COMPANY SECRETARY

HO Chi Kin (resigned on 13 December 2019)

CHENG Sau Man (appointed on 13 December 2019)

非執行董事

周希儉 (主席)

執行董事

黃慶年 (行政總裁兼總裁)

何致堅 (財務總監)

(自二零二零年三月三十一日起辭任)

龍利平 (於二零一九年四月十六日獲委任)

余磊 (自二零一九年一月一日起辭任)

獨立非執行董事

王敏祥

劉樹人

張會軍

執行委員會

黃慶年 (委員會主席)

何致堅 (自二零二零年三月三十一日起辭任)

龍利平 (於二零一九年四月十六日獲委任)

余磊 (自二零一九年一月一日起辭任)

審核委員會

劉樹人 (委員會主席)

王敏祥

張會軍

薪酬委員會

王敏祥 (委員會主席)

周希儉

張會軍

提名委員會

周希儉 (委員會主席)

王敏祥

張會軍

公司秘書

何致堅 (於二零一九年十二月十三日辭任)

鄭秀文 (於二零一九年十二月十三日獲委任)

REGISTERED OFFICE

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

**HEAD OFFICE AND PRINCIPAL PLACE
OF BUSINESS**

6/F., YHC Tower,
1 Sheung Yuet Road,
Kowloon Bay, Hong Kong

**PRINCIPAL SHARE REGISTRAR AND
TRANSFER OFFICE**

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

**HONG KONG BRANCH SHARE REGISTRAR
AND TRANSFER OFFICE**

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

AUDITOR

Ernst & Young
22nd Floor, CITIC Tower, 1 Tim Mei Avenue,
Central, Hong Kong

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Citibank, N.A.

LEGAL ADVISER

Loong & Yeung

註冊辦事處

Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

總辦事處及主要營業地點

香港九龍灣
常悅道1號
恩浩國際中心6樓

股份過戶登記總處

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street,
Hamilton HM 11, Bermuda

股份過戶登記處香港分處

卓佳標準有限公司
香港皇后大道東183號
合和中心54樓

核數師

安永會計師事務所
香港中環
添美道1號中信大廈22樓

主要往來銀行

渣打銀行(香港)有限公司
花旗銀行

法律顧問

龍炳坤、楊永安律師行

Shareholder Information

股東資料

Listing : Listed on the Main Board of
The Stock Exchange of Hong Kong Limited
since 10 May 2002

Stock Code : 915

Board Lot : 1,000

Par Value : One and one third US cents

Trading Currency : HK\$

上市 : 自二零零二年五月十日起
於香港聯合交易所有限公司
主板上市

股份代號 : 915

買賣單位 : 1,000股

面值 : 一又三分之一美仙

交易貨幣 : 港元

FINANCIAL CALENDAR

Financial period ended 31 December 2019

Results announced 31 March 2020

Register of members closed
(for ascertaining shareholders' rights to
attend and vote at the AGM) 25–28 May 2020

AGM 28 May 2020

Interim results to be announced end of August 2020*

* subject to change

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend in respect of the year ended 31 December 2019.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

For the purpose of ascertaining the shareholders' rights of attending and voting at the forthcoming AGM, the register of members of the Company will be closed from Monday, 25 May 2020 to Thursday, 28 May 2020, both days inclusive. In order to be entitled to attend the AGM, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Tricor Standard Limited, not later than 4:30 p.m. on Friday, 22 May 2020.

SHAREHOLDER SERVICES

For enquiries about share transfer and registration, please contact the Company's Hong Kong branch share registrar:

Tricor Standard Limited
Level 54, Hopewell Centre,
183 Queen's Road East, Hong Kong
Telephone: (852) 2980 1768
Facsimile: (852) 2528 3158

Holders of the Company's shares should notify the Hong Kong branch share registrar promptly of any change of addresses.

INVESTOR RELATIONS

For enquiries relating to investor relations, please contact:

Daohe Global Group Limited
6/F., YHC Tower,
1 Sheung Yuet Road,
Kowloon Bay, Hong Kong
Telephone: (852) 2993 5328
Facsimile: (852) 2993 5281
Email: ir@daoheglobal.com.hk
Website: www.daoheglobal.com.hk

財務行事曆

財政期內結算日 二零一九年十二月三十一日

業績公佈 二零二零年三月三十一日

暫停辦理股份過戶登記手續 二零二零年
(以釐定股東出席股東週年
大會並於會上投票之權利) 五月二十五日
至二十八日

股東週年大會 二零二零年五月二十八日

中期業績公佈 二零二零年八月底*

* 可予更改

末期股息

董事會不建議就截至二零一九年十二月三十一日止年度派發末期股息。

就股東週年大會暫停辦理股份過戶登記手續

為釐定股東出席應屆股東週年大會並於會上投票之權利，本公司將於二零二零年五月二十五日(星期一)至二零二零年五月二十八日(星期四)(包括首尾兩天)暫停辦理股份過戶登記手續。為符合資格出席股東週年大會，所有填妥之股份過戶表格連同有關股票，須於二零二零年五月二十二日(星期五)下午四時三十分前交回本公司之股份過戶登記處香港分處卓佳標準有限公司。

股東服務

任何有關股份過戶及登記之查詢，請聯絡本公司之股份過戶登記處香港分處：

卓佳標準有限公司
香港皇后大道東183號
合和中心54樓
電話：(852) 2980 1768
傳真：(852) 2528 3158

本公司股份持有人若更改地址，請盡快通知本公司之股份過戶登記處香港分處。

投資者關係

任何有關投資者關係之查詢，請聯絡：

道和環球集團有限公司
香港九龍灣
常悅道1號
恩浩國際中心6樓
電話：(852) 2993 5328
傳真：(852) 2993 5281
電郵：ir@daoheglobal.com.hk
網站：www.daoheglobal.com.hk



DAOHE GLOBAL GROUP LIMITED
道和環球集團有限公司

6/F., YHC Tower, 1 Sheung Yuet Road,
Kowloon Bay, Hong Kong
香港九龍灣常悅道1號恩浩國際中心6樓
Tel 電話 : (852) 2993 5328
Website 網站 : www.daoheglobal.com.hk