



FRONTIER SERVICES GROUP

Frontier Services Group Limited
先豐服務集團有限公司

(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 : 00500)



Annual Report 2019 年報



CONTENTS

目錄

		Page(s) 頁
Corporate Information	公司資料	2 - 4
Chairman's Statement	主席報告	5 - 7
Management Discussion and Analysis	管理層討論及分析	8 - 19
Corporate Governance Report	企業管治報告	20 - 31
Environmental, Social and Governance Report	環境、社會及管治報告	32 - 41
Biographical Details of Directors and Senior Management	董事及高級管理人員之履歷詳情	42 - 52
Report of the Directors	董事會報告	53 - 64
Independent Auditor's Report	獨立核數師報告	65 - 71
Audited Consolidated Financial Statements	經審核綜合財務報表	
Consolidated Income Statement	綜合收益表	72
Consolidated Statement of Comprehensive Income	綜合全面收益表	73
Consolidated Statement of Financial Position	綜合財務狀況表	74 - 75
Consolidated Statement of Changes in Equity	綜合權益變動表	76 - 77
Consolidated Statement of Cash Flows	綜合現金流量表	78 - 79
Notes to Consolidated Financial Statements	綜合財務報表附註	80 - 199
Five Year Financial Summary	五年財務概要	200

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Non-Executive Directors

Mr. Chang Zhenming (*Chairman*)
Mr. Zhang Yichen (*appointed on 24 March 2020*)
Mr. Fei Yiping (*appointed on 24 March 2020*)

Executive Directors

Mr. Erik D. Prince (*Deputy Chairman*)
Mr. Ko Chun Shun, Johnson (*Deputy Chairman*)
Mr. Luo Ning (*Deputy Chairman*)
Dr. Hua Dongyi (*Chief Executive Officer*)
Mr. Hu Qinggang (*resigned on 24 March 2020*)

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry
Professor Lee Hau Leung
Dr. Harold O. Demuren

Audit Committee

Mr. Yap Fat Suan, Henry (*Chairman*)
Professor Lee Hau Leung
Dr. Harold O. Demuren

Nomination Committee

Professor Lee Hau Leung (*Chairman*)
Mr. Erik D. Prince
Mr. Ko Chun Shun, Johnson
Mr. Yap Fat Suan, Henry
Dr. Harold O. Demuren

Remuneration Committee

Professor Lee Hau Leung (*Chairman*)
Mr. Erik D. Prince
Mr. Ko Chun Shun, Johnson
Mr. Yap Fat Suan, Henry
Dr. Harold O. Demuren

Risk Committee

Dr. Hua Dongyi (*Chairman*)
Mr. Erik D. Prince
Mr. Yap Fat Suan, Henry
Professor Lee Hau Leung
Dr. Harold O. Demuren

董事會

非執行董事

常振明先生(*主席*)
張懿宸先生(*於二零二零年三月二十四日獲委任*)
費怡平先生(*於二零二零年三月二十四日獲委任*)

執行董事

Erik D. Prince 先生(*副主席*)
高振順先生(*副主席*)
羅寧先生(*副主席*)
華東一博士(*行政總裁*)
胡慶剛先生(*於二零二零年三月二十四日辭任*)

獨立非執行董事

葉發旋先生
李效良教授
Harold O. Demuren 博士

審核委員會

葉發旋先生(*主席*)
李效良教授
Harold O. Demuren 博士

提名委員會

李效良教授(*主席*)
Erik D. Prince 先生
高振順先生
葉發旋先生
Harold O. Demuren 博士

薪酬委員會

李效良教授(*主席*)
Erik D. Prince 先生
高振順先生
葉發旋先生
Harold O. Demuren 博士

風險委員會

華東一博士(*主席*)
Erik D. Prince 先生
葉發旋先生
李效良教授
Harold O. Demuren 博士

CORPORATE INFORMATION

公司資料

COMPANY SECRETARY

Mr. Chan Kam Kwan, Jason

公司秘書

陳錦坤先生

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor

獨立核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體核數師

LEGAL ADVISERS

Baker & McKenzie
Holman Fenwick Willian LLP

法律顧問

貝克•麥堅時律師事務所
夏禮文律師行

PRINCIPAL BANKERS

Bank of Communications Co., Limited
China Everbright Bank
Hang Seng Bank Limited
Industrial and Commercial Bank of China

主要往來銀行

交通銀行股份有限公司
中國光大銀行
恒生銀行有限公司
中國工商銀行

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS

Suite 3902, 39th Floor
Far East Finance Centre
16 Harcourt Road
Admiralty
Hong Kong

主要營業地點

香港
金鐘
夏慤道16號
遠東金融中心
39樓3902室

CORPORATE INFORMATION

公司資料

SHARE REGISTRARS AND TRANSFER OFFICE

Principal Registrars

MUFG Fund Services (Bermuda) Limited
4th Floor North, Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

Hong Kong Branch Share Registrars and Transfer Office

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

INVESTOR RELATIONS

Investor Relations Department
Frontier Services Group Limited
Telephone: (852) 3766 1077
Fax: (852) 3007 0386
Website: www.fsgroup.com
www.irasia.com/listco/hk/frontier
Email: ir@fsgroup.com

股份過戶登記處

主要登記處

MUFG Fund Services (Bermuda) Limited
4th Floor North, Cedar House
41 Cedar Avenue
Hamilton HM12
Bermuda

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東 183 號
合和中心
54 樓

投資者關係

投資者關係部
先豐服務集團有限公司
電話： (852) 3766 1077
傳真： (852) 3007 0386
網站： www.fsgroup.com
www.irasia.com/listco/hk/frontier
電子郵件： ir@fsgroup.com

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders

I have been serving as the chairman of Frontier Services Group Limited (the "**Company**") and its subsidiaries (the "**Group**") for one year since December 2018. Given the strategic adjustments and deployment made by the Group in the past few years, together with the appropriate guidance from the board of directors (the "**Board**") of the Company during the year, I am pleased to have witnessed that the team's effort has achieved positive effects; meanwhile, more and more projects in the areas along the path of Belt and Road, especially in areas with relatively higher risks, have some achievements. I would like to present the Group's operation in 2019 to the shareholders as below.

BUSINESS REVIEW

Security Segment — In addition to strive to push forward the establishment of the security services in more countries and regions in 2019, the Group has also stepped up its business expansion in the countries where it started to provide services and launched diversified services with a view to enhance the service quality and standard continuously. Its efforts have built up both well-established reputation and brand for the Group, received positive feedbacks from international investors including Chinese enterprises, and obtained a number of contracts for security services with different scales.

In terms of building capacity, the Group has placed great emphasis on the establishment of security training base and recruitment channel of international talents, laying a foundation to further reinforce the Group's security capacity. Meanwhile, it has continued the research and development work on the global positioning and monitoring security system, so as to promote the comprehensive enhancement on security and defense capabilities, resource allocation capabilities, as well as emergency command capabilities through technology, thus ensuring a solid foundation in the area of security services.

Logistics Segment — After restructuring the logistics business for approximately half a year, the Group has been actively promoting the establishment of the five major logistics channels since the last quarter, which concentrated on the development of logistics channels from the Democratic Republic of Congo (the "**DRC**") (as the starting point) to the westbound, southbound and eastbound passages, China-Kazakhstan Energy Channel, China-Pakistan Economic Corridor, China-Laos-Thailand Infrastructure Corridor and China-Myanmar Economic Corridor, further enhancing the customer service quality and becoming the first-choice partner of various key logistics service customers in major countries.

尊敬的股東：

我自2018年12月就任先豐服務集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)董事長已有一年。由於過去幾年本集團所做的戰略調整和佈局，也由於這一年中本公司董事會(「董事會」)的正確指導，我欣喜地看到團隊的努力已經取得積極的成效，在「一帶一路」沿線尤其是風險較高的地區有越來越多的專案正在開花結果。以下，我向各位股東彙報本集團於2019年的工作情況。

業務回顧

安保板塊 — 2019年本集團除了努力在更多重點國家和地區實現安保落地之外，加強了在已落地國家的業務拓展，推出更多的服務專案，不斷提高客戶服務品質和水準，打造先豐良好的口碑和品牌，得到了包括中資企業在內的國際投資者的好評，已經獲得了數個不同規模的安保合同。

在能力建設方面，抓緊安保培訓基地和國際人才招聘管道的建設，為本集團進一步提高安保服務能力奠定基礎。同時，繼續研究開發全球定位監控服務保障系統，推進以技術手段全面提升安全保衛能力、資源調配能力和應急指揮能力，切實打牢保障的根基。

物流板塊 — 經過約半年時間把物流業務進行調整後，最後一季度開始，本集團積極推動五大物流通道建設，重點開拓以剛果民主共和國(「剛果(金)」)為原點的向西、向南和向東的物流通道，以及沿中哈能源通道、中巴經濟走廊、中老泰基礎設施走廊及中緬經濟走廊等方向構建的物流通道，進一步提高客戶服務品質，在重點國家中成為多個重點客戶物流服務的首選夥伴。

CHAIRMAN'S STATEMENT

主席報告

Insurance Segment — Based on the strategic needs of the development, after evaluating the growth potential of several markets in which the Group's major business regions are located, we have selected the DRC as a pilot and applied for the establishment of a joint venture insurance company with local partners. In this regard, we have successfully obtained relevant licenses at the beginning of March 2020. The plan focuses on the Group's strategic vision of integrating risk management service solutions and complements the security services and other business lines to create integrated service solutions for risk identification, assessment, prevention, protection, emergency management, insurance and rescue.

Infrastructure Segment — Leveraging on its localization advantages in major operating countries, the Group has strived to obtain large-scale infrastructure and resource projects, promoted the construction of logistics channels and achieved significant progress in various projects.

Frontier Strategic Resources Fund — At the end of 2019, the Group has jointly set up the Frontier Strategic Resources Fund with CITIC Capital Group for the objectives of investing in the energy and resources sectors, leveraging the shareholders' resources of the Group, overseas network channels and high-end cooperation resources, conducting risk exploration at early stage and obtaining resource projects with good potential at low cost. The establishment of this fund can further diversify the Group's investment portfolio and facilitate the development of all business segments.

OPERATION AND MANAGEMENT

During 2019, the Group strengthened its management over the four major areas, especially that of the principal subsidiaries. Besides, the Group optimised the management and system in terms of staff, finance, compliance and technology, further realised the team's professionalism, internationalisation, and localisation and provided full support to the comprehensive implementation of overseas projects. Based on the strategic needs of restructuring, the Group specifically conducted impairment tests against certain non-performing aircrafts and equipment, and set aside provisions of approximately HK\$64,509,000 in total accordingly. Meanwhile, the bad and doubtful debt provisions against receivables amounted to approximately HK\$14,286,000, which in turn increased the Group's total loss for the year. Notwithstanding, as the Group has further tackled those historical issues and continued to enhance its strategic deployment and operational management over the past two years, it is expected to lay down the burden of past in order to move ahead and strengthen the revenue base by launching relevant projects in respect to the five major logistics channels in 2020.

保險板塊 — 基於發展戰略需要，在對本集團四大區所在數個市場發展潛力評估之後，選擇剛果(金)作為試點，與當地合作夥伴共同發起申請設立合資保險公司，於2020年3月初已成功獲取相關牌照。計畫圍繞集團整合風險管理服務解決方案的戰略構想，與安保等條線協同，打造風險識別、評估、預防、保護、應急管理、保險、救援的一體化服務解決方案。

基建板塊 — 憑藉在重點業務國家的屬地化優勢，本集團努力獲取大型基礎設施和資源項目，與物流通道建設協同推進，在多個項目中已經取得了重大進展。

先豐戰略資源基金 — 2019年底，本集團與中信資本集團共同投資設立了先豐戰略資源基金，進行能源及資源業務的投資，可借助本集團的股東資源、海外網路管道和高端合作資源，從前期風險勘探開始介入、低成本獲得具有良好潛力的資源項目。此基金的設立，可使本集團的投資組合更加多元化，並帶動各板塊業務的共同發展。

經營管理

2019年，本集團加強了對四大重點區域的管理，尤其是對主要子公司的管理，在人員、財務、合規、技術等管理和制度方面進行了完善，進一步實現了團隊的專業化、國際化和本土化，為海外專案的全面推進提供了全方位支援。根據戰略調整需要，本集團有針對性地把部分表現不佳的飛機及設備進行了減值測試和撥備，共計約64,509,000港元。同時，針對應收賬款計提了約14,286,000港元的呆壞賬準備，增加了本集團今年的總虧損。然而，隨著對該等歷史遺留問題的進一步清理，以及過去兩年中的戰略佈局以及經營管理上的不斷加強，預計本集團於2020年可以放下過往的包袱、輕裝前進，通過五大物流通道相關項目，強化收入基礎。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Looking forward to 2020, the Group has entered an overall upward trajectory. With the view to giving full play to its “four-in-one” advantages, the Group will consolidate its resources in all aspects and focus its resources and efforts on expanding the development of five major logistics channels and significant projects, so as to vigorously promote the Group's business through professionalism, internationalisation, and localisation.

A FINAL NOTE:

Over the past year, the Group has achieved remarkable development and received great recognition from the government, enterprises and industry in terms of security capabilities. On that basis, we have also devoted our efforts to develop the insurance, logistics and infrastructure business, which has demonstrated good progress. The Group's unique business model has been giving full play to its advantages and generating expected returns, which will definitely maximise shareholders' values in the future.

Thank you everyone for your unfailing attention, confidence and support that you have been giving to the Group.

Chang Zhenming

Chairman

Hong Kong, 24 March 2020

展望

展望2020年，本集團已進入整體上升階段，將充分發揮四位一體優勢，整合各方面優勢資源，圍繞建設五大物流通道佈局和重大專案，重點投入、重點開拓，以專業化、國際化、屬地化的態勢大力推進本集團的業務。

結語：

本集團在過去一年中取得了長足的發展，在安保能力方面獲得了政府、企業和行業的高度認可。在此基礎上，保險、物流和基建等業務也在努力開拓，進展良好。本集團獨特的經營模式正在發揮優勢、產生預期的回報，在今後必將為股東創造更好的價值。

感謝大家一如既往地給予本集團關注、信心與支持！

常振明

主席

香港，二零二零年三月二十四日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REVIEW OF RESULTS

Overall Performance

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收入	725,920	866,748
Cost of direct materials and job expenses	直接材料費用及工作開支	(200,120)	(283,938)
Cost of aircraft management services	飛機管理服務成本	(97,689)	(128,814)
Data costs	數據成本	(5,999)	(7,028)
Employee benefit expenses	僱員福利開支	(240,896)	(211,722)
Sub-contracting charges	分包費用	(268,622)	(288,488)
Rental expenses	租金費用	(17,606)	(33,438)
Repair and maintenance costs	維修及保養費用	(17,759)	(33,580)
Depreciation and amortisation	折舊及攤銷	(56,460)	(37,310)
Other income and other gains	其他收入及其他收益	6,947	8,871
Other operating expenses	其他營運費用	(118,323)	(95,412)
Provision for impairment of other intangibles	其他無形資產之減值撥備	—	(4,087)
Provision for impairment of property, plant and equipment and assets held-for-sale	物業、機器及設備以及持作出售資產之減值撥備	(64,509)	(8,318)
Impairment losses on financial assets	金融資產之減值虧損	(14,286)	(2,732)
Operating loss	營運虧損	(369,402)	(259,248)
Interest income	利息收入	12,045	12,426
Finance costs	融資成本	(10,360)	(13,928)
Share of losses of associates	應佔聯營公司虧損	(3,760)	(1,517)
Loss before income tax	除所得稅前虧損	(371,477)	(262,267)
Income tax credit	所得稅抵免	14,730	5,644
Loss for the year	年度虧損	(356,747)	(256,623)

業績回顧

整體表現

Frontier Services Group Limited (the “Company”) and its subsidiaries (together, the “Group”) reported a consolidated revenue of HK\$725,920,000 (2018: HK\$866,748,000) for the year ended 31 December 2019. The Group’s revenue decreased because of the reduction in revenue from aviation and logistics businesses. For the year ended 31 December 2019, the Group reported a loss of HK\$356,747,000 (2018: HK\$256,623,000). Such an increase was mainly due to the fact that the Group spent much more resources and effort in developing its businesses along the Belt and Road regions including countries like Myanmar, Cambodia, Laos, Mozambique and the Democratic Republic of Congo (the “DRC”), which resulted in more employee benefit expenses, rental expenses and amortisation of right-of-use assets being incurred. Other than this, the Group set aside impairment provisions against the Group’s property, plant and equipment of HK\$64,509,000 (2018: HK\$8,318,000) and some of the Group’s financial assets of HK\$14,286,000 (2018: HK\$2,732,000).

Frontier Services Group Limited 先豐服務集團有限公司(「本公司」)連同其附屬公司(統稱「本集團」)於截至二零一九年十二月三十一日止年度錄得綜合收入 725,920,000 港元(二零一八年: 866,748,000 港元)。本集團收入減少乃由於來自航空及物流業務之收入減少。截至二零一九年十二月三十一日止年度,本集團錄得虧損 356,747,000 港元(二零一八年: 256,623,000 港元)。該增幅主要由於本集團加倍投入大量資源及精力發展其於一帶一路沿線國家之業務,包括緬甸、柬埔寨、老撾、莫桑比克及剛果民主共和國(「剛果(金)」),導致僱員福利開支、租金費用及使用權資產攤銷增加。此外,本集團分別對本集團物業、機器及設備以及本集團若干金融資產作出減值撥備 64,509,000 港元(二零一八年: 8,318,000 港元)及 14,286,000 港元(二零一八年: 2,732,000 港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial Key Performance Indicators

財務關鍵績效指標

		Year ended 31 December 截至十二月三十一日止年度	
		2019 二零一九年	2018 二零一八年
Basic loss per share	每股基本虧損	(15.13) cents 仙	(13.61) cents 仙

		As at 31 December 於十二月三十一日	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Total assets	資產總值	1,223,423	1,505,983
Shareholders' funds	股東資金	718,738	1,064,608
Net asset value per share (excluding non-controlling interests)	每股資產淨值 (不包括非控股權益)	31 cents 仙	45 cents 仙
Cash and bank balances	現金及銀行結存	465,529	838,509
Current ratio	流動比率	2.84	5.39
Total liabilities-to-total assets ratio	總負債資產比率	0.31	0.21
Price to book ratio	市賬率	2.28	2.76

The reduction in total assets and cash and bank balances by HK\$282,560,000 and HK\$372,980,000 was mainly due to the net cash used in operating activities of HK\$276,731,000 and the repayment of principal elements of lease liabilities of HK\$37,157,000. Additional cash was used in investing activities during the year, which included purchases of property, plant and equipment of HK\$20,329,000 and investments in associates of HK\$46,487,000.

資產總值以及現金及銀行結存分別減少282,560,000港元及372,980,000港元主要由於經營活動所用之現金淨額276,731,000港元及償還租賃負債本金部分37,157,000港元。投資活動於本年度已使用額外現金，包括購買物業、機器及設備20,329,000港元及於聯營公司之投資46,487,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue from contracts with customers

來自客戶合約之收入

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Aviation and logistics business	航空及物流業務	682,497	843,135
Security, insurance and infrastructure business	安保、保險及基建業務	27,463	6,141
Financial market information business	金融市場資訊業務	15,960	17,472
		725,920	866,748

The Group's revenue for the year ended 31 December 2019 reduced by 16% because the Group's revenue from aviation and logistics business reduced by HK\$160,638,000, which mainly due to the reduction in revenue contributed by (i) Phoenix Aviation Limited ("PAL") from HK\$77,339,000 in 2018 to HK\$37,766,000 in 2019, (ii) Maleth Aero Limited ("Maleth") from HK\$151,834,000 in 2018 to HK\$115,375,000 in 2019; and (iii) Frontier Logistics (Shanghai) Company Limited and Frontier Project Logistics Limited ("SH Logistics Business") from HK\$189,545,000 in 2018 to HK\$124,069,000 in 2019. Keen price competition and our repositioning in aviation and logistics market as well as internal restructuring plans carried out in certain of these companies resulted in the reduction of revenue for 2019.

Revenue from security, insurance and infrastructure business for the year ended 31 December 2019 reported a marked improvement. It mainly represented those revenue generated from the provision of security, insurance and infrastructure related services. During the year, the Group undertook many more security projects in countries such as Myanmar, Cambodia and the DRC to multinational and Chinese entities. At the same time, a small scale infrastructure project was undertaken by the Group in the DRC.

Transit Freight Forwarding (Pty) Ltd ("TFF"), a South African based warehouse and logistic company, remained the major contributor of the Group's revenue. Its revenue for the year ended 31 December 2019 was HK\$353,895,000 (2018: HK\$373,745,000), representing a slight decline of 5% and it still contributed approximately 49% (2018: 43%) of the Group's revenue. For the year ended 31 December 2019, TFF managed to operate at a breakeven while it was loss-making in 2018.

本集團截至二零一九年十二月三十一日止年度之收入減少16%，主要由於(i)來自Phoenix Aviation Limited(「鳳凰航空」)之收入由二零一八年77,339,000港元減少至二零一九年37,766,000港元；(ii)來自Maleth Aero Limited(「Maleth」)之收入由二零一八年151,834,000港元減少至二零一九年115,375,000港元；及(iii)來自先豐物流(上海)有限公司及先豐項目物流有限公司(「上海物流業務」)之收入由二零一八年189,545,000港元減少至二零一九年124,069,000港元，導致本集團來自航空及物流業務之收入減少160,638,000港元。由於價格競爭激烈，加上我們於航空及物流市場重新定位並對若干該等公司執行內部重組計劃，二零一九年之收入有所減少。

截至二零一九年十二月三十一日止年度，來自安保、保險及基建業務之收入錄得顯著改善。其主要指提供安保、保險及基建相關服務產生之該等收入。於本年度，本集團於緬甸、柬埔寨及剛果(金)等國家為跨國及中國實體承接更多安保項目。同時，本集團於剛果(金)承接了一個小規模基建項目。

Transit Freight Forwarding (Pty) Ltd(「TFF」)(位於南非之倉儲及物流公司)仍為本集團收入之主要貢獻者。其截至二零一九年十二月三十一日止年度之收入為353,895,000港元(二零一八年：373,745,000港元)，輕微下降5%，但仍佔本集團收入約49%(二零一八年：43%)。截至二零一九年十二月三十一日止年度，TFF的經營達致收支平衡，而於二零一八年則錄得虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

SH Logistics Business recorded a decline in revenue of 35%. During the year, SH Logistics Business managed to improve its gross profit margin by focusing on those projects which were in alliance with the Group's strategy. Those projects with thin margins were no longer its targeted customers. Owing to such strategic change during 2019, its overall revenue decreased. In view of the logistics businesses between PRC and Africa are becoming more mature, the revenue of SH Logistics Business is expected to be improved in the coming year.

Maleth, a Malta based aircraft management services company, reported a decline in revenue by 24% mainly due to the fact that the number of aircraft available for Maleth's management reduced as a result of the relevant aircraft owned by aircraft owner has to undergo engine overhaul during 2019 or the aircraft owners' change of intention from continuous ownership to sale, which resulted in the decrease in management fee income and charter income earned by Maleth during 2019.

PAL, a Kenyan aviation company based in Nairobi, reported a 51% decline in revenue. During the year ended 31 December 2019, PAL successfully renewed its air service license for another three years. Owing to the downward price pressure of the chartered service and air ambulance service as well as keen competition within the region, PAL's overall revenue was affected. In order to cope with the change in the market condition of the aviation industry in the region, PAL underwent a restructuring not only in terms of its business but also in terms of its cost structure and market positioning. Its business was gradually improved in the last quarter of 2019. Management of PAL will use their best endeavour to improve the operating performance of PAL in 2020.

With continuous effort and resources put on developing other businesses along the Belt and Road regions, the performance of the Group's security, insurance and infrastructure business segment will gradually pick up in 2020, in particular, the security business segment.

上海物流業務之收入下降35%。於本年度，上海物流業務側重於符合本集團策略之該等項目，以提升其毛利率。該等項目利潤微薄，已不再為其目標客戶。由於二零一九年作出有關策略性變革，其整體收入減少。鑑於中國與非洲間之物流業務日趨成熟，預期上海物流業務來年之收入將有所改善。

Maleth (位於馬耳他之飛機管理服務公司)之收入下降24%，主要由於飛機擁有人所擁有之相關飛機須於二零一九年進行引擎檢修，致使可供Maleth管理之飛機數目減少，或飛機擁有人將有關用途由長期擁有改為出售，致使Maleth於二零一九年所賺取之管理費收入及包機收入減少。

鳳凰航空(總部設於奈洛比之肯尼亞航空公司)之收入下降51%。截至二零一九年十二月三十一日止年度，鳳凰航空成功延續其航空服務牌照多三年。由於包機及空中救護服務的降價壓力及區內競爭激烈，影響了鳳凰航空的整體收入。為應對區內航空行業之市場狀況，鳳凰航空不僅對其業務進行重整，亦對其成本結構及市場定位進行重整。其業務已於二零一九年最後季度逐步改善。鳳凰航空之管理層將努力改善鳳凰航空於二零二零年的營運表現。

隨著我們持續投放精力及資源發展一帶一路沿線地區之其他業務，本集團安保、保險及基建業務分部(特別是安保業務分部)之表現將於二零二零年逐步改善。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Provision for Impairment Loss of Property, Plant and Equipment and Assets Held-for-Sale

Owing to the non-performance of aviation business segment during 2019, including PAL and Maleth, the Group carried out an annual impairment test assessment over certain of its non-performing aircraft. As a result, the Group set aside provision for impairment loss against a non-performing 737 aircraft of HK\$20,094,000 for the year ended 31 December 2019 because of its continuous technological issues, which significantly affected its available flying hours. Such aircraft had undergone a number of repairs and maintenance in previous years but those issues still occurred. Therefore, the Group again carried out an annual impairment test against this aircraft by comparing its carrying value with its recoverable amount as at 31 December 2019. The recoverable amount was determined by reference to the best available estimated selling price of the dismantled part of this aircraft in the market by taking into account the recent condition of the sellable dismantled parts.

As of 31 December 2019, the Group has been actively locating buyers for the helicopters held by the Group. Subsequent to the date of statement of financial position, the Group entered into a disposal agreement with an independent third party to dispose of three helicopters at a net consideration of US\$797,000 (equivalent to HK\$6,209,000) (the "Disposal"). Provision for impairment loss of HK\$38,926,000 was set aside in this respect to write down their carrying values to their recoverable amount as at 31 December 2019. The recoverable amount of these three helicopters of HK\$6,209,000 was reclassified from non-current assets to assets held-for-sale as at 31 December 2019. The Disposal was completed in February 2020.

During the year, the Group carried out another impairment test against other property, plant and equipment. Provision for impairment loss of HK\$5,489,000 was set aside which related to those assets held by a non-performing cash-generating unit in Mozambique.

物業、機器及設備以及持作出售資產之減值撥備

由於航空業務分部(包括鳳凰航空及Maleth)於二零一九年之表現未如理想,本集團對其若干不良飛機進行年度減值測試評估。因此,本集團於截至二零一九年十二月三十一日止年度就一架不良737飛機作出減值虧損撥備20,094,000港元,原因為該飛機持續出現技術問題,嚴重影響了其可飛行時間。有關飛機於過往多年曾多次進行維修及保養,惟該等問題仍然出現。因此,本集團透過比較該飛機之賬面值與其於二零一九年十二月三十一日之可收回金額,再度就此進行年度減值測試。可收回金額乃經參考該飛機之拆卸部件於市場之估計可得最佳售價並考慮可出售拆卸部件之近況後釐定。

於二零一九年十二月三十一日,本集團一直積極為本集團所持直升機物色買家。於財務狀況表日期後,本集團與獨立第三方訂立出售協議,以出售三架直升機,淨代價為797,000美元(相等於6,209,000港元)(「出售事項」),並已就此作出減值虧損撥備38,926,000港元,以撇減其賬面值至其於二零一九年十二月三十一日之可收回金額。該等三架直升機之可收回金額6,209,000港元由二零一九年十二月三十一日之非流動資產重新分類至持作出售資產。出售事項於二零二零年二月完成。

於本年度,本集團對其他物業、機器及設備進行另一項減值測試,並已作出減值虧損撥備5,489,000港元,有關款項與於莫桑比克之不良現金產生單位所持有之該等資產有關。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

PROSPECTS

In 2020, the Group has entered into another milestone. With the view to giving full play of its “four-in-one” advantages, the Group will consolidate its resources in all aspects and focus its resources and efforts in expanding the development of five major logistics channels and significant projects, so as to vigorously promote our business through professionalism, internationalisation and localisation.

Among these key markets of the Group, its businesses in the DRC, Cambodia, Laos and Myanmar have been fully developed. In the ensuing year, a number of significant projects are expected to achieve fruitful results for our principal businesses, including security, insurance, logistics and infrastructure segments. In addition, our team has taken advantage of the compelling opportunities to cultivate its newly-explored markets, like Bangladesh, and to move forward with their development. Meanwhile, on the foundation of the principal businesses, various comprehensive projects in relation to energy, mining and airport management have been explored, fully reflecting the Group's advantages and capabilities in developing overseas business and integrating resources, thereby laying a solid foundation for the growth in the Group's overall revenue.

Upon the rationalisation of principal subsidiaries and associates of the Group in 2019, we will further integrate and synergise the business development of different regions/countries in 2020 to better align the development strategies of the Group, capitalise the respective competitive strengths, provide superior services for customers, and ultimately deliver greater returns to the shareholders.

Besides, the establishment of the Fund (as defined under the heading “Future Plans for Material Investments or Capital Assets and Capital Expenditure Commitments”) represents an excellent opportunity for the Group to promote its diversified development and makes better use of the advantages from the unique business model of the Group, maximising its returns with minimum investment.

At the beginning of 2020, we have been exposed to the tremendous impacts of coronavirus outbreak on the socio-economic environment. Such stressful environment has presented a daunting challenge to the Group, as all of its members, from the leaders at the headquarter to every frontline staff, have to continue their efforts to find opportunities in such crisis and unleash the potential under pressure based on the established strategic layout, thereby realising their commitment to the Board and shareholders. In this regard, the Group remains optimistic that with the guidance and support from the Board, our excellent team can meet the challenges, overcome difficulties and deliver growth amid headwinds by upholding our unique model and team's spirit of struggle.

前景

二零二零年本集團已進入另一里程碑，將充分發揮四位一體優勢，整合各方面優勢資源，圍繞建設五大物流通道佈局和重大專案，重點投入、重點開拓，以專業化、國際化、屬地化的態勢大力推進我們的業務。

在本集團的該等重點市場中，剛果(金)、柬埔寨、老撾、緬甸等市場的業務已經得到了全方位的開展，在新的一年中，預計會在多個重大項目中取得收穫，包括安保、保險、物流和基建等主要業務。在新開闢的孟加拉等市場，我們的團隊也已抓住非常好的機會，落地生根，迅速推進。同時，在主要業務基礎上，延伸出能源、礦產、機場管理等多項綜合性專案，充分體現了本集團在海外拓展業務、整合資源方面的優勢和能力，並為集團整體收入的提升奠定了堅實的基礎。

在二零一九年對本集團的主要子公司及聯營公司進行梳理之後，二零二零年將進一步與其他區域國家的業務發展進行整合與協同，更好地配合本集團的發展戰略，發揮各自的競爭優勢，為客戶提供一流的服務，進而向股東貢獻更大的回報。

同時，基金(定義見「有關重大投資或資本資產及資本開支承擔之未來計劃」一節)的建立也將為集團的多元化發展提供良好的機遇，可以使本集團獨特的運營模式所帶來的優勢得到更好的利用和發揮，以最小的投資獲得最大的收益。

二零二零年伊始，我們面臨新型冠狀病毒對社會經濟環境帶來的巨大影響。如何在這樣的環境壓力之下，按照既定戰略佈局繼續努力，在危機中尋找機會，在壓力下發揮潛力，實現對董事會、對股東的承諾，這是對本集團從總部領導到前線團隊所有人員的一個嚴峻的考驗。對此，本集團仍然持樂觀態度，本集團相信我們優秀的團隊能夠在董事會的指導和支援下，經受住這個考驗，以我們的獨特模式和團隊的戰鬥精神，負重前行，在逆境中實現增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EMPLOYEES

The Group has developed its human resources policies and procedures based on performance and merit. The Group ensures that the pay level of its employees is competitive and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus systems. The Group provides on-the-job training to its employees in addition to retirement benefit schemes and medical insurance. Employees are offered discretionary year-end bonus based on individual merit.

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible directors and employees of the Group to recognise their contribution to the success of the Group. The Company has granted 23,448,186 share options under its share option scheme during the year ended 31 December 2019 (2018: 21,397,030).

The Company also operates a share award scheme to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. The Company has not granted any share under its share award scheme during the year ended 31 December 2019 (2018: Nil).

The total number of employees of the Group as at 31 December 2019 was 625 (2018: 477).

FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2019, the Group recorded total assets of HK\$1,223,423,000 (2018: HK\$1,505,983,000) which were financed by liabilities of HK\$379,810,000 (2018: HK\$314,462,000), non-controlling interests of HK\$124,875,000 (2018: HK\$126,913,000) and shareholders' equity of HK\$718,738,000 (2018: HK\$1,064,608,000). The Group's net asset value per share (excluding non-controlling interests) as at 31 December 2019 amounted to HK\$0.31 (2018: HK\$0.45) per share.

僱員

本集團制訂了基於員工表現及貢獻之人力資源政策及程序。本集團確保在其薪酬及獎金制度之整體範圍內，僱員之薪酬水平具有競爭力及按表現掛鈎基準支付僱員報酬。本集團除提供退休福利計劃及醫療保險外，亦為其僱員提供在職培訓。僱員按個人貢獻於年底獲取酌情發放之花紅。

本公司設有購股權計劃，藉此向本集團之合資格董事及僱員提供獎勵及報酬，以表彰其對本集團之成功所作出之貢獻。於截至二零一九年十二月三十一日止年度，本公司根據其購股權計劃授出23,448,186份購股權(二零一八年：21,397,030份)。

本公司亦設有一項股份獎勵計劃，以表彰若干僱員及人士對本集團所作之貢獻，並給予獎勵以挽留該等人士為本集團之持續營運及發展效力，亦為本集團之進一步發展吸引合適人才。於截至二零一九年十二月三十一日止年度，本公司並無根據其股份獎勵計劃授出任何股份(二零一八年：無)。

本集團於二零一九年十二月三十一日之僱員總數為625名(二零一八年：477名)。

財務回顧

流動資金及財務資源

於二零一九年十二月三十一日，本集團錄得資產總值1,223,423,000港元(二零一八年：1,505,983,000港元)，資金來自負債379,810,000港元(二零一八年：314,462,000港元)、非控股權益124,875,000港元(二零一八年：126,913,000港元)及股東權益718,738,000港元(二零一八年：1,064,608,000港元)。本集團於二零一九年十二月三十一日扣除非控股權益後之每股資產淨值為每股0.31港元(二零一八年：0.45港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2019, the Group's available cash and bank balances were HK\$465,529,000 (2018: HK\$838,509,000) with a total borrowings of HK\$116,176,000 (2018: HK\$62,276,000). The Group's total borrowings mainly represented lease liabilities for aircraft amounting to HK\$43,847,000 (2018: finance lease for aircraft of HK\$59,195,000), lease liabilities for properties, equipment and trailers amounting to HK\$67,817,000 (2018: finance lease for trailers of HK\$2,643,000), bank loans amounting to HK\$4,172,000 (2018: Nil) and other loans amounting to HK\$340,000 (2018: HK\$438,000). As at 31 December 2019, the Group's borrowings were mainly denominated in Hong Kong dollars ("HK\$"), Renminbi ("RMB"), United States dollars ("US\$"), South Africa Rand ("ZAR") and Euro ("EUR"). Excluding the lease liabilities in relation to property leases, the repayment terms of the Group's borrowings are ranging from 1 to 4 years (2018: 1 to 4 years). The Group, therefore, managed to maintain a surplus net cash and bank position of HK\$349,353,000 (2018: HK\$776,233,000) (total available cash and bank balances minus total borrowings).

In May 2018, net proceeds of HK\$830,567,000 were raised through a subscription. The actual use of net proceeds up to 31 December 2019, the expected timeline for utilising the unutilised net proceeds and the subsequent change in use of proceeds are set out under the heading "Change in Use of Proceeds from the Subscription" below.

Treasury Policies

The Group adopts conservative treasury policies and has tight controls over its cash management. The Group's cash and bank balances are held mainly in HK\$, RMB, US\$ and EUR. Other than the bank deposits pledged for the Group's bank borrowings, surplus cash is generally placed on term deposits depending on the Group's funding requirements.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group currently operates mainly in Africa, Europe and Mainland China including Hong Kong.

For operations in Hong Kong, most of the transactions are denominated in HK\$ and US\$. The exchange rate of US\$ against HK\$ is relatively stable, and the related currency exchange risk is considered minimal.

For operations in Mainland China, most of the transactions are denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. No financial instrument was used for hedging purposes during the year. The Group is closely monitoring the currency exchange risk of RMB and is looking for any opportunities to mitigate the currency exchange risk of RMB.

於二零一九年十二月三十一日，本集團之可用現金及銀行結存為465,529,000港元(二零一八年：838,509,000港元)及貸款總額為116,176,000港元(二零一八年：62,276,000港元)。本集團之貸款總額主要指飛機之租賃負債43,847,000港元(二零一八年：飛機之融資租賃59,195,000港元)、物業、設備及拖車之租賃負債67,817,000港元(二零一八年：拖車之融資租賃2,643,000港元)、銀行貸款4,172,000港元(二零一八年：無)及其他貸款340,000港元(二零一八年：438,000港元)。於二零一九年十二月三十一日，本集團之貸款主要以港元(「港元」)、人民幣(「人民幣」)、美元(「美元」)、南非蘭特(「南非蘭特」)及歐元(「歐元」)計值。除有關物業租賃之租賃負債外，本集團貸款之還款期介乎一至四年(二零一八年：一至四年)。因此，本集團能維持盈餘現金及銀行淨值狀況349,353,000港元(二零一八年：776,233,000港元)(可用現金及銀行結存總額減貸款總額)。

於二零一八年五月，所得款項淨額830,567,000港元透過認購事項籌集。直至二零一九年十二月三十一日所得款項淨額之實際用途、動用未動用所得款項淨額之預期時間表及所得款項用途之其後變動載於下文「更改認購事項之所得款項用途」一節。

財務政策

本集團採納穩健財務政策，嚴格控制其現金管理。本集團之現金及銀行結存主要以港元、人民幣、美元及歐元持有。除為本集團之銀行貸款抵押之銀行存款外，現金盈餘一般存作定期存款(視乎本集團之資金需求而定)。

匯率波動風險及有關對沖

本集團現時主要於非洲、歐洲及中國內地(包括香港)經營業務。

就香港之經營業務而言，大部份交易乃以港元及美元列值。美元兌港元之匯率相對穩定，故有關貨幣匯兌風險被視為極低。

就中國內地之經營業務而言，大部份交易乃以人民幣列值。人民幣兌換外幣受中國政府頒佈之外匯管制規則及規例規限。本公司於本年度並無使用金融工具以作對沖。本集團密切監察人民幣之匯兌風險，並正尋求任何可減低人民幣匯兌風險之機會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For operations in Africa, most of the transactions are denominated in US\$, Kenyan Shillings (“KES”) and ZAR. The exchange rates of KES and ZAR against HK\$ have decreased by 1% and increased by 3% respectively during the year ended 31 December 2019. No financial instrument was used for hedging purposes for the year due to the prohibitive cost of available hedging opportunities. The Group is closely monitoring the currency exchange risk of KES and ZAR and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in Europe, most of the transactions are denominated in EUR and US\$. The exchange rate of EUR against HK\$ has decreased by 3% during the year ended 31 December 2019. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currency exchange risk of EUR and will consider the use of financial instrument for hedging purposes, if necessary.

Material Acquisitions and Disposals of Subsidiaries and Associates

The Group did not have any material acquisitions or disposals of subsidiaries and associates during the year ended 31 December 2019.

Charges on Assets

As at 31 December 2019, the Group had bank deposits amounting to HK\$104,936,000 (2018: HK\$153,635,000) and certain trade receivables of HK\$36,592,000 (2018: HK\$33,921,000) were pledged to banks as securities for banking facilities. In addition, an indirect wholly-owned subsidiary of the Company also issued a fixed and floating debenture on all its assets as securities for a banking facility limit of US\$1,500,000 (equivalent to HK\$11,687,000) (2018: US\$3,000,000 (equivalent to HK\$23,502,000)).

Future Plans for Material Investments or Capital Assets and Capital Expenditure Commitments

On 3 December 2019, the Group entered into a shareholders' agreement with Rainbow Sea Limited (“RSL”), an indirect wholly-owned subsidiary of CITIC Capital Holdings Limited in relation to the establishment of a joint venture company, Frontier Strategic Resources Holding Ltd. (the “JV Company”). On the same date, the Group entered into a limited partnership agreement and the subscription agreement pursuant to which the Group and RSL shall commit to a contribution of US\$25,000,000 each to the investment fund (the “Fund”) managed by the JV Company and the JV Company's subsidiaries. Further details in relation to the Fund are set out in the Company's announcement dated 3 December 2019. As at 31 December 2019, the Group had capital expenditure commitment for investment in the Fund of US\$25,000,000 (equivalent to HK\$194,775,000).

就非洲之經營業務而言，大部份交易乃以美元、肯尼亞先令(「肯尼亞先令」)及南非蘭特列值。肯尼亞先令及南非蘭特兌港元之匯率於截至二零一九年十二月三十一日止年度分別下跌1%及上升3%。由於可用之對沖機會成本過高，故此本公司於本年度並無使用金融工具以作對沖。本集團密切監察肯尼亞先令及南非蘭特之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

就歐洲之經營業務而言，大部份交易乃以歐元及美元列值。歐元兌港元之匯率於截至二零一九年十二月三十一日止年度下降3%。本集團於本年度並無使用金融工具以作對沖。本集團密切監察歐元之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

重大收購及出售附屬公司及聯營公司

截至二零一九年十二月三十一日止年度，本集團並無進行任何重大之附屬公司及聯營公司收購或出售事項。

資產抵押

本集團於二零一九年十二月三十一日有銀行存款104,936,000港元(二零一八年：153,635,000港元)及若干貿易應收款項36,592,000港元(二零一八年：33,921,000港元)已抵押予銀行，作為銀行融資之保證金。此外，本公司之一家間接全資附屬公司亦就其所有資產發行固定及浮動債權證，作為其銀行融資(上限為1,500,000美元)(相等於11,687,000港元(二零一八年：3,000,000美元(相等於23,502,000港元))之保證金。

有關重大投資或資本資產及資本開支承擔之未來計劃

於二零一九年十二月三日，本集團與彩海有限公司(「彩海」，中信資本控股有限公司之間接全資附屬公司)就建立合營公司Frontier Strategic Resources Holding Ltd(「合營公司」)訂立股東協議。同日，本集團訂立有限合夥協議及認購協議，據此，本集團及彩海將對每項由合營公司及合營公司之附屬公司所管理之投資基金(「基金」)出資25,000,000美元。有關基金之進一步詳情載於本公司日期為二零一九年十二月三日之公告。於二零一九年十二月三十一日，本集團有關基金投資之資本開支承擔為25,000,000美元(相等於194,775,000港元)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2019, the Group also had capital expenditure commitments for purchase of land-use-rights amounting to HK\$11,163,000 (2018: HK\$11,440,000).

Apart from the aforesaid, the Group did not have any concrete future plans for material investments or capital assets and material capital expenditure commitments as at 31 December 2019.

However, the Group always seeks for new investment opportunities in order to broaden the revenue base, improve the Group's profitability and enhance shareholders' value in long term.

Contingent Liabilities

Save as disclosed under the heading "Charges on Assets", the Group does not have material contingent liability as at 31 December 2019.

Subsequent Events

The outbreak of novel coronavirus since January 2020 is affecting the global usual business environment of the Mainland China and other locations where the Group has operations such as Malta and some Southeast Asian countries. If such situation continues in the long term, the Group's business operations and financial results are likely to be affected. Management is of the view that the ultimate impact to the Group's businesses due to the virus is uncertain and beyond prediction as it is highly dependent on the future development. Management will closely and continuously monitor the situation and assess the financial impact to the Group.

Except for as disclosed above and elsewhere in the financial statements, there are no material subsequent events undertaken by the Company or by the Group after 31 December 2019 and up to the date of the annual report.

CHANGE IN USE OF PROCEEDS FROM THE SUBSCRIPTION

Reference is made to (i) the circular of the Company dated 2 May 2018 (the "Circular") in relation to the subscription of shares under general mandate (the "Subscription"), (ii) the annual report of the Company for the year ended 31 December 2018 (the "2018 Annual Report") and (iii) the announcement of the Company for supplemental information to the 2018 Annual Report dated 23 September 2019 (the "Announcement"). Unless otherwise stated, capitalised terms used hereinafter shall have the same meanings as those defined in the Circular, the 2018 Annual Report and the Announcement.

The net proceeds of approximately HK\$830,567,000 were raised through the Subscription. The actual use of unutilised net proceeds up to 31 December 2019 is set out below.

此外，於二零一九年十二月三十一日，本集團有關購置土地使用權之資本開支承擔為11,163,000港元(二零一八年：11,440,000港元)。

除上文所述者外，於二零一九年十二月三十一日，本集團並無有關重大投資或資本資產及重大資本開支承擔之任何具體未來計劃。

然而，本集團一直尋求新投資機會，以擴大收入基礎，改善本集團盈利能力及長遠而言提高股東價值。

或然負債

除「資產抵押」項下所披露者外，於二零一九年十二月三十一日，本集團並無任何重大或然負債。

其後事項

新型冠狀病毒疫情自二零二零年一月起爆發，正在對中國內地及其他本集團營運所在地區(如馬爾他及若干東南亞國家)之全球一般業務環境造成影響。倘該情況長期持續，本集團之業務營運及財務業績或受影響。管理層認為，病毒疫情最終對本集團業務造成之影響充滿未知之數且難以預測，原因為有關影響於很大程度上取決於未來事態發展。管理層將持續密切監察有關情況，並評估對本集團造成之財務影響。

除上文及財務報表其他部分所披露者外，於二零一九年十二月三十一日後及直至年報日期，本公司或本集團並無重大其後事項。

更改認購事項之所得款項用途

茲提述(i)本公司日期為二零一八年五月二日之通函(「該通函」)，內容有關根據一般授權認購股份(「認購事項」)、(ii)本公司截至二零一八年十二月三十一日止年度之年報(「二零一八年年報」)及(iii)本公司日期為二零一九年九月二十三日有關二零一八年年報補充資料之公告(「該公告」)。除非另有訂明，否則本年報所用詞彙與該通函、二零一八年年報及該公告所界定者具相同涵義。

透過認購事項籌集之所得款項淨額約為830,567,000港元。直至二零一九年十二月三十一日之尚未動用所得款項淨額實際用途載列如下。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 24 March 2020, the Board resolved to change the intended use of net proceeds from the Subscription (the “**Change in Use of Proceeds**”) in the following manner:

於二零二零年三月二十四日，董事會議決以下列方式更改認購事項所得款項淨額擬定用途（「更改所得款項用途」）：

		Intended use of net proceeds set out in the Circular	Actual use of net proceeds up to 31 December 2019	Unutilised net proceeds as at 31 December 2019	Revised intended use of unutilised net proceeds
		該通函所載所得款項淨額之擬定用途 HK\$'000 千港元	直至二零一九年十二月三十一日所得款項淨額之實際用途 HK\$'000 千港元	於二零一九年十二月三十一日之未動用所得款項淨額 HK\$'000 千港元	未動用所得款項淨額之經修訂擬定用途 HK\$'000 千港元
Setting up businesses in Myanmar, Laos and Cambodia	在緬甸、老撾及柬埔寨建立業務	130,000	45,768	84,232	84,232
Setting up businesses in Pakistan and Xinjiang, China	在巴基斯坦及中國新疆建立業務	120,800	13,009	107,791	7,791
Expansion of businesses in Africa and Middle East	在非洲及中東擴展業務	70,767	70,767	—	100,000
General working capital for the Group's existing business	本集團現有業務之一般營運資金	288,000	288,000	—	—
Working capital for establishment of new offices along Belt and Road regions	沿一帶一路地區設立新辦事處之營運資金	41,000	41,000	—	—
Repayment of the Group's indebtedness	償還本集團債務	180,000	180,000	—	—
Total	總計	830,567	638,544	192,023	192,023

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

REASON FOR CHANGE IN USE OF PROCEEDS

On 24 March 2020, the Board has approved the Change in Use of Proceeds by allocating the unutilised net proceeds of approximately HK\$100,000,000 from setting up businesses in Pakistan and Xinjiang, China to expansion of businesses in Africa and Middle East in respect of provision of security, insurance and infrastructure related services in view of the marked improvement in revenue from this segment as set out in sub-section headed "Revenue from contracts with customers" under "Review of Results" section. The Board has reviewed the latest business development in both Pakistan and Xinjiang, China and has concluded that Xinjiang, China will no longer form part of the primary business focus of the Group's latest business plan. The remaining unutilised net proceeds of HK\$7,791,000 for setting up businesses in Pakistan and Xinjiang, China will be used for supporting the development of logistics business in relation to the China Pakistan Economic Corridor.

Having considered the impact of the Change in Use of Proceeds on the Group's businesses, the Board is of the view that the revised intended use of unutilised net proceeds will meet the Group's business and operational needs more effectively in line with the Group's latest business development and future planning. The Board believes that the Change in Use of Proceeds will not have any material adverse effect on the existing business and operation of the Group and is in the best interests of the Company and its shareholders as a whole.

更改所得款項用途之理由

鑑於如「業績回顧」一節項下「來自客戶合約之收入」分節所載述，該分部之收入錄得顯著改善，故董事會於二零二零年三月二十四日批准更改所得款項用途，將未動用所得款項淨額約100,000,000港元由在巴基斯坦及中國新疆建立業務分配至在非洲及中東擴展業務，以提供安保、保險及基建相關服務。董事會已檢討巴基斯坦及中國新疆之最新業務發展，並認為中國新疆將不再為本集團最新業務計劃主要業務重點之一部分。在巴基斯坦及中國新疆建立業務之餘下未動用所得款項淨額7,791,000港元將用作支持就中巴經濟走廊發展物流業務。

經考慮更改所得款項用途對本集團業務之影響後，董事會認為尚未動用之所得款項淨額之經修訂擬定用途將更有效滿足本集團之業務及營運需求，切合本集團之最新業務發展及未來規劃。董事會相信，更改所得款項用途將不會對本集團之現有業務及營運造成任何重大不利影響，並符合本公司及其股東之整體最佳利益。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTRODUCTION

Frontier Services Group Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) is firmly committed to the overall standards of corporate governance and has always recognised the importance of accountability, transparency and protection of shareholders’ interest in general. The Company has adopted the code provisions of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) as its own corporate governance policy, subject to amendments from time to time.

COMPLIANCE WITH THE CG CODE

Throughout the year ended 31 December 2019, the Board of Directors (the “**Board**”) of the Company has reviewed the Group’s corporate governance practices and is satisfied that the Company has complied with the code provisions of the CG Code from time to time.

BOARD OF DIRECTORS

At the date of this annual report, the Board of the Company comprises 10 directors, including 3 non-executive directors (Mr. Chang Zhenming (Chairman), Mr. Zhang Yichen and Mr. Fei Yiping), 4 executive directors (Mr. Erik D. Prince (Deputy Chairman), Mr. Ko Chun Shun, Johnson (Deputy Chairman), Mr. Luo Ning (Deputy Chairman) and Dr. Hua Dongyi (Chief Executive Officer)) and 3 independent non-executive directors (Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung and Dr. Harold O. Demuren).

The roles of the Chairman and the Chief Executive Officer are separate and are exercised by different individuals. One of the independent non-executive directors is a professional accountant, which is in compliance with the requirement of the Listing Rules. There are also 4 board committees under the Board, which are the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee.

The key responsibilities of the Board include, among other things, formulating the Group’s overall strategies, setting management targets, regulating and reviewing internal controls, formulating the Company’s corporate governance policy, supervising management’s performance while the day-to-day operations and management of the Group are delegated by the Board to management, and ensuring adequacy of resources, qualifications, experience and training programs and budget of the financial staff.

簡介

先豐服務集團有限公司(「**本公司**」，連同其附屬公司統稱「**本集團**」)堅決致力履行企業管治之整體標準，並一直認定問責性、透明度及保障股東整體利益之重要性。本公司已採納香港聯合交易所有限公司證券上市規則(「**上市規則**」)附錄十四所載之企業管治守則及企業管治報告(「**企業管治守則**」)之守則條文，作為其自身之企業管治政策，惟不時作出修訂。

遵守企業管治守則

於截至二零一九年十二月三十一日止年度之整個年度內，本公司董事會(「**董事會**」)已檢討本集團之企業管治常規，並認為本公司已不時遵守企業管治守則之守則條文。

董事會

於本年報日期，本公司董事會由十名董事組成，包括三名非執行董事(常振明先生(主席)、張懿宸先生及費怡平先生)、四名執行董事(Erik D. Prince先生(副主席)、高振順先生(副主席)、羅寧先生(副主席)及華東一博士(行政總裁))，以及三名獨立非執行董事(葉發旋先生、李效良教授及Harold O. Demuren博士)。

主席與行政總裁之職責分離，並由不同人士擔任。根據上市規則之規定，其中一位獨立非執行董事為專業會計師。董事會轄下亦設有四個董事會委員會，即審核委員會、提名委員會、薪酬委員會及風險委員會。

董事會之主要職責包括(其中包括)制定本集團之整體策略、設定管理目標、監管及檢討內部控制、制定本公司之企業管治政策、監督管理人員之表現並確保財務人員獲得充足資源、符合資格、擁有足夠經驗及得到足夠培訓及預算，而本集團之日常營運及管理則由董事會轉授予管理人員。

CORPORATE GOVERNANCE REPORT

企業管治報告

In accordance with the Company's Bye-laws, at each annual general meeting of the Company, one-third of the directors for the time being or, if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office by rotation, provided that every director shall be subject to retirement by rotation at least once every three years.

Each of the independent non-executive directors and the non-executive directors are appointed for a specific term and are subject to retirement by rotation and re-election at the Company's annual general meeting in accordance with the Company's Bye-laws and the Listing Rules. To determine the non-executive directors' independence, assessments are carried out upon appointment, annually and at any other time where the circumstances warrant reconsideration by the Nomination Committee. The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board determined that all the independent non-executive directors meet the requirements for independence as set out in Rule 3.13 of the Listing Rules.

Every newly appointed director will be given an induction so as to ensure that he/she has appropriate understanding of the Group's business and of his/her duties and responsibilities under the Listing Rules and the relevant statutory and regulatory requirements. The directors may request the Company to provide independent professional advice at the Company's expense to discharge his/her duties to the Company. Directors' training is an ongoing process. During the year, the Company had provided to the directors regular updates and presentations on changes and developments to the Group's business and to the legislative regulatory environments in which the Group operates. All directors are also encouraged to attend relevant training courses at the Company's expense. All directors are required to provide the Company with their record of training they received during the year ended 31 December 2019.

During the year ended 31 December 2019, the Board has reviewed and monitored the training and continuous professional development of directors and senior management. The Board has also reviewed and ensured compliance of the relevant legal and regulatory requirements, the code of conducts, the CG Code and the disclosure in the Corporate Governance Report.

The directors acknowledge their responsibility for preparing the financial statements and ensuring that the financial statements are prepared as to give a true and fair view and on a going concern basis in accordance with the statutory requirements and applicable financial reporting standards.

根據本公司章程細則，在每年之本公司股東週年大會上，當時三分之一（如董事之數目並非三之倍數，則最接近但不少於三分之一）之董事須輪席退任，惟每名董事均應至少每三年輪席退任一次。

各獨立非執行董事及非執行董事按指定任期獲委任，並須根據本公司之章程細則及上市規則在本公司之股東週年大會上輪席退任及重選。為確定非執行董事之獨立性，本公司於委任後、每年及於提名委員會須重新考慮情況下之任何其他時間進行評估。本公司已接獲各獨立非執行董事根據上市規則第3.13條就獨立性作出之年度確認書。董事會釐定全體獨立非執行董事均符合上市規則第3.13條所載之獨立性規定。

每名新任董事將獲安排簡介，以確保其能根據上市規則以及相關法定及監管規定適當掌握本集團之業務及其職責及責任。董事可要求本公司提供獨立專業建議以履行其於本公司之職責，費用概由本公司承擔。本公司持續開展董事培訓。年內，本公司已定期向董事提供本集團業務變動與發展及本集團營運所處之法例監管環境之最新情況及介紹。本公司亦鼓勵全體董事參加相關培訓課程，費用概由本公司承擔。全體董事均須向本公司提供彼等於截至二零一九年十二月三十一日止年度所獲培訓之記錄。

截至二零一九年十二月三十一日止年度，董事會已檢討及監督董事及高級管理人員之培訓及持續專業發展。董事會亦已檢討及確保履行相關法例及監管規定、操守守則、企業管治守則及企業管治報告披露。

董事確認彼等負責編製財務報表，並確保財務報表乃根據法定規定及適用財務報告準則按持續營運基準編製，並作出真實而公平的反映。

CORPORATE GOVERNANCE REPORT

企業管治報告

Audit Committee

The Audit Committee currently comprises 3 independent non-executive directors, namely Mr. Yap Fat Suan, Henry (Chairman), Professor Lee Hau Leung and Dr. Harold O. Demuren.

Under its terms of reference, the Audit Committee is required, among other things, to oversee the relationship with the independent auditor, to review the Group's interim and annual consolidated financial statements, to monitor compliance with statutory and listing requirements, to ensure adequacy of resources, qualifications, experience and training programs and budget of the financial staff, and to engage independent legal or other advisers if necessary to perform investigations.

During the year ended 31 December 2019, the Audit Committee, among other matters, reviewed reports from and met with the independent auditor regarding the audit on annual consolidated financial statements and discussed the risk management and internal control of the Group. The Audit Committee also reviewed the scope, extent and effectiveness of the Group's risk management and internal control systems. Further information is disclosed in the section titled "RISK MANAGEMENT AND INTERNAL CONTROL" below.

Nomination Committee

The Nomination Committee currently comprises 5 directors, namely Professor Lee Hau Leung (Chairman), Mr. Erik D. Prince, Mr. Ko Chun Shun, Johnson, Mr. Yap Fat Suan, Henry, and Dr. Harold O. Demuren.

The terms of reference of the Nomination Committee have been determined with reference to the CG Code. Under its terms of reference, the Nomination Committee is responsible for identifying potential directors and making recommendations to the Board on the appointment or re-appointment of directors of the Company. Potential new directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

The Nomination Committee is also responsible for the review of the Board's diversity policy, considering factors including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service of board members, and review the measurable objectives that the Board has set for implementing the Board's diversity policy, and monitor the progress on achieving the measurable objectives.

審核委員會

審核委員會目前包括三位獨立非執行董事，即葉發旋先生(主席)、李效良教授及Harold O. Demuren博士。

根據審核委員會之職權範圍，審核委員會須(其中包括)監察與獨立核數師之關係、審閱本集團之中期及年度綜合財務報表、監察法定與上市規定之遵守情況、確保財務人員獲得充足資源、符合資格、擁有足夠經驗及得到足夠培訓及預算，以及在有需要時委聘獨立之法律或其他顧問以進行調查。

截至二零一九年十二月三十一日止年度，審核委員會(其中包括)已審閱獨立核數師有關審核年度綜合財務報表之報告，並與獨立核數師會面和討論本集團之風險管理及內部監控。審核委員會亦已檢討本集團風險管理及內部監控系統之範疇、規限與效益。進一步資料於下文「風險管理及內部監控」一節披露。

提名委員會

提名委員會目前包括五位董事，即李效良教授(主席)、Erik D. Prince先生、高振順先生、葉發旋先生及Harold O. Demuren博士。

提名委員會之職權範圍乃參考企業管治守則釐定。根據其職權範圍，提名委員會負責物色潛在董事及就本公司董事之任命或連任向董事會作出建議。潛在新董事乃基於提名委員會認為將為董事會工作帶來裨益之資歷、技能及經驗篩選。

提名委員會亦負責檢討董事會成員多元化政策，所考慮的因素包括但不限於董事會成員之性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，以及檢討董事會已就實施董事會成員多元化政策而制定之可計量目標，並監察該等可計量目標之達標程度。

CORPORATE GOVERNANCE REPORT

企業管治報告

Remuneration Committee

The Remuneration Committee currently comprises 5 directors, namely Professor Lee Hau Leung (Chairman), Mr. Erik D. Prince, Mr. Ko Chun Shun, Johnson, Mr. Yap Fat Suan, Henry and Dr. Harold O. Demuren.

The terms of reference of the Remuneration Committee have been determined with reference to the CG Code. Under the terms of reference of the Remuneration Committee, the responsibilities of the Remuneration Committee include, inter alia, assisting the Company in the administration of a formal and transparent procedure for developing remuneration policies, making recommendations to the Board on the remuneration packages of individual executive directors and senior management, and ensuring that no director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 December 2019, the work performed by the Remuneration Committee includes, inter alia, the review of the Group's remuneration policy for its executive directors and senior management and their levels of remuneration.

Risk Committee

The Risk Committee currently comprises 5 directors, namely Dr. Hua Dongyi (Chairman), Mr. Erik D. Prince, Mr. Yap Fat Suan, Henry, Professor Lee Hau Leung and Dr. Harold O. Demuren.

Under the terms of reference, the Risk Committee is required, among other things, to assist and advise the Board in fulfilling its oversight responsibilities with regard to the Group's risk appetite, risk principles and other risk-related issues including corporate actions and sanction risks management, etc., to consider major investigation findings on risk management matters as delegated by the Board or on its own initiative and management response to these findings, to approve the Group's risk policies and risk tolerances, to oversee and advise the Board on the current risk exposures of the Group and advise on the Group's future risk strategy, to consider emerging risks relating to the Group's business and strategies to ensure that appropriate arrangements are in place to control and mitigate the risks effectively, to review risk reports and breaches of risk tolerances and policies, to review and assess the effectiveness of the Group's risk control/mitigation tools including, but not limited to, the enterprise risk management programme, the sanctions risks management systems, and the Group's contingency plans, and to take charge of the internal control measures and to ensure that they are in place in order to minimise the Group's exposure to sanction risks and ensure that the Group has not been involved in any incidents of non-compliance of sanction laws and regulations.

Discussions of risks during the year are further described on pages 53 to 56 under section headed "Principal Risks and Uncertainties".

薪酬委員會

薪酬委員會目前包括五名董事，即李效良教授（主席）、Erik D. Prince先生、高振順先生、葉發旋先生及Harold O. Demuren博士。

薪酬委員會之職權範圍乃參考企業管治守則釐定。根據薪酬委員會之職權範圍，薪酬委員會之責任包括（其中包括）協助本公司管理制定薪酬政策之正式及透明程序，就各執行董事及高級管理人員之薪酬待遇向董事會作出建議，並確保並無董事或其任何聯繫人參與釐定其自身薪酬。

截至二零一九年十二月三十一日止年度，薪酬委員會所履行之工作包括（其中包括）檢討本集團對其執行董事及高級管理人員之薪酬政策以及彼等之薪酬水平。

風險委員會

風險委員會目前包括五名董事，即華東一博士（主席）、Erik D. Prince先生、葉發旋先生、李效良教授及Harold O. Demuren博士。

根據風險委員會之職權範圍，風險委員會須（其中包括）協助董事會履行其關於本集團風險偏好、風險原則及其他風險相關問題（包括公司行動及制裁風險管理等）的監督職責及向董事會提供意見，以根據董事會授權或自行審議有關風險管理事宜的重大調查發現，並管理對該等調查發現的應對措施，審批本集團的風險政策及風險容忍度，監督及向董事會建議本集團當前的風險敞口，並就本集團未來的風險戰略提供意見，考慮與本集團業務及戰略有關的新風險，確保作出適當安排以有效地控制及減輕風險，審查風險報告以及對於風險容忍度及風險政策的違反行為，審查及評估本集團風險控制／舒緩工具的有效性，包括但不限於企業風險管理計劃、制裁風險管理系統及本集團的應急計劃，並負責確保內部監控措施貫徹到位，以最大限度地降低本集團的制裁風險，並確保本集團沒有被牽涉入任何違反制裁法律及法規的事件。

有關年內風險之論述在第53至56頁「主要風險及不確定因素」一節內進一步載述。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD NOMINATION POLICY

The Company sets out below the nomination procedures and the process and criteria contained in the Nomination Policy adopted by the Board in March 2019.

Nomination Procedures and Process

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate.

The secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from members of the Board if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by members of the Board.

- For filling a casual vacancy or appointing an additional member to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval.
- For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.
- A circular will be sent to the shareholders of the Company to provide them with the name, brief biography, proposed remuneration, (where an independent non-executive director is to be nominated) independency and other information of the proposing candidate in accordance with the requirements of the applicable laws, rules and regulations including those of the Listing Rules.
- A shareholder can serve a written notice to the Company for the attention of the Company Secretary of his or her intention to propose a certain person for election as a director. This written notice, together with (i) the information of the candidate as required to be disclosed under Rule 13.51(2) of the Listing Rules and such other information as may be considered relevant to his or her proposed election; and (ii) the written consent by that person to the publication of his or her personal data provided pursuant to (i) immediately above, by the Company in its corporation communication documents in compliance with the Listing Rules or as may be required by the Stock Exchange at the principal place of business in Hong Kong of the Company for a period of no earlier than the day after the despatch of the notice of the meeting and ending no later than 7 days prior to the date of the general meeting.
- The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.

董事會提名政策

本公司於下文載列提名程序以及董事會於二零一九年三月採納之提名政策所載之及過程及準則。

提名程序及過程

提名委員會評估建議人選是否適合時會參考下列因素。

提名委員會秘書應召開提名委員會會議，並邀請董事會成員於會議前提名人選(如有)供提名委員會考慮。提名委員會亦可提出董事會成員並無提名之人選。

- 如屬填補董事會之臨時空缺或委任額外成員，提名委員會將提出建議，供董事會考慮及批准。
- 如屬建議人選在股東大會上接受選舉，提名委員會將作出提名，供董事會考慮及建議。
- 將向本公司股東發出一份通函，以向彼等提供建議人選之姓名、簡歷、建議酬金、(如所提名者為獨立非執行董事)獨立性及適用法例、規則及法規之規定(包括上市規則之規定)所要求之其他資料。
- 股東可向本公司致送書面通知(收件人為公司秘書)，表示彼擬建議指定人士參選董事。此書面通知連同(i)上市規則第13.51(2)條所要求披露該名人選之資料及就彼建議參選而言被認為可屬相干之其他資料；及(ii)該名人士書面准許本公司於其符合上市規則或聯交所或會要求之企業傳訊文件內刊登上文(i)所提供之個人資料，須於不早於寄發大會通告後一天起至不遲於股東大會日期前七天止之期間，送達本公司之香港主要營業地點。
- 董事會對於任何股東大會上建議人選接受選舉之一切事宜有最後決定權。

CORPORATE GOVERNANCE REPORT

企業管治報告

Criteria adopted by the Nomination Committee

- **Business experience:** The candidate should have significant experience from a senior role in an area of business, public affairs or academia, relevant to the Company. Awareness of the Group's focusing industry would be an advantage but not a requirement in all cases.
- **Public board experience:** The candidate should have relevant expertise and experience earned as a Board member of a reputable listed company or from a senior position in his or her industry, public affairs or academia.
- **Diversity:** The candidate should contribute to the Board being a diverse body, with diversity reflecting gender, age, cultural and educational background, ethnicity, professional experience, qualifications, skills and length of service. Given the current composition of the Board, a female candidate would be an advantage but not a requirement.
- **Standing:** The candidate should be of the highest ethical character and have a strong reputation and standing, both personally and professionally, in his or her fields.
- **Time commitment:** Each Board member must have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, appraisal and other Board associated activities.
- **Independence:** For the candidate who is proposed as an independent non-executive director, he or she must satisfy all the independence requirements as set out in Rule 3.13 of the Listing Rules. He or she must always be aware of threats to his or her independency and avoid any conflict of interest with the Company. He or she must be able to represent and act in the best interest of the Company and its shareholders as a whole.

These factors are for reference only, and not meant to be exhaustive and decisive. To ensure that the existing policy continues to be implemented smoothly in practice, the Company shall undertake regular reviews and reassess this policy having regard to the regulatory requirements, good corporate governance practice and the expectations of the Shareholders and other stakeholders of the Company. The Company will propose amendments to the Board for approval.

提名委員會所採納之準則

- **商業經驗：**候選人應在與本公司相干之某業務、公共事務或學術範疇內具有高級職位方面之豐富經驗。對集團關注的行業之認識乃屬有利條件，惟並非在任何情況下均屬必須。
- **公眾董事會之經驗：**候選人應有在具聲譽上市公司擔任董事會成員或在其行業、公共事務或學術上擔任高級職位之相關專才及經驗。
- **多元化：**候選人應對董事會(作為多元團體)作出貢獻，並在性別、年齡、文化及教育背景、種族、專業經驗、資質、技能及服務年資等方面反映多元化。按董事會之現時組合，女性人選乃屬有利條件，惟並非必須。
- **地位：**候選人應有最高道德情操，並在其範疇內(在個人及專業上)具有崇高之聲譽及地位。
- **承諾投入之時間：**各董事會成員必須有足夠時間妥善履行其職責。董事必須從其他承諾中騰出足夠時間，使彼可投入所需時間準備會議及參與入職、培訓、評核及其他董事會相關之活動。
- **獨立性：**如擬提名人選為獨立非執行董事，彼必須符合上市規則第3.13條所載之全部獨立性要求。彼必須時刻意識到其獨立性之威脅，避免與本公司之間有任何利益衝突。彼必須能夠彰顯本公司及其股東整體之最佳利益，並以此行事。

該等因素僅供參考，既不旨在盡列所有因素，亦不具決定性作用。為確保現有政策在實務上繼續順利落實，本公司將定期進行檢討，並在考慮規管要求、良好企業管治常規及股東及本公司其他持份者之預期後，重新評估此政策。本公司將向董事會提出修訂以供批准。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy (the “**Diversity Policy**”) setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. All board appointments are based on merit and contribution, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board. The Nomination Committee reviews the Policy on a regular basis and discusses any revisions that may be required, and recommends any such revisions to the Board for consideration and approval.

Having reviewed the Diversity Policy, the nomination policy and the Board’s composition, the Nomination Committee is satisfied that the requirements set out in the Diversity Policy had been met.

ATTENDANCE RECORDS AT MEETINGS

The attendance records of each director at the various meetings of the Company during the year ended 31 December 2019 are set out as below:

董事會多元化政策

董事會已採納一套董事會多元化政策(「**多元化政策**」)，該政策載列達致董事會多元化之方針。本公司考慮董事會成員多元化時，會考慮多個範疇，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務年資，以達致董事會成員多元化。所有董事會委任根據功績及貢獻，且按客觀條件考慮候選人，並審慎考慮董事會多元化之裨益。提名委員會定期檢討政策，討論是否需作任何修訂，並向董事會建議任何該等修訂，以供董事會考慮及批准。

經審查多元化政策、提名政策及董事會成員組成後，提名委員會信納多元化政策載述之各項規定均已達致。

會議出席記錄

截至二零一九年十二月三十一日止年度，各董事出席本公司各次會議之記錄載列如下：

		Attended/Eligible to Attend 已出席/合資格出席					
		Annual general meeting 股東 週年大會	Board meetings 董事會 會議	Audit committee meetings 審核委員會 會議	Remuneration committee meeting 薪酬委員會 會議	Nomination committee meetings 提名委員會 會議	Risk committee meetings 風險委員會 會議
Number of meetings	會議次數	1	4	3	1	2	3
Executive Directors	執行董事						
Mr. Erik D. Prince	Erik D. Prince 先生	1/1	4/4	N/A 不適用	1/1	2/2	3/3
Mr. Ko Chun Shun, Johnson	高振順先生	1/1	4/4	N/A 不適用	1/1	2/2	N/A 不適用
Mr. Luo Ning	羅寧先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Dr. Hua Dongyi	華東一博士	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用	3/3
Mr. Hu Qinggang	胡慶剛先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Non-Executive Director	非執行董事						
Mr. Chang Zhenming	常振明先生	1/1	4/4	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Independent Non-Executive Directors	獨立非執行董事						
Mr. Yap Fat Suan, Henry	葉發旋先生	1/1	4/4	3/3	1/1	2/2	3/3
Professor Lee Hau Leung	李效良教授	1/1	4/4	3/3	1/1	2/2	3/3
Dr. Harold O. Demuren	Harold O. Demuren 博士	1/1	4/4	3/3	1/1	2/2	3/3

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules to regulate the directors’ securities transactions. Having made specific enquiry by the Company, all directors have confirmed that they have complied with the required standard set out in the Model Code regarding directors’ securities transactions throughout the year ended 31 December 2019.

CONTINUOUS PROFESSIONAL DEVELOPMENT

Pursuant to code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the year ended 31 December 2019, all directors have participated in continuous professional development as shown below:

Executive Directors

Mr. Erik D. Prince
Reading relevant materials in relation to Listing Rules update and corporate governance

Mr. Ko Chun Shun, Johnson
Reading relevant materials in relation to Listing Rules update and corporate governance

Mr. Luo Ning
Reading relevant materials in relation to Listing Rules update and corporate governance

Dr. Hua Dongyi
Reading relevant materials in relation to Listing Rules update and corporate governance

Mr. Hu Qinggang
Reading relevant materials in relation to Listing Rules update and corporate governance

Non-Executive Director

Mr. Chang Zhenming
Reading relevant materials in relation to Listing Rules update and corporate governance

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry
Reading relevant materials in relation to Listing Rules update and corporate governance

Professor Lee Hau Leung
Reading relevant materials in relation to Listing Rules update and corporate governance

Dr. Harold O. Demuren
Reading relevant materials in relation to Listing Rules update and corporate governance

董事進行證券交易之標準守則

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之標準守則(「標準守則」)，以監管董事之證券交易。經本公司作出特定查詢後，所有董事均確認彼等於截至二零一九年十二月三十一日止年度全年遵守有關董事之證券交易之標準守則所載之規定準則。

持續專業發展

根據企業管治守則之守則條文第A.6.5條，全體董事均須參加持續專業發展，以發展及更新彼等之知識及技能，確保彼等向董事會作出知情及相關的貢獻。截至二零一九年十二月三十一日止年度，全體參加持續專業發展之董事如下：

執行董事

Erik D. Prince 先生
閱讀有關上市規則更新及企業管治之相關資料

高振順先生
閱讀有關上市規則更新及企業管治之相關資料

羅寧先生
閱讀有關上市規則更新及企業管治之相關資料

華東一博士
閱讀有關上市規則更新及企業管治之相關資料

胡慶剛先生
閱讀有關上市規則更新及企業管治之相關資料

非執行董事

常振明先生
閱讀有關上市規則更新及企業管治之相關資料

獨立非執行董事

葉發旋先生
閱讀有關上市規則更新及企業管治之相關資料

李效良教授
閱讀有關上市規則更新及企業管治之相關資料

Harold O. Demuren 博士
閱讀有關上市規則更新及企業管治之相關資料

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

The Company engaged PricewaterhouseCoopers as its statutory auditor for the year ended 31 December 2019. The statement by the independent auditor of the Company and the Group regarding their reporting responsibilities on the financial statements of the Company and the Group is set out in the Independent Auditor's Report on pages 65 to 71 of this annual report.

The remuneration in respect of services provided by PricewaterhouseCoopers Hong Kong to the Group in 2019 is summarised as follows:

		HK\$'000 千港元
Audit services	審核服務	3,080
Non-audit services	非審核服務	
Fee for corporate governance reporting, environmental, social and governance reporting and review services	企業管治報告、環境、社會及管治報告以及審閱服務費用	395
		3,475

COMPANY SECRETARY

The Company does not engage an external service provider as its Company Secretary. Mr. Chan Kam Kwan, Jason, being the Company Secretary of the Company, has taken no less than 15 hours of relevant professional training during the year ended 31 December 2019. The Company Secretary assists the Board by ensuring good information flow within the Board, and the Board policy and procedures are followed.

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibilities

The Board has the overall responsibility for setting forth proper risk management culture and risk appetite for the Group, evaluating and determining the level of risk that the Group should take and monitor regularly, and demonstrating openness, integrity and accountability to stakeholders in the decision-making process. The Board, through the Audit Committee and the Risk Committee, has also devoted to maintain sound and effective risk management and internal control systems in order to safeguard the assets, to achieve business objectives and to ensure compliance with relevant legislation and regulations. The Group's management continues to allocate resources for the design, implementation and monitoring of the 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 can only provide reasonable and not absolute assurance against material misstatements or losses caused by judgment in decision making process, human error, fraud or other irregularities.

核數師酬金

截至二零一九年十二月三十一日止年度，本公司委聘羅兵咸永道會計師事務所為其法定核數師。本公司及本集團之獨立核數師就彼等對本公司及本集團財務報表之申報責任聲明載於本年報第65頁至71頁之獨立核數師報告。

於二零一九年，有關香港羅兵咸永道會計師事務所向本集團提供服務之酬金概述如下：

公司秘書

本公司並無外聘服務供應商擔任公司秘書。於截至二零一九年十二月三十一日止年度，本公司之公司秘書陳錦坤先生已接受不少於15個小時之相關專業培訓。公司秘書透過確保董事會內資訊流通以及遵守董事會政策及程序而協助董事會。

風險管理及內部監控

責任

董事會須整體負責為本集團設立適當的風險管理文化及風險偏好，評估及釐定本集團承擔的風險水平並進行定期監控，以及向利益相關者展示公開、誠信及負責的決策過程。董事會亦致力透過審核委員會和風險委員會維持健全有效之風險管理及內部監控系統，以保護資產、實現業務目標及確保遵守有關法例及法規。本集團管理層持續分配資源，以設計、執行及監察風險管理及內部監控系統。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之風險，並僅可就決策過程中作出之判斷、人為錯誤、欺詐或其他違規行為導致之重大錯誤陳述或損失提供合理但非絕對保證。

CORPORATE GOVERNANCE REPORT

企業管治報告

Control Framework

Risk Management Policy has been established to set forth the risk management framework and to maintain a consistent basis for the identification, analysis, evaluation, treatment, monitoring and reporting of risks at all levels across the Group to support the achievement of the Group's overall strategic objectives.

The Group has adopted the Enterprise Risk Management framework, which is published by the Committee of Sponsoring Organisations of the Treadway Commission (the "COSO") and involves identifying risks and opportunities that are relevant to the Group's objectives and organisational structure, evaluating those using appropriate qualitative and quantitative techniques, and formulating risk management plans that are consistent with the Group's risk appetite. The Group has chosen both top-down and bottom-up approaches in relation to risk management and internal control. It involves collating and appraising bottom-up input from the heads of all corporate departments, and senior management of business units of the Group, with refinements and adjustments through top-down input from the Board in an iterative manner.

With reference to the Internal Audit Manual of the Group, the Group's internal audit function has been established to provide risk-based and objective assurance, advice and insight to the Board through the Audit Committee and the Risk Committee. It also helps the Group accomplish its strategic objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes of the Group. To ensure that key risks are addressed, expectations are managed and results are properly communicated, the internal audit function maintains on-going communication with the Board, the Audit Committee, the Risk Committee, senior management, other assurance providers and employees during audit assignment planning, execution and wrap-up.

監控框架

本集團已制定風險管理政策，以載列風險管理框架及維持識別、分析、評估、處理、監控及匯報本集團所有水平風險之一致基準，以協助本集團實現整體戰略目標。

本集團已採納由Committee of Sponsoring Organisations of the Treadway Commission (「COSO」)刊發的企業風險管理框架，以此識別與本集團目標及組織架構有關的風險及機遇、評估適當定量及定性技術的使用以及編製與本集團風險偏好一致的風險管理計劃。本集團已選定「自上而下及自下而上」的雙向風險管理及內部監控方法。該方法涉及收集及評價所有公司部門主管及本集團業務單位高級管理層的自下而上輸入數據，經董事會的自上而下輸入數據反復完善及調整。

本集團已根據其內部審計手冊建立內部審計職能，負責透過審核委員會和風險委員會向董事會提供風險及客觀保證、意見及觀點。其亦引入系統化及嚴格的方法，評估及提升本集團風險管理、內部監控及管治程序的有效性，協助本集團達成其戰略目標。為確保應對主要風險、管理預期及妥善了解結果，內部審計職能於規劃、執行及總結審核任務時，與董事會、審核委員會、風險委員會、高級管理層、其他核證機構及僱員維持持續溝通。

CORPORATE GOVERNANCE REPORT

企業管治報告

2019 Review

During the year, the Audit Committee and the Board have conducted an ongoing review and monitoring of the effectiveness of the risk management, reviewed and discussed the internal control review report submitted. The Group performed internal control related activities according to the Internal Audit Plan of 2019. The internal audit function assessed the major changes in the organisational structure that occurred during the previous audit cycle and the changes that were planned for the coming audit cycle. Revisiting and updating the internal audit plan was considered for any major organisational changes. In addition, the Company has put in place internal control measures to minimise sanction risks. The Group has established a risk management committee comprising the deputy chairman of the Board and all three independent non-executive directors and chaired by the Chief Executive Officer of the Company to take charge of such measures. A policy to manage sanction risks was also established to enhance the controls over the operations to minimise such risks.

Based on the reviews, the Board considered that (i) the Group's risk management and internal control systems were effective and adequate with reference to the COSO; (ii) the Group had complied satisfactorily with the requirements of the CG Code in respect of risk management and internal control systems; and (iii) the Group has internal control measures in place to address any sanction risks that the Group is or is to be facing.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Board recognises the importance of effective communication with the shareholders and investors. The Company communicates with the shareholders and investors through various channels including investors' conferences, TV interviews, press releases, and publication of interim and annual reports, announcements, circulars and other corporate communications and publications available on the websites of The Stock Exchange of Hong Kong Limited and the Company.

The general meetings of the Company provide an opportunity for direct communication between the Board and the shareholders. The Company encourages the participation of the shareholders through annual general meeting and other general meetings where the shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual directors.

二零一九年審閱

年內，審核委員會及董事會已持續檢討及監察風險管理之有效性，並審閱及討論所呈交之內部監控檢討報告。本集團已根據二零一九年之內部審計計劃進行有關內部監控之活動。內部審計職能評估上一審計週期內發生的組織架構主要變動及為下一審計週期所計劃的變動，並就任何主要組織變動修訂及更新內部審計計劃。此外，本公司已實施內部控制措施，以減低制裁風險。本集團已成立風險委員會（由董事會副主席及全體三名獨立非執行董事組成，並由本公司行政總裁擔任主席），以負責該等措施。此外，其亦制定一項管理制裁風險之政策，以加強對營運之控制，從而將有關風險降至最低。

根據上述審閱，董事會認為(i)本集團參照COSO的風險管理及內部監控系統有效且充分；(ii)本公司已妥為遵守企業管治守則有關風險管理及內部監控系統之規定；及(iii)本集團有內部監控措施來防範本集團正面對或可能面對的任何制裁風險。

投資者關係及股東權利

董事會深知與股東及投資者進行有效溝通之重要性。本公司透過多種渠道與股東及投資者進行溝通，包括投資者會議、電視採訪、新聞稿及於香港聯合交易所有限公司及本公司之網站刊發的中期報告及年報、公告、通函以及其他企業通訊及刊物。

本公司之股東大會提供董事會與股東直接溝通之機會。本公司鼓勵股東透過出席股東週年大會及其他股東大會，在會上與董事會會面及交流意見，並於會上行使其投票權，藉此參與公司事務。本公司將安排向股東寄發載有提呈決議案詳情之大會通告及通函。於股東大會上將就各項重大事項（包括選舉個別董事）獨立提呈決議案。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board ensures that shareholders' and investors' views are heard and understood, and welcomes their questions and concerns relating to the Group's management and governance. The Company's website provides email address and telephone number to enable the shareholders to make any enquiries and concerns to the Board. Shareholders may also at any time send their enquiries and concerns to the Board by addressing to the Chief Executive Officer by post or by email. The contact details are set out in the "Corporate Information" section of this annual report.

Subject to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and Bye-law 58 of the Bye-laws of the Company, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company have the right, by written requisition to the Board or the Company Secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within three months after the deposit of such requisition. Any number of shareholders representing not less than 5% of the total voting rights of the Company on the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the requirements and procedures as set out in Section 79 of the Act for putting forward such proposal at a general meeting.

CONSTITUTION DOCUMENTS

There were no changes in the Company's constitutional documents during the year ended 31 December 2019.

董事會保證會聆聽及瞭解股東及投資者之意見，並歡迎彼等就本集團之管理及管治提出問題及關注事項。本公司之網站提供電子郵件地址及聯絡電話，以便股東向董事會提出任何查詢及關注事項。股東亦可透過向行政總裁寄件或發送電子郵件隨時向董事會發送彼等之查詢及關注事項。聯絡詳情載於本年報「公司資料」一節。

根據百慕達一九八一年公司法(「公司法」)第74條及本公司章程細則之章程細則第58條，合共持有不少於10%本公司已繳足股本之股東有權透過向本公司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，以處理有關要求中指明的任何業務交易，而有關會議須於遞交有關要求後之三個月內舉行。於提出要求之日期佔不少於本公司總投票權5%之任何股東人數或不少於100名之本公司股東，有權於本公司股東大會上提出建議以供考慮。股東於股東大會上提出之有關建議須根據公司法第79條所載列之規定及程序作出。

憲章文件

於截至二零一九年十二月三十一日止年度，本公司之章程文件並無任何變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THE REPORT

This is the fourth Environmental, Social and Governance (“ESG”) report of Frontier Services Group Limited (the “Company”) and its subsidiaries (collectively, the “Group”). The report summarises the performance for the year ended 31 December 2019.

This report covers the key operations of the Group in two services: distribution and warehousing, and aviation. The report is compiled in accordance with the ESG Reporting Guide under Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

ESG GOVERNANCE

The Board has delegated ESG-related responsibilities to the Audit Committee, who will report to the board of directors on the findings and issues that it has identified. The Audit Committee is also responsible for evaluating and determining our ESG related risks, and ensuring that appropriate and effective ESG risk management and internal control systems are in place. The management strives to enhance the effectiveness of these systems and the Group’s ESG performance.

STAKEHOLDER ENGAGEMENT

The Group believes that creating long-term value for stakeholders is important to sustain its business success. We value honest, open and regular dialogue with our stakeholders. As a company with services spanning across several continents, the Group strives to engage and gain trust and support from its various stakeholders. These include customers, employees, suppliers, investors and the wider community as a whole. The Group engages its stakeholders on a regular basis, through various channels, such as conferences, interviews and surveys. Stakeholders’ inputs on what ESG issues matter the most are collected and prioritised. The following sections of the report cover environmental protection, employment and labour practices, operating practices and community investment.

關於本報告

本報告是先豐服務集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之第四份環境、社會及管治(「環境、社會及管治」)報告。本報告概述截至二零一九年十二月三十一日止年度的表現。

本報告涵蓋本集團於分配送運及倉儲和航空兩項服務的主要營運。本報告乃根據香港聯合交易所有限公司證券上市規則附錄二十七「環境、社會及管治報告指引」所編製。

環境、社會及管治方面之管治

董事會已將環境、社會及管治相關責任轉授予審核委員會，由審核委員會向董事會匯報其所識別之調查結果及問題。審核委員會亦評估及確定我們與環境、社會及管治相關之風險，並確保所設立之環境、社會及管治風險管理以及內部監控系統屬適當且行之有效。管理層致力提高該等系統之有效性及本集團之環境、社會及管治績效。

利益相關者參與

本集團相信為利益相關者締造長期價值對維持其業務成功尤其重要。我們著重與利益相關者進行坦誠、開放及定期之對話。作為一家服務遍布各個大洲之企業而言，本集團致力與廣大利益相關者溝通並獲得彼等之信任及支持。該等利益相關者包括客戶、僱員、供應商、投資者及整個廣大社會。透過會議、面談及調查等多個渠道，本集團定期與其利益相關者交流，並已收集及優先處理利益相關者對至關重要之環境、社會及管治事宜之意見。本報告以下各節涵蓋環境保護、僱傭及勞工常規、營運常規及社區投資。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Stakeholder Groups Engagement Method

Employee	— Employee Satisfaction Survey — Employee Performance Appraisal
Customers	— Customer Feedback Forms — Customer Hotline
Suppliers	— Supplier Inspection — Annual Evaluation
Investors	— Financial announcements — HKEx Filings — Investor Calls and Briefings — Annual General Meetings

利益相關者組別 參與方式

僱員	— 僱員滿意度調查 — 僱員表現評核
客戶	— 客戶意見表格 — 客戶熱線
供應商	— 供應商考察 — 年度評估
投資者	— 財務公告 — 香港交易所備案文檔 — 投資者電話及簡報 — 股東週年大會

ENVIRONMENTAL PROTECTION

The Group is committed to operating in a sustainable manner through mitigating emissions, improving energy efficiency and reducing its impacts on the environment.

Our leadership has been committed to sustainability, recognising it is a strategic imperative for our business and embedding it in our corporate values. Our primary aim is to manage sustainability risks through appropriate policies, standards, and systems. It also enables us to identify and pursue potential sustainability opportunities.

The Group recognises that pollution prevention and resource conservation are key to combating climate change, and thus effectively integrates these concepts into its business decision making.

The Group strictly abides by local rules and regulations on environmental protection. For example, the Group's aviation business in Kenya follows the policies approved by National Environment Management Authority, a local government agency responsible for implementing environmental policy.

Enhancing fuel efficiency is a key focus of the Group's environmental protection efforts and technology plays a key part in driving the Group's sustainable development. In the Group's ground logistics business, drag-reducing devices were installed on trucks to improve fuel efficiency and reduce greenhouse gas ("GHG") emissions. There is a decrease in the Group's GHG emissions by about 17% as compared with last year.

環境保護

本集團致力透過減排、提高能源效益及減少環境影響，實現持續經營。

我們一直致力於可持續發展，深明這是我們業務之戰略要務，並將此融入我們之企業價值觀。透過適當之政策、標準及系統以管理可持續發展風險，使我們能夠識別並把握潛在之可持續發展機會。

本集團深明防止污染及節省資源是應對氣候變化的關鍵，並將該等概念有效融入其業務決策過程之中。

本集團嚴格遵守當地有關環境保護的規章制度。例如，本集團位於肯尼亞的航空業務遵循肯尼亞國家環境管理局(負責實施環境政策的地方政府機構)批准的政策。

提高燃油效率是本集團環保措施之主要重點，而技術在推動本集團之可持續發展中發揮關鍵作用。在地面物流業務方面，本集團在貨車安裝減阻裝置，以提升燃油效率及減少溫室氣體(「溫室氣體」)排放。與去年相比，本集團之溫室氣體排放量減少約17%。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Responsible waste management practices are adopted in the Group's processes. For instance, within the Group's aviation business, used oil from aircraft servicing and maintenance is siphoned into drums for storage and recycling by qualified vendors. The Group encourages proper waste segregation and storage in designated receptacles on its premises to facilitate material recovery and biological treatment. The Group places emphasis on implementation of environmental protection measure, to ensure effective and efficient waste segregation, disposal and management of both hazardous or non-hazardous wastes. Our employees share responsibilities for waste management in our business operations with reference to the established environmental protection measure and waste management approaches. The total amount of hazardous waste produced decreased by approximately 36% as compared with last year.

The Group takes proactive measures to minimise the environmental impact arising from its operations. Previously, the Group's aviation business relocated its full power engine runs to a designated area located on the southern end of Wilson Airport in Kenya, far from the neighbouring community and sensitive natural habitats. This helps to reduce the impact of air and noise pollution arising from aircraft test runs and vehicle movements. When replacing fleet vehicles, the Group takes fuel efficiency into account in its decision making process. Fleet vehicles are constantly monitored for excessive fuel usage. Where necessary, drivers are trained to drive the vehicles in the most fuel efficient ways by observing practices with regard to tyre pressures, harsh braking and acceleration, as well as driver behaviour.

All employees are responsible and accountable for promoting and implementing environmentally responsible operations.

The Group has worked to raise staff awareness of environmental management by implementing sustainable practices at workplace. We promote green office and operation environment to minimise the adverse environmental impacts of the Group. The employees of the Group have reduced the consumption of electricity, paper and water resources. For example, to avoid energy wastage, employees are reminded to turn off idle electrical appliances. The Group also used more energy efficient LED lighting and air conditioners when carrying out renovations of the offices and warehouses. The Group's electricity consumption is comparable with the industrial average. To lower paper consumption, double-sided printing, recycling of used paper and use of electronic documentation are strongly encouraged. Dedicated bins have been set up at the Group's offices to facilitate waste separation and recycling. Waste paper from the offices is delivered to an approved paper recycler. The water consumption is also reduced by approximately 12% as compared with last year.

本集團在業務過程中採取負責任之廢棄物管理常規。例如，在本集團之航空業務方面，來自飛機服務及維護後的廢機油抽入桶內存儲並交由合資格供應商回收處理。本集團鼓勵適當地分類廢棄物及存放於其工作場所的指定容器內，方便材料回收及生物處理。本集團著重實施環境保護措施，以確保廢物分類、處置及管理有害及無害廢棄物更有效力及效率。僱員參照現有環保措施及廢物管理方法，共同承擔業務營運中廢物管理之責任並減低廢棄物產量。與去年相比，所產生危險廢物總量減少約36%。

本集團積極採取各種措施，致力減少其業務對環境造成的影響。本集團的航空業務曾將發動機滿功率測試遷址至肯尼亞Wilson機場南端的指定區域，遠離周邊社區及敏感的天然棲息地。此舉有助於減少飛機試飛及車輛移動產生的空氣及噪音污染的影響。當替換車隊汽車時，本集團在其決策過程中已慮及燃油效率。本集團定期監察車隊汽車過度使用燃油之情況。在有需要時，司機獲提供培訓，透過遵守有關輪胎氣壓、急速煞車及加速以及司機行為的常規，以最具燃油效率方式駕駛汽車。

全體僱員均有責任推廣及實踐以環保方式營運，並對此負責。

本集團透過於工作地點實行可持續常規，致力提升員工之環保意識。我們提倡綠色辦公及營運環境，盡力減少本集團對環境之不利影響。本集團之僱員已減少消耗電力、紙張及水資源。例如，本集團提醒員工關閉閒置電器設備避免能源浪費。進行辦公室及倉庫之翻新工程時，本集團亦使用更節能之LED照明及空調系統。本集團之用電量與行業平均水平相若。為減少紙張消耗，本集團提倡雙面打印、循環再用廢紙及強烈建議使用電子文件。本集團辦公室已設置指定垃圾箱，有助進行廢棄物分類及回收。辦公室之廢紙亦送往認可紙張回收商。與去年相比，用水量亦減少約12%。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group strives to drive the environmental performance of its logistics solutions to another level through continuous monitoring and improvement. Regular reviews are carried out on a timely basis to evaluate and explore alternative eco-friendly measures and practices. Going forward, it is part of the Group's strategy to increase strategic investment in energy-efficient technologies, such as sourcing for greener fuels and aircraft as appropriate.

Total energy consumption intensity by revenue remains stable when compared to 2018.

EMPLOYMENT AND LABOUR PRACTICES

Employment

The Group believes that people are the foundation of its business growth. The Group's human resources policies and procedures cover key aspects such as compensation, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits.

It is paramount for the Group to attract qualified talent both internally and externally to support business ambitions.

The Group's remuneration mechanism is performance-based and competitive. Eligible employees are entitled to other benefits in addition to basic salary, such as medical insurance and retirement funds. The remuneration packages are regularly reviewed to keep up with the market.

The Group is committed to providing employees with an inclusive workplace that embraces and promotes diversity and equal opportunity. The Group has zero tolerance of harassment and discrimination in any form. Employees are hired and selected based on their merits regardless of their race, colour, age, religious belief, gender and national origin. Specifically, the Group's aviation business adopted a "Fair and Just Culture Policy" to ensure that all personnel are treated fairly. The Group also strives to establish harmonious labour relationships. In the Group's ground logistics business where the majority of Group employees are employed, grievance procedures are enforced to make sure that the concerns of the employees are heard and addressed in an equitable and fair manner. The Group's freight forwarding business achieved Level Five of the Broad-Based Black Economic Empowerment (BBBEE) framework issued by the government of South Africa for two consecutive years, demonstrating the Group's commitments to racial equity.

本集團憑藉持續監察及改善，致力提高其物流解決方案之環保表現至另一個水平。本集團適時進行檢討，評估和研究其他環保措施及常規。未來，本集團策略的一部分是增加節能技術的策略性投資，例如採購更環保的燃料及飛機。

與二零一八年相比，按收入劃分的能源消耗總強度保持穩定。

僱傭及勞工常規

僱傭

本集團認為人才是業務增長的基石。本集團的人力資源政策及程序涵蓋薪酬、招聘及晉升、工時、休息時間、平等機會、多元化、反歧視、福利及其他利益等主要方面。

吸引內外部分合資格人才對支持實現本集團業務目標而言至關重要。

本集團的薪酬機制與表現掛鉤，並具有競爭力。除了基本薪金，合資格僱員可享有其他利益，例如醫療保險及退休金在內的其他福利。本集團定期檢討薪酬組合，以與市場維持一致水平。

本集團致力向僱員提供包容的工作場所，支持和提倡多元化及機會平等。本集團對任何形式的騷擾及歧視均持零容忍態度。僱員招聘及篩選秉承唯才是用原則，而不論其種族、膚色、年齡、宗教、信仰、性別及國籍。具體而言，本集團的航空業務採取「公平公正文化政策」，確保所有人員獲得平等對待。本集團亦致力建立和諧之勞資關係。本集團大部份僱員所在的地面物流業務設有申訴程序，確保我們能傾聽以及平等公平地消除僱員的擔憂。本集團的貨運代理業務已連續兩年達到南非政府發佈的廣域黑人經濟授權 (BBBEE) 框架的第五級，表明了本集團在實現種族平等方面的承諾。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

In the event of misconducts that warrant dismissal, the Group strictly observes the disciplinary code to ensure necessary steps and procedures are followed. The code sets out our principles for acting responsibly in the course of achieving our commercial success. The hearings are chaired by independent labour consultants who would also provide recommendations to the disciplinary actions made, and employees have the right to appeal the outcome of the disciplinary hearing.

During the reporting period, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group.

Health and Safety

Occupational health and safety (“OHS”) is the Group's top priority for its business operations. All our operations must be carried out in a manner that safeguards the health and safety of all employees, customers, contractors and the wider community. The Group adopts proper procedures at the workplace to identify, mitigate and monitor health and safety risks. Hazard assessments and safety monitoring are also carried out frequently, and results are followed up in a timely manner to drive continuous improvement. Proper personal protective equipment and first aid training are provided to employees. The Group protects the safety of its people and assets by undertaking rigorous fire prevention measures, organising safety awareness and accident investigation workshops, as well as providing firefighting training. Fire and evacuation drills, fire hydrant flow and pressure tests are conducted periodically. Risk administration and compliance officers were hired to proactively identify risks and implement preventive measures for the Group.

The Group's aviation business is certified by the Department of Occupational Safety and Health Services under the Ministry of Health of the Republic of Kenya in recognition of its achievements in upholding workplace safety. Our continued success is inherently linked with providing a safe working environment for all Group employees. To succeed in this, we have developed a corporate safety culture and adopted a risk-driven approach in identifying and minimising the impact of hazards on our operations. Within the Group's freight forwarding business, toolbox talks covering topics such as safety, hazards, health and equipment operations are held with frontline workers on a daily basis. A third-party consultant was engaged to carry out annual risk grading audits and food safety and hygiene assessments to ensure compliance with local operational risk standards.

The Group is committed to protecting the health and safety of all individuals affected by its activities, including its employees, contractors and the public. The Group ensures that every individual employee works in a safe and healthy environment. Pilots and crew working for the Group's aviation business are covered by kidnap and ransom insurance to provide assurance for their safety.

如果發生引致解僱的不當行為，本集團將嚴格遵守紀律守則，確保遵循必要的步驟及程序。該守則載列我們於商業上取得成功時應以負責之方式行事之原則。獨立勞工顧問主持聽證會，並就已發生之紀律行為提供意見，而僱員有權對有關紀律聽證會結果提出上訴。

本集團並不知悉於報告期內在僱傭相關法律及法規方面將對本集團造成重大影響之重大違規情況。

健康與安全

本集團於業務營運過程中格外重視職業健康與安全(「職業健康與安全」)。我們之所有運作必須以保障僱員、客戶、承辦商及廣大社區之健康與安全之方式進行。本集團於工作場所採納適當的程序，以識別、減低及監督健康與安全的風險。本集團亦定期進行危險評估及安全監督工作，並及時跟進有關結果，推動持續改進。本集團向僱員提供適當的個人保護設備及急救培訓，並透過實施嚴謹的防火措施、組織安全意識及意外調查研討會，並提供防火培訓，保障員工及資產的安全。本集團亦定期舉行火警及疏散演習、消防栓流量及壓力試驗。風險管理及合規人員已獲委聘，負責主動識別風險並為本集團推行預防措施。

本集團的航空業務獲得肯尼亞共和國健康部的職業安全及健康服務認證，認可其於維護工作場所安全方面的成就。我們持續取得成功與為本集團所有僱員提供安全工作環境之關係密不可分。為實現上述目標，我們確立企業安全文化，運用風險辨識方法以識別相關風險，並盡可能將危險情況對營運之影響降至最低。在貨運代理服務方面，本集團亦每日為前線員工舉辦安全座談會，涵蓋安全、危機、健康及設備操作等主題。本集團委聘第三方顧問每年開展風險評級審核及食物安全與衛生評估，以確保符合當地運營風險標準。

本集團致力保障其業務所影響之每一名個人之健康及安全，包括其僱員、承辦商及公眾人士。本集團確保每個員工在安全健康的環境中工作。本集團航空業務的飛行員及機組人員均已投保綁架及贖金險，以確保彼等的安全。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Employees are encouraged and supported to maintain a healthy work-life balance. In addition to abiding by all standard aviation safety regulations, the Group's flight operations have enhanced policies around pre-flight rest and duty hours to further minimise OHS-related risks caused by fatigue.

The Group will review the safety of the workplace on an ongoing basis.

Development and Training

The Group believes that talent development is integral to sustaining its competitive advantage and organic growth. Training programmes are set up at business level to support daily job functions. For instance, the Group places high priority to enhance skills of its ground logistics staff, particularly on operating warehouse equipment. Furthermore, highly customised training courses are prepared for pilots and engineers within the Group's aviation business. In order to facilitate employees' professional growth and career progression, the Group also provides support and assistance for staff to attend external training courses that are relevant to their areas of expertise.

A skills development committee has been established within the Group's freight forwarding business to plan and organise development and training for employees. In addition, more than fifty management personnel of the Group's logistic arm attended a ten-day training on safety and security in China to prepare them for the challenges of managing safety and security during their works.

The Group's remuneration mechanism is performance based and competitive. In addition, the Group provides other benefits to employees including various training programmes.

To stay competitive, we invest in different ways to acquire the best talent in the market by reviewing and streamlining our recruitment process to make us more efficient in attracting and hiring new talent, developing different customised selection and assessment tools to help us acquire the most suitable talent in the market.

The Group will continue to evaluate the training needs of its employees and to offer the employees with appropriate and suitable training according to their job position and nature. The Group will continue to intensify and promote staff training programs by offering comprehensive training opportunity, it could help to reserve talent for corporate development.

本集團鼓勵及支持僱員維持工作與生活之間的健康平衡。除遵守所有標準航空安全規例外，本集團的航務運營設有關於飛前休息及值班時間的完善政策，以進一步降低疲勞引致的職業健康與安全相關風險。

本集團將持續檢討工作環境之安全。

發展及培訓

本集團認為人才發展是維持其競爭優勢及內生增長不可或缺的元素。本集團因應不同業務設置培訓計劃，涵蓋所有日常工作。例如，本集團優先培訓地面物流員工以倉庫設備操作為主的技能。此外，本集團航空業務的飛行員和工程師均可參與切合其需要的培訓課程。本集團亦支持和協助員工參與有關彼等專業領域的外部培訓課程，促進僱員專業進步及事業晉升。

本集團之貨運代理業務已成立技能發展委員會，為僱員計劃並組織之發展及培訓。此外，本集團物流部門之50多名管理人員在中國參加了為期10天之安全及安保培訓，令彼等為應對工作期間之安全及安保管理挑戰做好準備。

本集團之薪酬機制與表現掛鉤，並具有競爭力。此外，本集團為僱員提供其他福利，包括各種培訓計劃。

為保持競爭力，我們透過不同途徑獲得市場上最優秀之人才，當中包括評估並精簡我們之招聘程序，使我們以更有效之方式吸引及聘請人才、開發各種專門之篩選及評估工具，以助我們於市場上獲得最適合之人才。

本集團將持續評估僱員之培訓需要，並根據其職位及性質為僱員提供適當及適合之培訓。本集團將透過提供全方位培訓機會，不斷加強及促進員工培訓計劃，此舉有助為企業發展留聘人才。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Labour Standards

The Group strives to adhere to applicable local and international labour standards and strictly prohibits the use of child or forced labour in its operations. We have developed systematic approval and selection measures to prevent ourselves from illegally hiring child labour and ensure that the employment is comply with relevant laws and regulations. The Group's suppliers and contractors are expected to attain the same standard in their labour practices.

The Group's freight forwarding business has been a member of Supplier Ethical Data Exchange (SEDEX) since 2018. SEDEX Members Ethical Trade Audits (SMETA) were conducted to assess the business's performance around labour rights, health and safety, the environment and business ethics.

OPERATING PRACTICES

Supply Chain Management

The Group is aware of the importance in managing environmental and social risks of our supplier chain. The Group works closely with its suppliers and service providers to support and optimise its complete logistic solutions. The Group has embedded environmental and social consideration in the procurement process and supplier communication. The Group aspires to exert a positive influence over its suppliers to promote the awareness of sustainability and manage risks within its supply chain, including environmental, social and governance best practices. In addition, a scrupulous and rigorous process for supplier monitoring and screening is in place. The Group will continue to monitor its supply chain regarding the environmental and social standards.

Product Responsibility

Since its establishment, the Group has focused on helping its customers to operate more securely and efficiently in frontier markets. The Group emphasises service quality and reliability to differentiate itself in the market and help its clients focus on meeting their project milestones on time and within budget. For example, the Group's aviation business implemented an ISO 9001 quality management system approved by UKAS and ANAB (US), with a wide scope of provision of aviation logistics services, such as worldwide charter flights and medical air ambulance charter. In addition, the Group has been certified and approved by European Union Aviation Safety Agency (EASA) as a Third Country Operator (TCO) in recognition of the safety performance of the Group's aviation business. To maintain the reliability of its aviation services, the Group conducts forecasts on capacity, demand patterns and customer requirements to address potential bottlenecks caused by hangar space, associated logistics and custom procedures.

勞工準則

本集團致力遵循適用之地方及國際勞工準則，嚴禁於業務中使用童工或強迫勞工。我們制定有系統之審批及甄選措施，以防範非法僱用童工，並確保有關僱傭符合相關法律及法規。預期本集團之供應商及承辦商之勞工常規將達到相同標準。

自二零一八年起，本集團的貨運代理業務一直為供應商道德資料交換(SEDEX)的成員，並進行了SEDEX成員道德貿易審核(SMETA)，以評估公司在勞工權利、健康安全、環境及商業道德方面的表現。

營運常規

供應鏈管理

本集團明白管理供應鏈環境及社會風險之重要性。本集團與其供應商及服務供應商密切合作，支持及優化全面物流解決方案。本集團於採購及供應商溝通過程中融入環境及社會方面之考慮。本集團期望對供應商帶來正面影響，提升供應商之可持續發展意識及管理供應鏈之風險，包括環境、社會及管治最佳常規。此外，本集團已實施謹慎及嚴格之供應商監督及篩選程序。本集團將繼續監察其於供應鏈方面之環境及社會標準。

產品責任

自其成立以來，本集團一直專注於協助客戶在前沿市場安全及有效率經營。本集團著重服務質素及信譽，此令其在市場中脫穎而出，並有助其客戶按預定時間表及預算達成彼等之項目里程碑。舉例而言，本集團的航空業務已實行UKAS和ANAB(美國)批准的ISO 9001質量管理體系，可提供廣泛的飛機物流服務，例如全球包機航班及醫療空中救護包機。此外，本集團已獲歐洲航空安全局認證，並獲認可為第三國運營商，表彰本集團航空業務之安全績效。為維持航空服務的可信賴程度，本集團會進行自身能力、需求模式及客戶要求預測，以應對機庫空間、相關物流及海關程序可能引致的瓶頸狀況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Furthermore, a complaint handling mechanism is in place to address customers' concerns. Complaints are properly documented upon receipt and subsequently followed up in a timely and efficient manner. Once complaints are verified, compensation is provided to customers in accordance with established procedures and with reference to prior cases.

The Group values data privacy, Collected personal data is only accessible by authorised personnel and is handled in a confidential manner.

Anti-corruption

The Group maintains a high standard of anti-corruption measures and have zero-tolerance for any form of bribery, corruption or fraud. Upon employment, all employees are introduced to the specific requirements related to the corruption policies in the company and are provided with anti-corruption training in order to mitigate the relevant risks to the business. For example, the Group's aviation business in Kenya strictly complies with the requirements of the UK Anti-Bribery and Corruption Act and the Kenya Anti-Corruption and Economic Crimes Act, and makes an effort to keep up to any changes in regulations.

In addition, a whistle-blowing procedure is established with the objective to provide a confidential channel for employees to report on suspected irregularities. This policy also aims to encourage our people to come forward and report suspected wrongdoing and to provide necessary guidance and assurance to anyone who reports suspected wrongdoing. The Group works with Whistle Blowers, an independent company which provides ethics hotline services, for employees to safely report any whistle-blowing matters in South Africa. Whistle Blowers also provides evidence-based recommendations on how to effectively manage the ethics hotline as well as how to embed integrity as part of the corporate culture in the workplace.

此外，本集團制定了投訴處理制度，旨在解決客戶的問題。一經接到投訴，將妥為記錄，隨後會進行及時、有效的跟進。投訴一經核實，將依據既定程序並參照先前案例向客戶作出補償。

本集團重視資料私隱，僅獲授權人士可查閱所收集的個人資料，並以保密方式處理有關資料。

反貪污

本集團維持高標準的防貪污措施，對任何形式的賄賂、貪污或欺詐採取零容忍的態度。所有員工一旦獲聘用後，均獲知會有關反腐敗政策之特定規定，並獲提供反貪污培訓，消除對公司的相關風險。例如，本集團位於肯尼亞的航空業務嚴格遵守《英國反賄賂及貪污法》及《肯尼亞反腐敗及經濟犯罪法》的要求，並努力遵守該等法規的任何變更。

此外，本集團已制定舉報程序，旨在為疑似違規行為提供保密的員工舉報途徑。該政策亦鼓勵僱員勇於舉報可疑之不法行為，並向任何舉報可疑行為之僱員提供所需指導及保證。本集團與提供道德熱線服務之獨立公司 Whistle Blowers 合作，確保南非僱員可於安全情況下作出舉報。Whistle Blowers 亦會就如何有效管理道德熱線及如何將誠信融入職場企業文化之一部分提供有實證依據之建議。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

COMMUNITY INVESTMENT

The Group is committed to supporting development in the communities where it operates by working closely with a number of charities. In nurturing the corporate culture to practice social welfare and participation, we aim to embrace our corporate social responsibilities as part of the Group's strategic development. In recent years, we have engaged in various community activities, including but not limited to:

- supporting and participating in educational fieldtrips to promote children's awareness in conserving wildlife under Carolina for Kibera's Child Outreach Programme in Nairobi, Kenya;
- cooperating with Support Teacher Empowerment Trust by providing training to teachers and equipping them with necessary knowledge and skills to support and educate the disadvantaged youths;
- working with Phakamani Trust, a local non-profit organisation aiming to empower rural young women, to combat poverty and unemployment in South Africa;
- transporting donated food to various charitable organisations such as churches and children homes free of charge; and
- maintaining close contacts with local schools and organising visits to the Group's premises to provide an introduction on aviation to the students. This helps to broaden their horizon and equip them for their future career with more knowledge on different industries.

The Group also encourages its employees to actively participate in volunteer works. When selecting charitable organisations to support, the Group would evaluate their visions and backgrounds. Charities with unclear financial position and operations are not considered so as to ensure community investment goes to the needy.

REGULATORY COMPLIANCE

The Group analyses and monitors the regulatory frameworks applicable to the Group and prepares and updates internal policies whenever necessary. The Board oversees the Group's management and internal controls on an ongoing basis. The Group keeps abreast of the latest regulatory developments and provide relevant trainings for relevant personnel. In addition to preventive measures, the Group also ensures there are monitoring and measures to enable regulatory compliance. With these mechanisms, the Group is not aware of any material non-compliance with relevant local laws and regulations related to areas such as environmental protection, employment and labour practices and operating practices during the year.

社區投資

本集團竭盡所能與眾多慈善機構密切合作，支持其業務所在之社區發展。作為本集團戰略發展之一部分，我們於培養企業文化以實踐社會福利及參與方面矢志承擔企業社會責任。近年，本集團曾經參與但不限於以下社區活動：

- 在肯尼亞奈洛比支持及組織由Carolina for Kibera旗下之學生拓展項目(Child Outreach Programme)所舉辦的具教育意義的實地考察旅行，以提高學生保護野生動物的意識；
- 與Support Teacher Empowerment Trust攜手合作，為教師提供培訓，令他們具備必需知識及技術，支援及教育弱勢青年；
- 在南非夥同Phakamani Trust(當地旨在提高農村年輕女性能力的非牟利組織)，協助消除當地貧困及失業情況；
- 免費為不同慈善機構(如教會及兒童之家)所收集的食品捐贈提供運輸服務；及
- 與當地學校維持緊密聯繫，並舉辦參觀本集團之場所，向學生介紹航空知識。有關舉措可助拓寬彼等視野，並為其未來職業提供更多有關不同行業知識。

本集團亦鼓勵僱員積極參與志願工作。選擇支持慈善機構時，本集團會評估其遠景及背景。本集團不予考慮財政狀況及經營模糊的慈善機構，以確保社區投資能真正幫助有需要人士。

監管合規

本集團分析及監察本集團適用的監管框架，並在有必要時制定及更新內部政策。董事會持續監察本集團的管理及內部監控措施。本集團時刻掌握最新監管發展，並為有關人員提供相關培訓。除防範措施外，本集團亦確保採取監控措施以確保符合監管規定。憑藉該等機制，本集團並不知悉於年內在環保、僱傭及勞工常規及經營常規等方面有任何不遵守當地相關法律及法規的重大違規情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ENVIRONMENTAL KEY PERFORMANCE INDICATORS

With respect to energy saving initiatives such as replacing energy inefficient lighting with LED lightings, and using instant water heaters instead of high consumption geysers through Transit Freight Forwarding Proprietary Limited, GHG and energy consumption have decreased in FY2019.

The table below shows the environmental key performance indicators ("KPIs") of the key operations of the Group in two services namely (a) distribution and warehousing and (b) aviation.

Environmental KPIs 環境關鍵績效指標	Unit 單位	2019 二零一九年	2018 二零一八年
Nitrogen Oxides emissions (NO _x) 二氧化氮排放量	tonne 噸	18.77	17.26
Sulphur Oxides emissions (SO _x) 二氧化硫排放量	tonne 噸	0.02	0.02
Particulate matter emissions (PM) 矽粒性物質排放量	tonne 噸	1.37	1.25
Total greenhouse gas (GHG) emissions 溫室氣體總排放量	tonne CO ₂ e 二氧化碳排放噸數	6,206.61	7,433.65
Scope 1 — Direct emissions and removals 範圍1 — 直接排放及減除	tonne CO ₂ e 二氧化碳排放噸數	5,445.89	6,554.66
Scope 2 — Energy indirect emissions 範圍2 — 能源間接排放	tonne CO ₂ e 二氧化碳排放噸數	760.72	878.99
Total hazardous waste produced 所產生之有害廢棄物總量	tonne 噸	2.50	3.90
Total non-hazardous waste produced 所產生之無害廢棄物總量	tonne 噸	240.13	239.42
Total energy consumption 能源總耗量	kWh 千瓦時	22,463,386.17	27,388,686.09
Total direct energy consumption 直接能源總耗量	kWh 千瓦時	21,544,766.59	26,380,383.65
Diesel oil 柴油	kWh 千瓦時	16,853,417.21	14,239,956.89
Gasoline/Petrol 汽油	kWh 千瓦時	78,534.05	6,688.64
Kerosene 煤油	kWh 千瓦時	4,612,815.33	12,133,738.12
Total direct energy consumption intensity by revenue 以收益計之直接能源總耗量密度	kWh/HKD'000 revenue 千瓦時/收益千港元	29.68	30.44
Total indirect energy consumption 間接能源總耗量	kWh 千瓦時	918,619.58	1,008,302.43
Purchased electricity 已購買電力	kWh 千瓦時	918,619.58	1,008,302.43
Total indirect energy consumption intensity by revenue 以收益計之間接能源總耗量密度	kWh/HKD'000 revenue 千瓦時/收益千港元	1.27	1.16
Water consumption 耗水量	m ³ 立方米	50,007.15	56,913.72
Water consumption intensity by revenue 以收益計之耗水量密度	m ³ /HKD'000 revenue 立方米/收益千港元	0.07	0.07

環境關鍵績效指標

透過Transit Freight Forwarding Proprietary Limited以LED照明代替低效能照明設備，及使用即時熱水器代替高耗能煤氣熱水器，上述節能舉措令溫室氣體及能源消耗量於二零一九年財政年度有所減少。

下表載列本集團於(a)送運及倉儲及(b)航空這兩項服務中之關鍵營運環境關鍵績效指標(「環境關鍵績效指標」)。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

NON-EXECUTIVE DIRECTORS

Mr. Chang Zhenming, aged 63, was appointed as a non-executive director and the Chairman of the Company on 6 December 2018. Mr. Chang holds a master of business administration from The College of Insurance in New York and has a broad range of experience in banking, finance and securities business. Mr. Chang was formerly the chairman and an executive director of CITIC Limited (stock code: 267), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). CITIC Limited is an indirect substantial shareholder of the Company holding approximately 25.91% issued share capital of the Company as at the date of this annual report. Mr. Chang was also the chairman of CITIC Group Corporation and CITIC Corporation Limited, and was formerly the vice chairman and president of China Construction Bank Corporation (stock code: 939 (H share); 601939 (A share)), the non-executive director and deputy chairman of Cathay Pacific Airways Limited (stock code: 293), the non-executive director and the chairman of the board of China CITIC Bank Corporation Limited (stock code: 998 (H share); 601998 (A share)), the shares of which are listed on the Main Board of the Stock Exchange and/or the Shanghai Stock Exchange. He was also formerly a non-executive director of China CITIC Bank International Limited and the chairman of CITIC Hong Kong (Holdings) Limited.

非執行董事

常振明先生，63歲，於二零一八年十二月六日獲委任為本公司之非執行董事兼主席。常先生持有位於紐約之保險學院(The College of Insurance)工商管理碩士學位，於銀行、金融及證券業務方面擁有廣泛經驗。常先生曾為中國中信股份有限公司(股份代號：267，其股份於香港聯合交易所有限公司(「聯交所」)主板上市)之主席兼執行董事。中國中信股份有限公司為本公司之間接主要股東，於本年度報告日期持有本公司已發行股本約25.91%。常先生亦曾為中國中信集團有限公司及中國中信有限公司之董事長，並曾擔任中國建設銀行股份有限公司(股份代號：939(H股)；601939(A股))之副董事長兼行長、國泰航空有限公司(股份代號：293)之非執行董事兼副主席、中信銀行股份有限公司(股份代號：998(H股)；601998(A股))之非執行董事兼董事會主席，其股份於聯交所主板及／或上海證券交易所上市。彼亦曾擔任中信銀行(國際)有限公司之非執行董事及中信(香港集團)有限公司之董事長。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Mr. Zhang Yichen, aged 56, was appointed as a non-executive director on 24 March 2020. Mr. Zhang began his career in 1987 and has previously worked for Greenwich Capital Markets, Bank of Tokyo New York Branch as head of proprietary trading, and Merrill Lynch, where he was the managing director of debt capital market for Greater China. He returned to China in the mid-1990s and advised the Ministry of Finance of the People's Republic of China and other Chinese agencies on the development of the domestic government bond market. Mr. Zhang is the chairman and the chief executive officer of CITIC Capital Holdings Limited, a global alternative investment management and advisory company. Prior to his participation in founding CITIC Capital Holdings Limited, from March 2000 to May 2002, he was an executive director of CITIC Limited (stock code: 267), a substantial shareholder of the Company and the shares of which are listed on the Main Board of the Stock Exchange, and was also the president of CITIC Pacific Communications Limited. He served as an independent director of Weibo Corporation (stock ticker: WB), the shares of which are listed on NASDAQ, from January 2014 to December 2015. Since May 2002, he has been serving as an independent director of Sina Corporation (stock ticker: SINA), the shares of which are listed on NASDAQ. Since June 2012, he has been serving as the chairman of the board and a non-executive director of Genertec Universal Medical Group Company Limited (stock code: 2666), the shares of which are listed on the Main Board of the Stock Exchange. Since December 2016, he has been serving as a director of S.F. Holding Co., Ltd. (stock code: 002352.SZ), the shares of which are listed on the Shenzhen Stock Exchange. Since June 2018, he has been serving as a non-executive director of AsiaInfo Technologies Limited (stock code: 1675), the shares of which are listed on the Main Board of the Stock Exchange. He also serves as the chairman of the board of McDonald's China and the chairman of Harbin Pharmaceutical Group Holding Co. Ltd.. He is a member of the 11th, 12th and 13th National Committee of the Chinese People's Political Consultative Conference. Mr. Zhang obtained a Bachelor of Science degree in computer science and engineering from Massachusetts Institute of Technology in the United States of America in June 1986.

張懿宸先生，56歲，於二零二零年三月二十四日獲委任為非執行董事。張先生於一九八七年開始職業生涯，曾任職於格林威治資本市場公司 (Greenwich Capital Markets)，亦曾於東京銀行紐約分部擔任證券自營交易業務負責人以及美林證券大中華區債券資本市場主管。彼於二十世紀九十年代中期返回中國，為中華人民共和國財政部及其他中國境內政府債券市場發展機構提供諮詢。張先生現為中信資本控股有限公司 (全球另類投資管理及諮詢公司) 之董事長兼首席執行官。在參與創立中信資本控股有限公司前，彼於二零零零年三月至二零零二年五月擔任本公司主要股東中國中信股份有限公司 (其股份於聯交所主板上市，股份代號：267) 之執行董事，同期亦擔任中信泰富信息科技有限公司之總裁。彼於二零一四年一月至二零一五年十二月擔任微博公司 (其股份於納斯達克上市，股份代號：WB) 之獨立董事。自二零零二年五月起至今擔任新浪公司 (其股份於納斯達克上市，股份代號：SINA) 之獨立董事。自二零一二年六月起至今擔任通用環球醫療集團有限公司 (其股份於聯交所主板上市，股份代號：2666) 之董事會主席及非執行董事。自二零一六年十二月起至今擔任順豐控股股份有限公司 (其股份於深圳證券交易所上市，證券代碼：002352.SZ) 之董事以及自二零一八年六月起至今擔任亞信科技控股有限公司 (其股份於聯交所主板上市，股份代號：1675) 之非執行董事。彼亦為麥當勞中國之董事會主席及哈藥集團醫藥有限公司之董事長。彼為第十一屆、十二屆及十三屆中國人民政治協商會議全國委員會委員。張先生於一九八六年六月自美利堅合眾國麻省理工學院獲得計算機科學及工程理學士學位。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Mr. Fei Yiping, aged 56, was appointed as a non-executive director on 24 March 2020. Mr. Fei is a director and the chief financial officer of CITIC Pacific Limited ("**CITIC Pacific**", a wholly-owned subsidiary of CITIC Limited). He is also the deputy general manager of financial control department of CITIC Limited, a director and the chief financial officer of CITIC Hong Kong (Holdings) Limited, a vice chairman and president of CITIC Pacific China Holdings Limited, a director and general manager of Rainbow Wisdom Investments Limited (a subsidiary of CITIC Group Corporation ("**CITIC Group**")), a non-executive director of CITIC Telecom International Holdings Limited (stock code: 1883), the shares of which are listed on the Main Board of the Stock Exchange, a non-executive director of Dah Chong Hong Holdings Limited, the shares of which were withdrawn from listing on the Main Board of the Stock Exchange on 10 January 2020, and a director of Companhia de Telecomunicações de Macau, S.A.R.L.. He is also a director of certain member companies of CITIC Pacific involved in special steel, property and energy and a director of certain member companies of CITIC Limited involved in iron ore mining, property and its interests in McDonald's Mainland China and Hong Kong businesses (including, inter alia, Grand Foods Holdings Limited), and also the chairman of the audit, compliance and risk management committees of Grand Foods Holdings Limited. Mr. Fei is a graduate from Beijing Science and Technology University and received a Master in Business Administration from the University of Edinburgh in the United Kingdom. He is a FCPA of CPA Australia and has over 23 years experience in accounting and financial management. He has been with CITIC Group since 1991. Between 2001 and 2008, he first acted as treasurer and director of CitiSteel USA, Inc. and then acted as a vice president of CITIC USA Holdings, Inc. and chief representative of CITIC Group in New York. When he returned to China in 2008, he became a deputy director-general of the finance department of CITIC Group.

費怡平先生，56歲，於二零二零年三月二十四日獲委任為非執行董事。費先生為中信泰富有限公司（「**中信泰富**」，為中國中信股份有限公司之全資附屬公司）之董事兼首席財務官。彼亦為中國中信股份有限公司之財務管理部副總經理、中信（香港集團）有限公司之董事及財務總監、中信泰富（中國）投資有限公司之副董事長兼總裁、虹智投資有限公司（中國中信集團有限公司（「**中信集團**」）之附屬公司）之董事兼總經理、中信國際電訊集團有限公司（其股份於聯交所主板上市，股份代號：1883）之非執行董事、大昌行集團有限公司（其股份已於二零二零年一月十日撤銷在聯交所主板之上市地位）之非執行董事及澳門電訊有限公司之董事。彼亦為中信泰富若干涉及特鋼、房地產及能源項目成員公司之董事、中國中信股份有限公司若干涉及中澳鐵礦、房地產項目公司及其於麥當勞中國內地及香港業務權益成員公司（包括（其中包括）Grand Foods Holdings Limited）之董事以及Grand Foods Holdings Limited之審計、合規及風險管理委員會主席。費先生畢業於北京科技大學，並獲英國愛丁堡大學頒授工商管理學碩士學位。彼為澳洲會計師公會之澳洲資深註冊會計師，於會計及財務管理方面擁有逾23年經驗。彼自一九九一年起於中信集團任職。於二零零一年至二零零八年，彼最初擔任中信美國鋼鐵公司之司庫及董事，其後出任中信美國集團公司之副總裁及中信集團駐紐約代表處之首席代表。彼於二零零八年返回中國，擔任中信集團財務部副主任。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

EXECUTIVE DIRECTORS

Mr. Erik D. Prince, aged 50, was appointed as an executive director on 10 January 2014 and has served as a Deputy Chairman of the Board of the Company since 6 December 2018. He is also a committee member of the Nomination Committee, the Remuneration Committee and the Risk Committee of the Company. Mr. Prince is a US-born entrepreneur, philanthropist, military veteran and private equity investor with business interests in Africa, Europe, the Middle East and North America in the fields of logistics, aviation services, manufacturing, natural resources development and energy. He is the founder and chairman of Frontier Resource Group, a private equity firm active across the African continent in areas such as exploration, mining and energy development. Mr. Prince is the founder of Blackwater, the leading global private security company, which he sold in 2010. Mr. Prince was educated at Hillsdale College. Upon graduation, he enlisted in the US Navy, where he served as a Navy SEAL officer until 1996.

Mr. Ko Chun Shun, Johnson, aged 68, has been an executive director of the Company since 1998 and a Deputy Chairman of the Board of the Company since January 2014. He is also a director of various subsidiaries of the Company and is a committee member of the Nomination Committee and the Remuneration Committee of the Company. Mr. Ko is an executive director of Branding China Group Limited (stock code: 863), which is listed on the Main Board of the Stock Exchange. Mr. Ko has extensive experience in direct investment, merger and acquisition, TMT (Technology, Media and Telecom) and financial service.

執行董事

Erik D. Prince 先生，50歲，於二零一四年一月十日獲委任為執行董事並由二零一八年十二月六日起擔任本公司董事會副主席。彼亦為本公司提名委員會、薪酬委員會及風險委員會委員。Prince先生為美國出生之企業家、慈善家、退伍軍人及私募股本投資者，於非洲、歐洲、中東及北美洲之物流、航空服務、製造、天然資源發展及能源行業擁有業務權益。彼為Frontier Resource Group之創辦人及主席，該公司為一家活躍於非洲大陸之勘探、採礦及能源開發等範疇之私募股本公司。Prince先生為全球領先的私人安保公司黑水之創辦人，並於二零一零年將其出售。Prince先生於Hillsdale College接受教育。畢業後，彼獲徵召加入美國海軍，並擔任海軍海豹部隊軍官直至一九九六年。

高振順先生，68歲，由一九九八年起擔任本公司之執行董事，及由二零一四年一月起擔任本公司董事會副主席。彼亦為本公司多家附屬公司之董事及本公司提名委員會及薪酬委員會之委員。高先生為於聯交所主板上市的品牌中國集團有限公司(股份代號：863)的執行董事。高先生於直接投資、合併及收購、TMT(科技、媒體及電訊)及金融服務方面擁有豐富經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Mr. Luo Ning, aged 61, has been an executive director of the Company since October 2006 and a Deputy Chairman of the Board of the Company since January 2014. Mr. Luo is currently the chairman of CITIC Guoan Information Industry Company Limited (stock code: 000839.sz), the shares of which are listed on the Shenzhen Stock Exchange in the People's Republic of China ("PRC"). He is a director of Baiyin Nonferrous Group Co., Ltd. (stock code: 601212.ss), the shares of which are listed on the Shanghai Stock Exchange in PRC. Mr. Luo has extensive experience in telecommunication business and holds a Bachelor Degree in Communication Speciality from The Wuhan People's Liberation Army Institute of Communication Command in the PRC.

Dr. Hua Dongyi, aged 55, has been appointed as an executive director and the Acting Chief Executive Officer of the Company since 26 July 2016. Dr. Hua has officially become the Chief Executive Officer of the Company on 22 March 2017, and is also the chairman of the Risk Committee of the Company. He is also an executive director of VDM Group Limited, which is listed on the Australian Securities Exchange. Dr. Hua graduated from the Chengdu University of Technology (formerly known as Chengdu College of Geology) with a Bachelor Degree in Engineering in 1984, and also received his Master Degree and Doctoral Degree in Engineering from the China University of Geosciences in 1990 and 1996 respectively. Dr. Hua has over 20 years' experience in international engineering project bidding, international contract management of consulting projects, project management, project evaluation, cost and risk management and planning, organising, implementing, operating of major infrastructure projects and constructing and developing of large mining projects.

羅寧先生，61歲，由二零零六年十月起擔任本公司執行董事，並由二零一四年一月起擔任本公司董事會副主席。羅先生目前為中信國安信息產業股份有限公司(股份代號：000839.sz，其股份於中華人民共和國(「中國」)深圳證券交易所上市)之董事長。彼現時擔任白銀有色集團股份有限公司(股份代號：601212.ss，其股份於中國上海證券交易所上市)之董事。羅先生擁有豐富之電訊業務經驗，並持有中國武漢人民解放軍通信指揮學院通信專業學士學位。

華東一博士，55歲，於二零一六年七月二十六日獲委任為本公司執行董事兼署理行政總裁。華博士已於二零一七年三月二十二日正式成為本公司的行政總裁，亦為本公司風險委員會的主席。彼亦為VDM Group Limited(於澳洲證券交易所上市)之執行董事。華博士於一九八四年畢業於成都理工大學(前稱成都地質學院)，獲得工程學學士學位，並分別於一九九零年及一九九六年獲得中國地質大學工程學碩士學位及博士學位。華博士於國際工程項目招標、顧問項目、項目管理、項目評估、成本及風險管理之國際合約管理、主要基礎建設項目之計劃、組織、執行及營運，以及大型採礦項目之建設與開發擁有逾20年經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Yap Fat Suan, Henry, aged 74, has been an independent non-executive director of the Company since 2004. He is also the chairman of the Audit Committee, and a committee member of the Nomination Committee, the Remuneration Committee and the Risk Committee of the Company. Mr. Yap holds a Master Degree in Business Administration from the University of Strathclyde, Glasgow, in the United Kingdom. He is a fellow member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. He has extensive experience in finance and accounting. He retired as the managing director of Johnson Matthey Hong Kong Limited in June 2007 and prior to that appointment he was the general manager of Sun Hung Kai Development (China) Limited. He is also an independent non-executive director of Concord New Energy Group Limited (stock code: 182), which is listed on the Main Board of the Stock Exchange, and Brockman Mining Limited, which is listed on the Main Board of the Stock Exchange (stock code: 159) and the Australian Securities Exchange (stock code: BCK).

Professor Lee Hau Leung, aged 67, has served as an independent non-executive director of the Company since 2014. He is also the chairman of the Remuneration Committee and a committee member of the Audit Committee, the Nomination Committee and the Risk Committee of the Company. Professor Lee is the Thoma Professor of Operations, Information and Technology at the Graduate School of Business at Stanford University and the chairman of the board of the Fung Academy. His areas of specialisation include supply chain management, information technology, global logistics system design, inventory planning, and manufacturing strategy. He is the founding and current co-director of the Stanford Value Chain Innovation Initiative. He was elected a member of the United States National Academy of Engineering in 2010. He obtained his Bachelor of Social Science degree in Economics and Statistics from The University of Hong Kong in 1974, his Master of Science degree in Operational Research from the London School of Economics in 1975, and his Master of Science and PhD degrees in Operations Research from the Wharton School of the University of Pennsylvania in 1983. He was awarded an Honorary Doctorate of Engineering degree by The Hong Kong University of Science and Technology in 2006 and an Honorary Doctorate from the Erasmus University of Rotterdam in 2008. Professor Lee is an independent non-executive director of each of Lion Rock Group Limited (formerly known as 1010 Printing Group Limited), a company listed on the Main Board of the Stock Exchange; Synnex Corporation, a public company listed on The New York Stock Exchange in the United States; and Esquel Enterprises Limited, a private company based in Hong Kong. Also, Professor Lee has been re-designated as a non-executive director of Global Brands Group Holding Limited, a company listed on the Main Board of the Stock Exchange, since 14 June 2017.

獨立非執行董事

葉發旋先生，74歲，由二零零四年起擔任本公司之獨立非執行董事。彼亦為本公司審核委員會主席以及提名委員會、薪酬委員會及風險委員會委員。葉先生持有英國格拉斯哥斯特拉斯克萊德大學工商管理碩士學位。彼為英格蘭及威爾斯特許會計師公會資深會員及香港會計師公會會員，彼擁有豐富財務及會計經驗。彼於二零零七年六月辭任莊信萬豐貴金屬香港有限公司董事總經理一職，在此委任之前，彼為新鴻基發展(中國)有限公司之總經理。彼亦為協合新能源集團有限公司(股份代號：182，於聯交所主板上市)及布萊克萬礦業有限公司(於聯交所主板(股份代號：159)及澳洲證券交易所(股份代號：BCK)上市)之獨立非執行董事。

李效良教授，67歲，由二零一四年起擔任本公司獨立非執行董事。彼亦為本公司薪酬委員會主席以及審核委員會、提名委員會及風險委員會委員。李教授為史丹福大學商學研究院營運、資訊及科技Thoma教授以及Fung Academy之董事會主席。其專研範疇包括供應鏈管理、資訊科技、環球物流系統設計、存貨規劃及製造策略。彼為Stanford Value Chain Innovation Initiative之創辦及現任聯席主任。彼於二零一零年獲選為美國國家工程學院院士。彼於一九七四年取得香港大學經濟及統計學社會科學學士學位，於一九七五年取得倫敦經濟學院統籌學理學碩士學位，並於一九八三年在賓夕凡尼亞大學華頓商學院取得統籌學理學碩士及博士學位。彼分別於二零零六年及二零零八年獲香港科技大學頒授工程學榮譽博士學位及鹿特丹伊拉斯姆斯大學榮譽博士學位。李教授分別為聯交所主板上市之獅子山集團有限公司(前稱匯星印刷集團有限公司)、美國紐約證券交易所上市之Synnex Corporation及Esquel Enterprises Limited(一家總部位於香港之私人公司)之獨立非執行董事。此外，李教授已自二零一七年六月十四日起獲重新委任為於聯交所主板上市之利標品牌有限公司之非執行董事。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Dr. Harold O. Demuren, aged 74, has served as an independent non-executive director of the Company since 2014. He is also a committee member of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Risk Committee of the Company. Dr. Demuren is an aeronautical engineer and the chief executive officer of Harold Demuren Consulting. With over 45 years of experience in both the public and private sectors of the aviation industry, Dr. Demuren has been a strong proponent of aviation safety and security, especially advocating and spreading safety regulatory oversight on the African continent. He was the chief executive officer of Afrijet Airlines, a successful cargo airline, which had strategic alliances with foreign partners servicing Africa, Europe and the Americas from 1998 to 2005. He is the founder of Evergreen Apple Nigeria, the first fully integrated fixed based operations and maintenance facility hangar in Nigeria. He was appointed as the Director General of the Nigerian Civil Aviation Authority from 2005 to 2013 and was the first to provide vital information to the public on the failed attempt of the “Christmas Day Bomber” in 2009. He successfully attained US Federal Aviation Administration (FAA) Category One Certification for Nigeria and was the first African to be elected as the President of the International Civil Aviation Organisation (ICAO) General Assembly in Montreal in 2010. For his contribution to aviation safety globally, Dr. Demuren has received numerous awards including the 2010 Laura Taber Barbour Air Safety Award and the 2014 FSF-Boeing Aviation Safety Lifetime Achievement Award from Flight Safety Foundation. Dr. Demuren holds a Master of Science degree in Aeronautical Engineering from the Kiev Institute of Aeronautical Engineers in the former Soviet Union and a Doctor of Science degree in the field of gas turbines, specialising in aircraft jet engines, from the Department of Aeronautics and Astronautics of the Massachusetts Institute of Technology (MIT).

Harold O. Demuren 博士，74歲，由二零一四年起擔任本公司獨立非執行董事。彼亦為本公司審核委員會、提名委員會、薪酬委員會及風險委員會委員。Demuren 博士為航空工程師及 Harold Demuren Consulting 之行政總裁。Demuren 博士在航空業的公共及私營機構擁有逾45年經驗，一直致力提倡航空安全及保安，特別是提倡並在非洲大陸推廣安全監管。彼曾為 Afrijet Airlines 之行政總裁，該成功之貨運航空公司於一九九八年至二零零五年與外國夥伴建立策略性聯盟，服務非洲、歐洲及美洲。彼為尼日利亞首個全面整合固定基地營運及維修設施機庫 Evergreen Apple Nigeria 之創辦人。彼於二零零五年至二零一三年獲委任為尼日利亞民航局局長，並為首位就二零零九年「聖誕節炸彈客」引爆失敗事件向公眾提供重要訊息的人士。彼成功為尼日利亞取得美國聯邦航空總署（「美國聯邦航空總署」）一級認證，並於二零一零年在蒙特利爾成為首位獲選為國際民用航空組織（「國際民航組織」）大會主席的非洲人。Demuren 博士曾獲頒多個獎項，包括獲飛行安全基金會頒授二零一零年 Laura Taber Barbour 航空安全獎（Laura Taber Barbour Air Safety Award）及二零一四年飛行安全基金會－波音航空安全終身成就獎（FSF-Boeing Aviation Safety Lifetime Achievement Award），以表彰彼對全球航空安全的貢獻。Demuren 博士持有前蘇聯 Kiev Institute of Aeronautical Engineers 之航空工程理學碩士學位，及麻省理工學院（「麻省理工學院」）航空航天系燃氣渦輪領域之理學博士學位，專門研究噴氣式飛機引擎。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理人員之履歷詳情

SENIOR MANAGEMENT

Mr. Leung King Yu, Wilson, aged 47, has been the Chief Financial Officer of the Company since July 2018. Mr. Leung has more than 24 years of auditing, financial, accounting and advisory related experience of which he spent 10 years working in Mainland China. Prior to joining the Group, he worked at the audit and assurance department of Ernst & Young, an international accounting firm, for more than 17 years. He retired from the partnership at Ernst & Young in September 2012. Afterwards, Mr. Leung worked as the Chief Financial Officer for two other main board listed companies. His experience covers a wide variety of industries including automotive, telecommunication, property development, oil transportation, logistic and manufacturing. He had extensive experience in merger and acquisitions, initial public offerings, fund raising exercises and group restructuring. Mr. Leung graduated from the Hong Kong Polytechnic University. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

Mr. Uldarico Ard Peregrino Jr., aged 50, is the Chief Security Officer of the Group and a director of various subsidiaries of the Company. He has advised the corporate and national security level programs in the industry since 1994, and has managed complex, global integrated security and logistics programs in various capacities over the past 20 years. Mr. Peregrino began his career as a United States Marine. After completing his seven-plus years of service, Mr. Peregrino entered the International Corporate Security industry, quickly progressing to managing large VIP security operations and developing critical training for close protection teams. He also served as a local law enforcement officer where he was awarded two "Valor Awards". Among other certifications, Mr. Peregrino holds one of the most respected Aviation Security Certification, the AVSEC PMC certified by ICAO. He has published papers on many security topics and has participated in the international arena as a featured speaker for the corporate security industry and law enforcement.

高級管理人員

梁擎宇先生，47歲，自二零一八年七月起擔任本公司之財務總裁。梁先生擁有超過24年的審核、財務、會計及諮詢相關經驗，期間曾在中國內地工作10年。在加入本集團之前，彼曾於國際會計師事務所安永的審計部工作超過17年，於二零一二年九月離職時為安永之合夥人。此後，梁先生曾為其他兩家主板上市公司擔任財務總監。其經驗涵蓋包括汽車、電信、房地產開發、石油運輸、物流及製造等多個行業，在合併及收購、首次公开发售、籌資活動及集團重組方面擁有豐富經驗。梁先生畢業於香港理工大學。彼為英國特許公認會計師公會及香港會計師公會之資深會員。

Uldarico Ard Peregrino Jr.先生，50歲，本集團安保總裁及本公司多家附屬公司之董事。彼自一九九四年以來從事企業及國家安保水平行業諮詢服務，並於過去20年歷任數職，管理複雜的全球綜合安保及物流項目。Peregrino先生最初為美國海軍陸戰隊隊員。結束長達七年多的軍旅生涯後，Peregrino先生投身國際企業安保行業，並很快進升至管理大型重要人物安保業務及開發嚴格的近身保護團隊培訓。彼亦曾擔任地方執法官員，並兩次獲授「英勇獎」。在其他資格認證當中，Peregrino先生持有最備受推崇之航空安全證書(Aviation Security Certification)，由國際民用航空組織認證之航空安全專業管理證書(AVSEC PMC)。彼已發表大量有關安保主題的論文，並於國際舞台上為企業安保行業及執法機構演講。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Mr. Liu Zhigang, aged 47, has been the Head of the East Africa Region and the Country Manager of the Democratic Republic of Congo (the "DRC") for the Company since July 2018. Mr. Liu is responsible for overseeing the Company's business and operations in Kenya, South Sudan, Uganda, Tanzania, Mozambique and the DRC. Prior to joining the Company, Mr. Liu served as vice president and director of Weihai International Economic and Technical Cooperation Co., Ltd. and the chairman of Zhengwei Company in the DRC. Mr. Liu has extensive working experience in handling overseas projects including project bidding, project management and localised management and he is familiar with the financing and business model for projects along the Belt and Road Initiative. Mr. Liu has been working for more than ten years in both Republic of the Congo and the DRC. He is familiar with the business environment in Africa and has a good reputation among local political and business strategists. Mr. Liu graduated from Qingdao University with a Bachelor of Science degree and had studied at Central University of Finance and Economics. Mr. Liu has also equipped with extensive financial background.

Mr. Su Bin, aged 40, is the Head of the Group's insurance division, focusing on the risk management and insurance solutions business of the Group. Mr. Su has more than 16 years working experience in risk management and insurance industry, offering tailor-made insurance programs and integrated risk solutions for clients like overseas projects and multinational enterprises. Before joining the Group, he worked in line of Construction & Energy of JLT Insurance Broker Co., which was a Jardine Matheson associate company. His clients included many types like power generation, infrastructure, oil and gas, renewable energy etc. in high-risk areas such as Southeast Asia, Central Asia, Africa and South America. Mr. Su worked as Assistant General Manager of the Captive Insurance Department of Generali China, and Assistant General Manager of P&C Technical Department of Jiangtai Insurance Broker Co. once before. He holds Master Degree of Insurance (Central University of Finance and Economics), Bachelor Degree of Economics (Beijing Commercial College), ANZIIF (Fellow) CIP, and is a registered broker of China Insurance Regulatory Commission.

Mr. Lv Chaohai, aged 56, is the Head of Northwest Region, who is responsible to oversee the Company's business and operations in Pakistan, Kazakhstan, Uzbekistan and other major countries in Northwest Asia. Prior to working with the Company, Mr. Lv was vice president of Xinjiang Production and Construction Corporations and the chairman of its international company, having extensive overseas working experience in project operation, equipment procurement as well as localisation, security, training, education and employment of Chinese and foreign labor. Mr. Lv is a graduate of Xi'an Jiaotong University and a certificate holder of senior engineer and construction engineer.

劉志剛先生，47歲，由二零一八年七月起擔任本公司東非區總經理兼剛果民主共和國（「剛果（金）」）國家經理。彼負責監管本公司在肯尼亞、南蘇丹、烏干達、坦桑尼亞、莫桑比克及剛果（金）的業務及營運。在加入本公司之前，劉先生曾在威海國際經濟技術合作股份有限公司擔任副總裁及董事及於剛果（金）正威公司擔任董事長。彼在處理海外項目如項目投標、項目營運及屬地化管理方面擁有豐富工作經驗，熟悉一帶一路項目的融資及運營模式。劉先生一直於剛果共和國及剛果（金）工作逾十年。彼熟悉非洲的營商環境，在當地政商界擁有良好的聲譽。劉先生持有青島大學的理學士學位並曾於中央財經大學進修。彼擁有豐富的財務工作背景。

蘇彬先生，40歲，本集團保險分部主管，專注於本集團之風險管理及保險解決方案業務。蘇先生於風險管理及保險行業擁有超過16年工作經驗，為海外項目及跨國企業等客戶提供度身制定之保險計劃及綜合風險解決方案。加入本集團前，彼曾任職怡和洋行聯屬公司怡和保險經紀有限公司之建築及能源部門。其客戶包括東南亞、中亞、非洲及南美等高風險地區之發電、基礎建設、油氣、可再生能源等多個類型。蘇先生曾任職忠意人壽專屬保險部之副總經理，此前則擔任江泰保險經紀股份有限公司財產及傷亡技術部門之副總經理。彼持有中央財經大學之保險碩士學位、北京商學院之經濟學士學位以及澳大利亞新西蘭保險與金融學會（資深會員）認證保險師資格，並為中國保險監督管理委員會之登記經紀。

呂超海先生，56歲，為西北區主管，負責監管本公司於巴基斯坦、哈薩克斯坦、烏茲別克斯坦及亞洲西北其他主要國家之業務及營運。加入本公司之前，呂先生曾擔任新疆兵團建工集團副總裁兼國際公司主席，在項目營運、設備採購以及屬地化、安保、培訓、教育及使用中外勞動力就業方面擁有豐富的海外工作經驗。呂先生畢業於西安交通大學，持有高級工程師及建造師證書。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Ms. Cui Jiming, aged 54, is the Global Human Resources Director of the Group, overseeing and operating human resources matters across all of the offices and subsidiaries in Asia, Middle East and Africa, creating and implementing human resource strategy of the Group to transform the strategic objectives into the common goals and actions of all employees. Previously, Ms. Cui served as Deputy General Manager of CITIC Construction Technology Center (Planning & Design Institution), responsible for administration management, human resources management, security management, social responsibility management of Angola KK Housing Project, RED Social Housing Project, Agricultural Development and Construction Project, Geological Survey and other projects. Ms. Cui is a graduate of Lanzhou Jiaotong University, holding a bachelor's degree in Industrial and Civil Construction and a master's degree in Economic Management, and a certificate holder of Senior Engineer, Senior Project Manager and Corporate Trainer.

Dr. Hu Ping, aged 57, has been employed as the general manager of the Middle East and North Africa region of the Group since 1 June 2019. Dr. Hu Ping graduated from the Department of Geophysical Prospecting, Chengdu University of Geology with a bachelor's degree in 1983; in June 2005, he obtained a PhD degree in Earth Exploration and Information Technology (Engineering) from China University of Geosciences (Beijing). From 1983 to March 2013, he worked at the Institute of Geophysical and Geochemical Exploration, Chinese Academy of Geological Sciences, Ministry of Land and Resources, and served as the director of the Market Development Division, the General Manager, Assistant Director and Deputy Director of the Hong Kong Engineering Geophysical Co., Ltd. In April 2013, he was designated to Deputy General Manager of CITIC Construction Co., Ltd., and successively served as General Manager of the Energy and Minerals Business Department and General Manager of Africa. In July 2019, he was appointed as a member of the Overseas Geological Work Expert Advisory Committee of the China Geological Survey. He has more than 30 years of experience in geological exploration of energy and mineral resources, development of international engineering markets, and operation management of large-scale engineering projects

崔繼銘女士，54歲，本集團全球人力資源總監，監管及營運本集團在亞洲、中東及非洲地區所有辦事處、附屬公司的人力資源系統，為本集團戰略發展制定和實施人力資源策略，將企業的戰略目標轉化為全體員工共同的目標與行動。彼曾擔任中信建設技術中心(設計院)副總經理，負責安哥拉KK住房項目、RED社會住房項目、農業開發建設項目、地質調查等項目的行政管理、人力資源管理、安保管理、企業文化、社會責任等工作。彼畢業於蘭州交通大學，持有工業與民用建築學士學位和經濟管理碩士學位，並為高級工程師、高級項目管理師和企業培訓師。

胡平博士，57歲，自二零一九年六月一日起獲受聘為本集團之中東及北非區總經理。於一九八三年，胡平博士畢業於成都地質學院地質勘探系，持有學士學位；於二零零五年六月，彼取得中國地質大學(北京)地球勘探與信息技術(工程)博士學位。於一九八三年至二零一三年三月，彼任職於國土資源部中國地質科學院地球物理地球化學勘查研究所，並擔任Hong Kong Engineering Geophysical Co., Ltd之市場發展部總監、總經理、助理總監及副總監。於二零一三年四月，彼獲指任為中信建設有限責任公司之副總經理，並先後擔任能源及礦產業務部總經理及非洲總經理。於二零一九年七月，彼獲委任為中國地質調查局海外地質工作專家諮詢委員會成員。彼於能源及礦產資源之地質勘探、國際工程市場開發及大型工程項目之營運管理方面擁有超逾30年經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理人員之履歷詳情

Mr. Zhou Chuncheng, aged 41, was appointed as the executive general manager of Frontier Logistics (Shanghai) Co., Ltd. on 2 September 2019. Mr. Zhou graduated from Dalian Maritime University in 2003 with a bachelor's degree in management and has been a part-time graduate student in finance at Peking University School of Economics since 2017. Mr. Zhou has 17 years of extensive experience in the international logistics industry, ship management, ship leasing, and engineering logistics. He has years of experience from China's largest integrated logistics group companies with broad overseas work experience.

Mr. Tan Jiaying, aged 42, joined the Group on 23 June 2017 as Deputy General Manager of the Group's Business Development Department. He is mainly responsible for the Group's business development and major project management in Africa. Mr. Tan graduated from Dongbei University of Finance and Economics in 2000 with a bachelor's degree in economics. He then graduated from the University of International Business and Economics in 2004 with a master's degree in economics. Mr. Tan has fifteen years of relevant experience in China's foreign investment cooperation industry. He has worked in the China Chamber of Foreign Contracting Engineers for more than 10 years, and worked in the Economic and Commercial Counsellor's Office of the Chinese Embassy in Nigeria for 3 years. Mr. Tan has in-depth research and management experience in international labor service cooperation and safety risk management.

Mr. Chan Kam Kwan, Jason, aged 46, has been the Company Secretary of the Company since 2006. He is also a director of various subsidiaries of the Company. He graduated from the University of British Columbia in Canada with a Bachelor Degree in Commerce and holds a certificate of Certified Public Accountant issued by the Washington State Board of Accountancy in the United States. He has extensive experience in accounting and corporate finance.

周春成先生，41歲，於二零一九年九月二日獲委任為先豐物流(上海)有限公司行政總經理。於二零零三年，周先生畢業於大連海事大學，持有管理學學士學位，並自二零一七年起一直為北京大學經濟學院兼讀制金融研究生。周先生於國際物流行業、船舶管理、船舶租賃及工程物流方面擁有17年豐富經驗。彼於中國最大規模綜合物流集團公司中擁有多年經驗，並具有豐富海外工作經驗。

譚家盈先生，42歲，於二零一七年六月二十三日加入本集團出任本集團業務發展部之副總經理。彼主要負責本集團於非洲之業務發展及主要項目管理。於二零零零年，譚先生畢業於東北財經大學，持有經濟學學士學位。其後，彼於二零零四年畢業於對外經濟貿易大學，持有經濟學碩士學位。譚先生於中國海外投資合作行業擁有十五年相關經驗。彼於中國對外承包工程商會任職超過10年，並於中國駐尼日利亞領事館經濟商務參贊處工作3年。譚先生於國際勞工服務合作及安全風險管理方面具有深入研究及管理經驗。

陳錦坤先生，46歲，由二零零六年起擔任本公司之公司秘書。彼亦為本公司多家附屬公司之董事。彼畢業於加拿大英屬哥倫比亞大學，持有商業學士學位，並持有美國華盛頓州會計委員會頒發之執業會計師證書。彼於會計及企業財務方面擁有豐富經驗。

REPORT OF THE DIRECTORS

董事會報告

The directors of the Company submit their report together with the audited consolidated financial statements for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of Frontier Services Group Limited (the “**Company**”) are investment holding and management. Details of the principal activities of the principal subsidiaries are set out in Note 16 to the consolidated financial statements.

An analysis of the performance of the Company and its subsidiaries (the “**Group**”) for the year by operating segments is set out in Note 5 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2019 are set out in the consolidated income statement on page 72.

DIVIDENDS

The Board of Directors (the “**Board**”) of the Company does not recommend the payment of any dividend for the year (2018: Nil).

BUSINESS REVIEW

A review of the business of the Group as required by Schedule 5 to the Hong Kong Companies Ordinance are set out in the Chairman’s Statement and the Management Discussion and Analysis of this annual report. The review forms part of the Report of the Directors.

Description of the principal risks and uncertainties facing the Group are provided in the paragraph below.

Detailed discussions on the Group’s environmental policies, relationships with its key stakeholders, and compliance with relevant laws and regulations which have a significant impact on the Group are set out in the Environmental, Social and Governance Report of this annual report. The discussions form part of the Report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group is exposed to various risks, including factors that are unique to the Group and the markets in which it operates, in addition to those risks that are shared by most other businesses. The Group has implemented a risk management and internal control framework to identify current and foreseeable risks at different levels of the Group in order to monitor and mitigate their adverse impacts.

本公司董事謹提呈彼等之報告及截至二零一九年十二月三十一日止年度之經審核綜合財務報表。

主要業務

先豐服務集團有限公司(「**本公司**」)之主要業務為投資控股及管理。主要附屬公司之主要業務詳情載列於綜合財務報表附註16。

本公司及其附屬公司(「**本集團**」)按營運分部劃分之年內表現分析載列於綜合財務報表附註5。

業績及分派

本集團截至二零一九年十二月三十一日止年度之業績載列於第72頁之綜合收益表。

股息

本年度，本公司董事會(「**董事會**」)不建議派付任何股息(二零一八年：無)。

業務回顧

香港《公司條例》附表5所規定之本集團業務回顧載列於本年報主席報告及管理層討論及分析中。該回顧構成董事會報告之一部份。

關於本集團面對的主要風險及不確定因素的敘述載於下文各段。

有關本集團的環保政策、與其主要利益相關者之關係及遵守對本集團構成重大影響的相關法律及法規的討論詳情載於本年報之環境、社會及管治報告。有關討論構成董事會報告之一部份。

主要風險及不確定因素

本集團面對多種風險，除大部份其他業務都會面對的風險外，當中亦包括本集團及其營運所在市場的特定因素。本集團已實施風險管理及內部監控框架來識別本集團不同層面目前及可預見的風險，以監察及減輕風險帶來的不利影響。

REPORT OF THE DIRECTORS

董事會報告

The following discussion highlights the risks that are believed to be most germane to the Group at this time. Any or all of the Group's business, financial status, operations, personnel, and outlook may be adversely or, potentially, materially affected by the identified risks. The scope of the risks influencing the Group may exceed those presented herein, so the following is not intended to be comprehensive. Rather, the list of risks may include in the future unknown matters that ultimately have an impact, material or otherwise, on the Group.

Geopolitical Environment — The Group's core business is the provision of logistics, security, insurance and infrastructure services to customers operating across the Belt and Road region from Asia to Africa. The Group's target geographies include many of the world's emerging markets. However, the orderly transition of elected leadership, especially within less developed countries, has been challenged at times, creating localised political risk. In addition, regional pockets of terrorism, often directed toward governments and related agencies, can compound the geopolitical risk inherent. Therefore, diversification, across end-markets, service capabilities and operating locations, is the cornerstone of the Group's process to mitigate geopolitical risk.

Economic Environment — The Group employs a strategy of diversification to hedge against cyclical downturns in geographic regions and specific end-markets. Nevertheless, the Group's regional markets, writ large, have been and will continue to be affected by commodity prices and balance-of-trade issues.

Compliance — Similar to the intrinsic geopolitical risk arising from operating in Africa, corruption is found in fast-growing markets. The Group rigorously adheres to all applicable anti-bribery statutes of various jurisdictions and offers a thorough anti-corruption training program to all of its staff members to reduce the risk of corruption to the business.

Aviation — The Group has invested considerable resources into the development of its aviation capabilities. The global aviation market carries numerous inherent risks, from the safe operation of aircraft to the evolution of local regulatory policies. The Group follows all policies and procedures to ensure that its aviation operations are fully compliant with the relevant civil aviation authority and that it operates its fleet in the safest and most reliable manner.

Competition — The Group has endeavoured to be the first business to bring a complete security, logistics, insurance and infrastructure service solution to Belt and Road markets. Within its primary aviation and logistics segment – air and ground – the Group faces strong competition from existing vendors specialising in one or more of the Group's lines of service. The Group continually adapts its tactical response to the ever-changing competitive landscape across its target markets. Combining security services with logistics, insurance and infrastructure offerings is a huge market differentiator.

下文討論所提及的風險相信為現時與本集團關係最為密切的風險。當中所識別的風險均可能對本集團任何或全部業務、財務狀況、營運、僱員及前景造成不利或潛在重大影響。影響本集團的風險範圍可能超出本報告書所呈列的範圍，故此下文並不擬作為詳盡資料。反之，風險列表可能包括日後最終對本集團造成重大或其他方面的影響的未知事宜。

地緣政治環境 — 本集團的核心業務橫跨亞洲至非洲，為向於一帶一路地區經營業務的客戶提供物流、安保、保險及基建服務。本集團的目標地區包括很多全球新興市場。然而，尤其是在低度發展國家當選領導層的有序過渡仍然不時面臨挑戰，造成地方政治風險。此外，針對政府及有關當局的地區恐怖主義活動時有發生，令固有的地緣政治風險惡化。因此，在終端市場、服務能力及營運地點三方面作多元化發展，是本集團減低地緣政治風險過程的基礎。

經濟環境 — 本集團採取多元化的策略對沖地區及特定終端市場的週期性經濟衰退。儘管如此，本集團的區域市場一直並將繼續受到商品價格及貿易平衡問題的顯著影響。

合規 — 與在非洲經營業務產生的內在地緣政治風險相類似，貪污亦經常在迅速增長的市場出現。本集團嚴格遵從各個司法權區內所有適用的反行賄法規，並為其所有僱員提供全面的反貪培訓課程，以減低業務的貪污風險。

航空 — 本集團已為發展其航空服務能力投入大量資源。全球航空市場有多項固有風險，包括飛機的安全運作以至地方監管政策的演變。本集團遵守所有政策及程序，以確保其航空業務全面符合相關民航機關的規定，並以最安全及最可靠的方式營運其機隊。

競爭 — 本集團致力成為首家為一帶一路市場提供全面安保、物流、保險及基建服務解決方案的企業。本集團首要的航空及物流分部(包括航空及地面)令其面臨來自現有賣家的激烈競爭，而該等供應商都專門從事一項或以上本集團所提供的服務。本集團不斷因應目標市場瞬息萬變的競爭環境採取策略性的應對措施。將安保服務與物流、保險及基建服務相結合，令本集團從市場中脫穎而出。

REPORT OF THE DIRECTORS

董事會報告

Global Operations — The Group, headquartered in Hong Kong, now conducts operations in three continents, Asia, Africa and Europe. As a result, considerable ongoing coordination is required to manage the business in the most effective manner across multiple time zones and numerous geographies.

Financial — The Group operates across multiple jurisdictions and conducts business in multiple foreign currencies. As such, the Group is exposed to foreign exchange risks and even exchange control. The Group monitors its cash position and overall near-and medium-term liquidity on a weekly basis, and makes all necessary adjustments to ensure that the business has a functioning capital structure.

Strategy — The Group is fully committed to its strategic development of an integrated logistics, security, insurance and infrastructure service offering. The execution of this vision requires great coordination among the Group's operating businesses, in addition to the cooperation of other potential partners. Further, the fulfillment of the Group's strategy may require the addition of new geographic or service capabilities, either through greenfield investment or corporate acquisition. While the Group proactively plans for these potential requirements, there are no assurances that the required investment opportunities will exist in the future.

Personnel — The Group's success is ultimately determined by its dedicated staff, and the ability to grow the business is predicated on the Group's ability to recruit, train, and retain highly qualified personnel who share a passion for the corporate vision. The loss of any key staff member or a failure to attract new personnel could have a negative and potentially material effect on the Group and its prospects.

Highly Regulated Business — The Group is subject to a number of national and local regulatory bodies by virtue of its global operations. Failure to comply with any one of the applicable regulatory regimes could have an adverse impact on the Group's operation. Consequently, the Group expends substantial resources ensuring its businesses operate in a fully compliant manner, often with the assistance of third-party service providers who specialise in such matters.

Sanction Risks — The Group is subject to sanction risks imposed by various bodies by virtue of its global business in frontier markets. These sanction risks might impose restrictions to the Group's business and might have an adverse impact on the Group's operation. The Company has put in place various measures, including but not limited to seeking external legal counsel's advice and establishing the Risk Committee, to ensure these sanction risks would not have a material impact on the Group's operation.

全球業務 — 本集團的總部設於香港，現時於亞洲、非洲及歐洲三大洲經營業務。因此，本集團必須持續進行大量的協調工作，方能以最有效的方式管理其於不同時區及多個地區的業務。

財務 — 本集團在多個司法權區內營運，並以多種外幣經營業務。因此，本集團面對有關外匯風險甚至外匯管制。本集團每星期監察其現金狀況以及短期及中期的整體流動資金狀況，並會作出所有必要調整，以確保業務擁有正常運作的資金架構。

策略 — 本集團致力達致物流、安保、保險及基建綜合服務的策略性發展。除與其他潛在業務夥伴合作外，實現此一願景亦需要本集團所經營的各項業務間的良好協調。此外，達成本集團的策略可能需要增添新的地區或服務能力，而此可透過全新領域的投資或企業收購達致。雖然本集團積極為這些潛在需求進行規劃，但概無保證日後將會出現所需的投資機遇。

僱員 — 本集團的成功全然取決於其努力不懈的員工，而業務增長的能力則取決於本集團招聘、培訓及挽留熱切追求同一企業願景的卓越僱員的能力。流失任何主要員工或未能吸引新僱員均可能對本集團及其前景造成負面及潛在的重大影響。

受高度規管的業務 — 由於本集團經營全球業務，故此其受到多個國家及地方監管機構的規限。未能遵守任何一個適用監管體制均可能對本集團的營運造成不利影響。因此，本集團已投放大量資源，以確保以全面合規的方式經營其業務，當中不時涉及專門處理該等事宜的第三方服務供應商的協助。

制裁風險 — 本集團因其於前沿市場之全球業務而承擔不同機構施加之制裁風險。該等制裁風險可能限制本集團之業務及可能對本集團的營運造成不利影響。本公司已實施不同措施，包括但不限於諮詢外部法律顧問的意見及已成立風險委員會，以確認該等制裁風險不會對本集團的營運造成重大影響。

REPORT OF THE DIRECTORS

董事會報告

During the year 2019,

1. the Group, along with two other local business partners, has established an associated company, of which the principal activity is the provision of general increase business in the Democratic Republic of the Congo (“DRC”). After the establishment of the associated company, that associated company immediately applied for an insurance license in the DRC and has successfully obtained such license in early 2020.
2. The Group through a subsidiary has launched its security business in the DRC and entered into an one-year security service agreement with a PRC enterprise, for the provision of security services.

The Risk Committee of the Company had assessed, with consultation with external legal counsel, the sanction risks exposure of the above-mentioned activities and the parties involved, and found that no activities conducted and the parties (i.e. Shareholders, Directors, counterparties, etc.) involved in the said projects were subject to sanctions imposed by the United Nations, the European Union, the United States of America and/or Australia.

SHARE CAPITAL, SHARE OPTIONS AND SHARE AWARD

Details of the movements in the share capital, share options and share award of the Company during the year ended 31 December 2019 are set out in Notes 28, 29 and 30 to the consolidated financial statements respectively.

RESERVES

The Company’s distributable reserves as at 31 December 2019, which solely comprised contributed surplus, amounted to HK\$ 558,899,000 (2018: HK\$558,899,000). Details of the movements in the reserves of the Group during the year are set out in Note 31 to the consolidated financial statements.

DONATIONS

During the year ended 31 December 2019, no charitable and other donation was made by the Group (2018: Nil).

DIVIDEND POLICY

The Company has adopted a dividend policy (“Dividend Policy”), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Hong Kong Laws, the bye-laws of the Company, the Bermuda Companies Act 1981 (as amended from time to time) and any other applicable laws, rules and regulations.

於二零一九年，

1. 本集團連同兩名其他當地業務合夥人已成立一家聯營公司，其主要業務為於剛果民主共和國(「剛果(金)」)提供一般保險服務。於成立聯營公司後，該聯營公司立即於剛果(金)申請保險牌照，並已於二零二零年初成功取得有關牌照。
2. 本集團通過一家附屬公司已於剛果(金)開展其安保業務，並就提供安保服務與一家中國內地企業訂立為期一年之安保服務協議。

本公司風險委員會與外聘法律顧問進行討論後，已評估上述活動及有關人士之制裁風險，並無發現本公司進行之活動及上述項目牽涉之人士(即股東、董事、訂約方等)須受到聯合國、歐盟、美利堅合眾國及/或澳洲制裁。

股本、購股權及股份獎勵

截至二零一九年十二月三十一日止年度，本公司股本、購股權及股份獎勵之變動詳情分別載列於綜合財務報表附註28、29及30。

儲備

本公司於二零一九年十二月三十一日可供分派之儲備(全部均為實繳盈餘)為558,899,000港元(二零一八年：558,899,000港元)。年內，本集團之儲備變動詳情載列於綜合財務報表附註31。

捐款

截至二零一九年十二月三十一日止年度，本集團並無作出慈善及其他捐款(二零一八年：無)。

股息政策

本公司已採納股息政策(「股息政策」)，據此，本公司可透過現金或股份方式向本公司股東派發股息。任何股息分配均應符合香港法例、本公司之公司細則、一九八一年百慕達公司法(經不時修訂)及任何其他適用法例、規則及法規之規定。

REPORT OF THE DIRECTORS

董事會報告

The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of dividend will be subject to the approval of the Shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia:

- the Group's actual and expected financial performance;
- shareholders' interests;
- retained earnings, distributable reserves and contributed surplus of the Company and each of the other members of the Group;
- the level of the Group's debts to equity ratio, return on equity and financial covenants to which the Group is subject;
- possible effects on the Group's creditworthiness;
- any restrictions on payment of dividends or other covenants on the Group's financial ratios that may be imposed by the Group's financial creditors;
- the Group's expected working capital requirements and future expansion plans;
- liquidity position and future commitments at the time of declaration of dividend;
- taxation considerations;
- statutory and regulatory restrictions;
- general business conditions and strategies;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems appropriate.

The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

FIVE YEAR FINANCIAL SUMMARY

A summary of the published results and assets, liabilities, non-controlling interests and shareholders' equity of the Group for the last five financial years, as extracted from the audited consolidated financial statements, is set out on page 200 of the annual report. This summary does not form part of the audited consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or there is no restriction against such rights under the laws of Bermuda.

支付任何股息之建議視乎董事會之絕對酌情權而定，任何股息宣派須待股東批准後方可作實。在提出任何股息支付時，董事會亦應考慮(其中包括)：

- 本集團之實際及預期財務表現；
- 股東之權益；
- 本公司及本集團其他成員公司之保留盈利、可分派儲備及實繳盈餘；
- 本集團之債務權益比率、股本回報率及本集團須遵守之財務契諾；
- 可能對本集團信譽產生的影響；
- 本集團財務債權人可能對本集團支付股息施加之任何限制或對本集團財務指標施加之其他契諾；
- 本集團的預期營運資金要求及未來擴張計劃；
- 宣派股息時的流動資金狀況及未來承擔；
- 稅收考慮；
- 法定及監管限制；
- 總體業務狀況及策略；
- 總體經濟狀況、本集團業務的商業週期以及可能影響本公司業務或財務表現及狀況的其他內部或外部因素；及
- 董事會認為適當的其他因素。

股息政策將不時進行審查，並不保證在任何特定時期內會提出或宣派股息。

五年財務概要

本集團過去五個財政年度之已公佈業績及資產、負債、非控股權益以及股東權益之概要(摘錄自經審核綜合財務報表)載列於本年報第200頁。本概要並不構成經審核綜合財務報表之一部份。

優先購買權

本公司章程細則內並無有關優先購買權之規定，百慕達法例亦無對該等權利作出限制。

REPORT OF THE DIRECTORS

董事會報告

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

The Company has not redeemed any of its listed securities during the year ended 31 December 2019. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the year ended 31 December 2019.

DIRECTORS

The directors of the Company during the year ended 31 December 2019 and up to the date of this report are:

Non-Executive Directors

Mr. Chang Zhenming (“**Mr. Chang**”)

Mr. Zhang Yichen (“**Mr. Zhang**”)

— appointed on 24 March 2020

Mr. Fei Yiping (“**Mr. Fei**”)

— appointed on 24 March 2020

Executive Directors

Mr. Erik D. Prince (“**Mr. Prince**”)

Mr. Ko Chun Shun, Johnson (“**Mr. Ko**”)

Mr. Luo Ning (“**Mr. Luo**”)

Dr. Hua Dongyi (“**Dr. Hua**”)

Mr. Hu Qinggang (“**Mr. Hu**”)

— resigned on 24 March 2020

Independent Non-Executive Directors

Mr. Yap Fat Suan, Henry (“**Mr. Yap**”)

Professor Lee Hau Leung (“**Professor Lee**”)

Dr. Harold O. Demuren (“**Dr. Demuren**”)

In accordance with the Company's Bye-laws, Mr. Luo, Mr. Yap, Dr. Demuren, Mr. Zhang and Mr. Fei will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received annual confirmations of independence from all independent non-executive directors pursuant to Rule 3.13 of the Listing Rules. Under the terms of their appointment, the independent non-executive directors are appointed for a specific term and are subject to retirement by rotation in accordance with the Company's Bye-laws. The Company believes that all the independent non-executive directors are independent in accordance with the guidelines set out in the Listing Rules.

購買、贖回或出售本公司上市證券

截至二零一九年十二月三十一日止年度，本公司並無贖回任何其上市證券。截至二零一九年十二月三十一日止年度，本公司及其任何附屬公司概無購買或出售本公司任何上市證券。

董事

於截至二零一九年十二月三十一日止年度及截至本報告日期，本公司之董事如下：

非執行董事

常振明先生(「**常先生**」)

張懿宸先生(「**張先生**」)

— 於二零二零年三月二十四日獲委任

費怡平先生(「**費先生**」)

— 於二零二零年三月二十四日獲委任

執行董事

Erik D. Prince 先生(「**Prince 先生**」)

高振順先生(「**高先生**」)

羅寧先生(「**羅先生**」)

華東一博士(「**華博士**」)

胡慶剛先生(「**胡先生**」)

— 於二零二零年三月二十四日辭任

獨立非執行董事

葉發旋先生(「**葉先生**」)

李效良教授(「**李教授**」)

Harold O. Demuren 博士(「**Demuren 博士**」)

根據本公司章程細則，羅先生、葉先生、Demuren 博士、張先生及費先生將於應屆股東週年大會上輪席退任，符合資格並願膺選連任。

本公司已收到所有獨立非執行董事根據上市規則第 3.13 條所作之年度獨立性確認函。根據委任條款，獨立非執行董事按特定任期獲委任，且須根據本公司章程細則輪席退任。本公司認為，根據上市規則所載之指引，全體獨立非執行董事均為獨立人士。

REPORT OF THE DIRECTORS

董事會報告

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws and subject to the statutes, every director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in the execution of his office or otherwise in relation thereto. The Company has taken out and maintained insurance against the liability and costs associated with defending any proceedings which may be brought against the directors of the Company. The level of coverage is reviewed annually.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme and the share award scheme of the Company as set out in Notes 29 and 30 to the consolidated financial statements respectively and the preference shares issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company, as set out in Note 32 to the consolidated financial statements, there were no other equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares entered into by the Company during the year ended 31 December 2019 or subsisted as at 31 December 2019.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 42 to 52 of the annual report.

獲准許之彌償保證條文

根據本公司章程細則及在法規之規限下，各董事將會就履行其職責或與此有關的其他事宜而蒙受或招致之所有成本、費用、開支、損失及責任獲得本公司以其資產作出彌償。本公司已就本公司董事可能面對任何法律程序中之抗辯所招致之責任及費用投購及續購保險，並每年檢討投保範圍。

股票掛鈎協議

除分別載於綜合財務報表附註29及30之本公司購股權計劃及股份獎勵計劃以及載於綜合財務報表附註32由本公司全資附屬公司DVN (Group) Limited發行之優先股外，本公司概無於截至二零一九年十二月三十一日止年度訂立或於二零一九年十二月三十一日存續其他將會或可能導致本公司發行股份，或規定本公司訂立任何將會或可能導致本公司發行股份之協議之股票掛鈎協議。

董事服務合約

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

董事於交易、安排或合約中之重大權益

於年結日或截至二零一九年十二月三十一日止年度內任何時間，本公司或其附屬公司概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益且仍然存續之重要交易、安排或合約。

董事及高級管理人員之履歷詳情

本公司之董事及本集團之高級管理人員之履歷詳情載列於年報第42頁至52頁。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS

At 31 December 2019, the interests and short positions of the Directors in the shares and underlying shares of the Company or its associated corporations, as defined in Part XV of the Securities and Futures Ordinance (the "SFO") and as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long Positions in Shares and Underlying Shares of the Company

Name of director 董事姓名	Number of ordinary shares held 所持普通股數目				Total 總計	Number of underlying shares held 所持相關股份數目		% of the issued share capital of the Company 佔本公司已發行股本百分比
	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Personal interests 個人權益		Grand total 總計		
Mr. Prince Prince 先生	200,690,657	—	—	200,690,657	—	200,690,657	8.56%	
Mr. Ko 高先生	—	2,040,816 (Note (i)) (附註(i))	268,776,719 (Note (ii)) (附註(ii))	270,817,535	—	270,817,535	11.55%	
Dr. Hua 華博士	—	—	—	—	71,679,276 (Note (iii)) (附註(iii))	71,679,276	3.06%	
Mr. Hu 胡先生	9,814,000	—	—	9,814,000	—	9,814,000	0.42%	
Mr. Yap 葉先生	—	—	—	—	1,400,000 (Note (iii)) (附註(iii))	1,400,000	0.06%	
Professor Lee 李教授	1,400,000	—	—	1,400,000	—	1,400,000	0.06%	
Dr. Demuren Demuren 博士	1,400,000	—	—	1,400,000	—	1,400,000	0.06%	

董事於本公司或任何相聯法團股份及相關股份之權益及淡倉

於二零一九年十二月三十一日，董事於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份及相關股份中擁有須記入本公司根據證券及期貨條例第352條存置之登記冊之權益及淡倉，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」)須另行知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉如下：

於本公司股份及相關股份之好倉

REPORT OF THE DIRECTORS

董事會報告

Notes:

- (i) These shares were held by the spouse of Mr. Ko.
- (ii) This represents:
 - (a) the deemed interests of Mr. Ko in the 48,276,719 ordinary shares of the Company held by First Gain International Limited under the SFO by virtue of his interests in First Gain International Limited;
 - (b) the deemed interests of Mr. Ko in the 175,500,000 ordinary shares of the Company held by Rich Hill Capital Limited under the SFO by virtue of his interests in Rich Hill Capital Limited; and
 - (c) the deemed interests of Mr. Ko in the 45,000,000 ordinary shares of the Company held by Greater Harmony Limited under the SFO by virtue of his interests in Greater Harmony Limited.
- (iii) These represent the share options of the Company granted to the respective directors under the Company's share option scheme, details of which are disclosed in Note 29 to the consolidated financial statements.

Save as disclosed above, at 31 December 2019, none of the directors had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations which had been recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES

Save as disclosed in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above and in the share options disclosed in Note 29 to the consolidated financial statements, at no time during the year were rights to acquire benefits by means of the acquisition of shares in the Company granted to any director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES

At 31 December 2019, other than the interests and short positions of the directors or chief executive of the Company as disclosed in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

附註：

- (i) 該等股份由高先生之配偶持有。
- (ii) 該數字指：
 - (a) 根據證券及期貨條例，由於高先生於First Gain International Limited之權益，故被視作擁有First Gain International Limited持有之48,276,719股本公司普通股之權益；
 - (b) 根據證券及期貨條例，由於高先生於Rich Hill Capital Limited之權益，故被視作擁有Rich Hill Capital Limited持有之175,500,000股本公司普通股之權益；及
 - (c) 根據證券及期貨條例，由於高先生於Greater Harmony Limited之權益，故被視作擁有Greater Harmony Limited持有之45,000,000股本公司普通股之權益。
- (iii) 該等數字指根據本公司購股權計劃授予有關董事之本公司購股權，詳情於綜合財務報表附註29披露。

除上文所披露者外，於二零一九年十二月三十一日，概無董事於本公司或其任何相聯法團之股份或相關股份中擁有須記入根據證券及期貨條例第352條而存置之登記冊之任何權益或淡倉，或根據標準守則須另行知會本公司及聯交所之任何權益或淡倉。

董事收購股份之權利

除上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節中所披露及綜合財務報表附註29所披露之購股權外，任何董事或彼等各自之配偶或未成年子女概無於年內任何時間獲授予可藉購入本公司股份而獲益之權利，亦無行使任何該等權利。本公司或其任何附屬公司亦無參與訂立任何安排，致使董事可取得任何其他法團之該等權利。

主要股東及其他人士於股份之權益

於二零一九年十二月三十一日，除上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節中所披露之本公司董事或主要行政人員之權益及淡倉外，根據本公司按照證券及期貨條例第336條存置之權益登記冊記錄，擁有本公司已發行股本5%或以上之權益之主要股東及其他人士如下：

REPORT OF THE DIRECTORS

董事會報告

Long Positions in Shares and Underlying Shares of the Company

於本公司股份及相關股份之好倉

Name	Number of ordinary shares held 所持普通股數目			Number of underlying shares held 所持相關股份數目		% of the issued share capital of the Company 佔本公司已發行股本百分比
	Direct beneficially owned	Through controlled corporations	Total	Through controlled corporations	Grand total	
名稱	直接實益擁有	透過受控公司	總計	透過受控公司	總計	
Easy Flow Investments Limited 盈動投資有限公司	607,592,607	—	607,592,607	—	607,592,607	25.91%
CITIC Investment (HK) Limited 中信投資管理(香港)有限公司	—	607,592,607 (Note (i)) (附註(i))	607,592,607	—	607,592,607	25.91%
CITIC Corporation Limited 中國中信有限公司	—	607,592,607 (Note (ii)) (附註(ii))	607,592,607	—	607,592,607	25.91%
CITIC Limited 中國中信股份有限公司	—	607,592,607 (Note (iii)) (附註(iii))	607,592,607	—	607,592,607	25.91%
CITIC Group Corporation 中國中信集團有限公司	—	607,592,607 (Note (iv)) (附註(iv))	607,592,607	—	607,592,607	25.91%
Taiping Trustees Limited 太平信託有限公司	160,000,000	—	160,000,000	—	160,000,000	6.82%
Taiping Financial Holdings Company Limited 太平金融控股有限公司	—	160,000,000 (Note (v)) (附註(v))	160,000,000	—	160,000,000	6.82%
China Taiping Insurance Holdings Company Limited 中國太平保險控股有限公司	—	160,000,000 (Note (vi)) (附註(vi))	160,000,000	—	160,000,000	6.82%
Trinity Gate Limited	175,399,571	—	175,399,571	—	175,399,571	7.48%
Timeness Vision Limited	—	175,399,571 (Note (vii)) (附註(vii))	175,399,571	—	175,399,571	7.48%
Teng Rongsong 滕榮松	—	175,399,571 (Note (viii)) (附註(viii))	175,399,571	—	175,399,571	7.48%
Rich Hill Capital Limited	175,500,000	—	175,500,000	—	175,500,000 (Note (ix)) (附註(ix))	7.48%

REPORT OF THE DIRECTORS

董事會報告

Notes:

- (i) CITIC Investment (HK) Limited is deemed to be interested in the 607,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in Easy Flow Investments Limited.
- (ii) CITIC Corporation Limited is deemed to be interested in the 607,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in CITIC Investment (HK) Limited.
- (iii) CITIC Limited is deemed to be interested in the 607,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in CITIC Corporation Limited.
- (iv) CITIC Group Corporation is deemed to be interested in the 607,592,607 ordinary shares of the Company held by Easy Flow Investments Limited under the SFO by virtue of its interests in CITIC Limited. Mr. Luo Ning, a deputy chairman and an executive director of the Company, is an employee of CITIC Group Corporation.
- (v) Taiping Financial Holdings Company Limited is deemed to be interested in the 160,000,000 ordinary shares of the Company held by Taiping Trustees Limited under the SFO by virtue of its interests in Taiping Trustees Limited.
- (vi) China Taiping Insurance Holdings Company Limited is deemed to be interested in the 160,000,000 ordinary shares held by Taiping Trustees Limited by virtue of its interests in Taiping Financial Holdings Company Limited.
- (vii) Timeness Vision Limited is deemed to be interested in the 175,399,571 ordinary shares of the Company held by Trinity Gate Limited under the SFO by virtue of its interests in Trinity Gate Limited.
- (viii) Mr. Teng Rongsong is deemed to be interested in the 175,399,571 ordinary shares held by Trinity Gate Limited by virtue of its interests in Timeness Vision Limited.
- (ix) Mr. Ko is deemed to be interested in the 175,500,000 shares of the Company held by Rich Hill Capital Limited under the SFO by virtue of his interests in Rich Hill Capital Limited. Such interest forms a part of the corporate interests in the ordinary shares of the Company interested by Mr. Ko as set out in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above. Mr. Ko is a director of Rich Hill Capital Limited.

Save as disclosed above, at 31 December 2019, no other person (other than the directors or chief executive of the Company whose interests are set out in the section titled "DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATIONS" above) had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

附註：

- (i) 根據證券及期貨條例，由於中信投資管理(香港)有限公司持有盈動投資有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司607,592,607股普通股之權益。
- (ii) 根據證券及期貨條例，由於中國中信有限公司持有中信投資管理(香港)有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司607,592,607股普通股之權益。
- (iii) 根據證券及期貨條例，由於中國中信股份有限公司持有中國中信有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司607,592,607股普通股之權益。
- (iv) 根據證券及期貨條例，由於中國中信集團有限公司持有中國中信股份有限公司之權益，故被視作擁有盈動投資有限公司持有之本公司607,592,607股普通股之權益。本公司之副主席及執行董事羅寧先生為中國中信集團有限公司之僱員。
- (v) 根據證券及期貨條例，由於太平金融控股有限公司持有太平信託有限公司之權益，故被視作擁有太平信託有限公司持有之本公司160,000,000股普通股中之權益。
- (vi) 根據證券及期貨條例，由於中國太平保險控股有限公司持有太平金融控股有限公司之權益，故被視作擁有太平信託有限公司持有之本公司160,000,000股普通股中之權益。
- (vii) 根據證券及期貨條例，由於Timeness Vision Limited持有Trinity Gate Limited之權益，故被視作擁有Trinity Gate Limited持有之本公司175,399,571股普通股中之權益。
- (viii) 根據證券及期貨條例，由於滕榮松先生持有Timeness Vision Limited之權益，故被視作擁有Trinity Gate Limited持有之本公司175,399,571股普通股中之權益。
- (ix) 根據證券及期貨條例，由於高先生持有Rich Hill Capital Limited之權益，故被視作擁有Rich Hill Capital Limited持有之175,500,000股本公司股份之權益。該等權益構成上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節內載列之高先生擁有本公司普通股之公司權益之一部份。高先生為Rich Hill Capital Limited之董事。

除上文所披露者外，於二零一九年十二月三十一日，概無其他人士(本公司董事或主要行政人員除外，彼等之權益已載列於上文「董事於本公司或任何相聯法團股份及相關股份之權益及淡倉」一節中)於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予記錄之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, revenue to the Group's five largest customers accounted for approximately 46% (2018: 43%) of the total revenue for the year ended 31 December 2019 and revenue to the largest customer included therein amounted to approximately 26% (2018: 27%). Purchases from the Group's five largest suppliers accounted for approximately 12% (2018: 12%) of the total purchases for the year ended 31 December 2019 and purchases from the largest supplier included therein amounted to approximately 6% (2018: 5%).

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

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its directors, the directors confirmed that the Company has maintained throughout the year ended 31 December 2019, the amount of public float as required under the Listing Rules.

SUBSEQUENT EVENTS

Subsequent to the date of statement of financial position, the Group did not have any material events occurred other than those disclosed in Note 36 to the consolidated financial statements.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Hua Dongyi

Chief Executive Officer & Director

Hong Kong, 24 March 2020

主要客戶及供應商

於回顧年度，本集團售予五大客戶之收入額約佔截至二零一九年十二月三十一日止年度之收入總額約46%（二零一八年：43%），售予其中最大客戶之收入額約佔26%（二零一八年：27%）。本集團五大供應商之採購額佔截至二零一九年十二月三十一日止年度採購總額約12%（二零一八年：12%），其中最大供應商之採購額約佔6%（二零一八年：5%）。

本公司董事或彼等任何聯繫人或就董事所知任何擁有本公司已發行股本5%或以上之股東概無於本集團任何五大客戶或供應商擁有任何實益權益。

足夠公眾持股量

根據本公司所得之公開資料及據董事所知，董事確認，本公司於截至二零一九年十二月三十一日止整個年度內一直維持上市規則所規定之公眾持股量。

期後事項

除綜合財務報表附註36所披露者外，本集團於財務狀況表日期後概無發生任何重大事宜。

核數師

羅兵咸永道會計師事務所已審核綜合財務報表，任滿告退，並符合資格且願於本公司應屆股東週年大會膺選連任。

代表董事會

華東一

行政總裁兼董事

香港，二零二零年三月二十四日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



To the Shareholders of Frontier Services Group Limited
(Incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of Frontier Services Group Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) set out on pages 72 to 199, which comprise:

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

Our opinion

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

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

羅兵咸永道

致先豐服務集團有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

先豐服務集團有限公司(以下簡稱「**貴公司**」)及其附屬公司(以下統稱「**貴集團**」)列載於第72至199頁的綜合財務報表，包括：

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

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表須承擔的責任」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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. The key audit matter identified in our audit is related to impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets.

Key Audit Matter

Impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets of the Aviation and Logistics Business segment ("AL Business Segment")

Refer to Note 4 (Critical accounting estimates and judgements), Note 13 (Property, plant and equipment), Note 14 (Leases) and Note 15 (Goodwill and other intangibles) to the consolidated financial statements

As at 31 December 2019, the carrying value of goodwill amounted to HK\$2,102,000, arose from the acquisition of Maleth Aero Limited in the AL Business Segment, which is subject to an annual impairment assessment.

As at 31 December 2019, the Group's AL Business Segment also owned intangible assets, property, plant and equipment and right-of-use assets before impairment amounted to HK\$12,305,000, HK\$133,401,000 and HK\$152,642,000, respectively. These assets require an impairment assessment if an impairment indicator is identified.

How our audit addressed the Key Audit Matter

Our procedures in relation to management's impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets of the AL Business Segment included the following:

We evaluated and challenged the composition of management's future cash flow forecasts used in their value-in-use calculations, and the process by which they were prepared. We found that the cash flow forecasts prepared by management were subject to oversight and review by the directors of the Company and was consistent with the approved budgets of the board of directors of the Company.

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。我們在審計中識別的關鍵審計事項為商譽、無形資產、物業、機器及設備以及使用權資產之減值評估。

關鍵審計事項

航空及物流業務分部的商譽、無形資產、物業、機器及設備以及使用權資產減值評估

請參閱綜合財務報表附註4 (關鍵會計估算及判斷)、附註13(物業、機器及設備)、附註14(租賃)及附註15(商譽及其他無形資產)

於二零一九年十二月三十一日，貴集團從收購航空及物流業務分部之Maleth Aero Limited產生的商譽賬面值為2,102,000港元，有關商譽須進行年度減值評估。

於二零一九年十二月三十一日，貴集團之航空及物流業務分部亦擁有無形資產、物業、機器及設備以及使用權資產(扣除減值前)分別12,305,000港元、133,401,000港元及152,642,000港元。如發現任何減值跡象，則須對該等資產進行減值評估。

我們的審計如何處理關鍵審計事項

我們對管理層就航空及物流業務分部的商譽、無形資產、物業、機器及設備以及使用權資產作出之減值評估執行下列審計程序：

我們評估及查詢管理層於計算使用價值時所使用的未來現金流量預測的組成，以及彼等編製預測的程序。我們發現管理層編製的現金流量預測已經貴公司董事監督及審閱，且與貴公司董事會批准的預算一致。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

The AL Business Segment has been loss making since 2013 and recorded an operating loss of HK\$178,139,000 for the year ended 31 December 2019. This represented an impairment indicator for the relevant intangible assets, property, plant and equipment and right-of-use assets.

Management performed an impairment assessment in respect of the goodwill and intangible assets of each AL Business Segment related Cash Generating Unit ("CGU") using the value-in-use method which involved significant judgement in determining the assumptions used in the calculations. The key assumptions include:

- annual growth rate;
- long-term growth rate; and
- discount rate.

In relation to the impairment assessment of property, plant and equipment and right-of-use assets in each AL Business Segment related CGU, management determined the recoverable amounts as the higher of value-in-use and fair value less costs to disposal, which was calculated by benchmarking against the price quotation of a comparable model in the second-hand market or price quotation provided by independent buyer.

How our audit addressed the Key Audit Matter

We compared the current year actual results with the amounts included in the prior year cash flow forecast to consider the quality of management's forecasting, and we checked that management had considered the current year actual results in the preparation of this year's forecasts. We also inquired of management to understand the reasons for the deviation of the actual results for the current year from prior year forecast, comparing the explanations to our market knowledge and expectations, and checked that the relevant factors had been taken into account in this year's forecasts.

The procedures we performed over management's key assumptions used in the cash flow forecasts included:

- comparing annual growth rate to historical actual figures;
- benchmarking the long-term growth rate against industry forecasts; and
- benchmarking the discount rate against our research on the discount rate for comparable companies.

We evaluated sensitivity analysis performed by management around the key assumptions by calculating the degree to which these assumptions would need to change to trigger further material impairment. We determined that the calculation was most sensitive to the growth rates and discount rate assumptions, and we discussed and challenged management's view on the likelihood of such a change in the growth rates and discount rate.

關鍵審計事項

航空及物流業務分部自二零一三年併入貴集團以來一直錄得虧損，且於截至二零一九年十二月三十一日止年度錄得營運虧損178,139,000港元。此乃相關無形資產、物業、機器及設備以及使用權資產的減值跡象。

管理層已採用使用價值法就航空及物流業務分部各現金產生單位的商譽及無形資產進行減值評估。該方法於釐定計算所用假設時涉及重大判斷。主要假設包括：

- 年度增長率；
- 長期增長率；及
- 折現率。

就航空及物流業務分部各現金產生單位的物業、機器及設備以及使用權資產減值評估而言，管理層釐定可收回金額為使用價值與公允價值減出售成本的較高者，乃以可比較模型於二手市場的報價或獨立買方提供的報價為基準計算。

我們的審計如何處理關鍵審計事項

我們透過比較本年度實際結果與上年度現金流量預測的金額，考量管理層預測之質素，我們也核對管理層於編製本年度的預測時已考慮本年度之實際結果。我們亦向管理層作出查詢，以了解本年度實際結果有別於上年度預測的原因，比較有關解釋與我們的市場知識及預測，並核對相關因素已於本年度預測時納入考慮。

我們對管理層於現金流量預測所使用的主要假設執行下列審計程序：

- 比較年度增長率與過往實際數據；
- 以行業預測為基準比較長期增長率；及
- 以我們對可比較公司折現率的研究為基準比較折現率。

我們透過計算主要假設為觸發進一步重大減值需要作出調整的水平對管理層按主要假設的敏感度分析進行評估。我們釐定有關計算對增長率及折現率假設最為敏感，且我們討論及向管理層查詢有關增長率及折現率變動可能性的看法。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Key Audit Matter

A provision for impairment of HK\$64,509,000 was made for the property, plant and equipment for the year ended 31 December 2019, including HK\$38,926,000 which was provided for three aircraft reclassified to assets held-for-sale as at 31 December 2019. No provision for impairment on the goodwill, intangible assets and right-of-use assets was considered necessary as at 31 December 2019.

We focused on this area due to the significance of the balances and the significant judgements involved in the assessment of the recoverable amounts of the CGUs including the assumptions used in the calculation of value-in-use as well as the judgement required to identify suitable market comparable data to determine the fair value less costs to disposal of property, plant and equipment and right-of-use assets.

How our audit addressed the Key Audit Matter

In relation to the fair value less costs to disposal of property, plant and equipment and right-of-use assets, we checked, on a sample basis, the market price quotations for comparable property, plant and equipment or the price quotations from potential buyer of certain dismantled parts identified by management to the relevant source. We also compared, on a sample basis, the key specifications, including the model, year of manufacture, equipment and modifications of the comparable property, plant and equipment with those owned by the Group to assess the suitability of the comparison. We also performed our own internet search, on a sample basis, on the fair value less costs to disposal of similar property, plant and equipment. For property, plant and equipment reclassified to held-for-sale as at 31 December 2019, we validated the plan to dispose of by checking to management meeting minutes which confirmed such intention, and verified the fair value less costs to disposal against the price quotation provided by independent buyer, as well as the final selling price in the signed agreement.

Based on the procedures performed, we found management's impairment assessment of goodwill, intangible assets, property, plant and equipment and right-of-use assets to be supportable based on the available evidence.

關鍵審計事項

截至二零一九年十二月三十一日止年度就物業、機器及設備計提減值撥備64,509,000港元，包括於二零一九年十二月三十一日就重新分類為持作出售資產的三架飛機計提撥備38,926,000港元。管理層認為於二零一九年十二月三十一日毋須就商譽、無形資產及使用權資產計提減值撥備。

我們專注於此事項是因為有關結餘屬重大，且評估現金產生單位可收回金額涉及重大判斷（包括計算使用價值所使用的假設及確定市場上的適當可比較對象以釐定物業、機器及設備以及使用權資產的公允價值減出售成本所需的判斷）。

我們的審計如何處理關鍵審計事項

就物業、機器及設備以及使用權資產的公允價值減出售成本而言，我們抽查管理層所確定的可比較物業、機器及設備的市場報價或若干拆卸部件的潛在買方的報價與相關來源。我們亦抽樣比較可比較物業、機器及設備與貴集團所擁有者的主要規格（包括模型、生產年份、設備及修改）以評估比較的適當性。我們本身亦透過互聯網抽樣調查類似物業、機器及設備的公允價值減出售成本。就二零一九年十二月三十一日重新分類為持作出售的物業、機器及設備而言，我們透過考查管理層會議記錄驗證出售計劃，有關記錄確認該意向，並就獨立買方提供的報價以及已簽立協議的最終售價核實公允價值減出售成本。

基於所執行的審計程序，我們認為管理層就商譽、無形資產、物業、機器及設備以及使用權資產作出之減值評估乃有據可依。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達一九八一年《公司法》第90條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

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

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

From the matters communicated with the 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 Chan Hin Gay Gabriel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 24 March 2020

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充分、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計項目合夥人是陳顯基。

羅兵咸永道會計師事務所
執業會計師

香港，二零二零年三月二十四日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

			2019 二零一九年	2018 二零一八年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue from contracts with customers	來自客戶合約之收入	6	725,920	866,748
Cost of direct materials and job expenses	直接材料費用及工作開支		(200,120)	(283,938)
Cost of aircraft management services	飛機管理服務成本		(97,689)	(128,814)
Data costs	數據成本		(5,999)	(7,028)
Employee benefit expenses	僱員福利開支	7	(240,896)	(211,722)
Sub-contracting charges	分包費用		(268,622)	(288,488)
Rental expenses	租金費用	10	(17,606)	(33,438)
Repair and maintenance costs	維修及保養費用		(17,759)	(33,580)
Depreciation and amortisation	折舊及攤銷	10, 13, 14 & 15	(56,460)	(37,310)
Other income and other gains	其他收入及其他收益	10	6,947	8,871
Other operating expenses	其他營運費用	10	(118,323)	(95,412)
Provision for impairment of other intangibles	其他無形資產之減值撥備	15	—	(4,087)
Provision for impairment of property, plant and equipment and assets held-for-sale	物業、機器及設備以及持作出售資產之減值撥備	13	(64,509)	(8,318)
Impairment losses on financial assets	金融資產之減值虧損	21 & 22	(14,286)	(2,732)
Operating loss	營運虧損		(369,402)	(259,248)
Interest income	利息收入		12,045	12,426
Finance costs	融資成本	8	(10,360)	(13,928)
Share of losses of associates	應佔聯營公司虧損	17	(3,760)	(1,517)
Loss before income tax	除所得稅前虧損		(371,477)	(262,267)
Income tax credit	所得稅抵免	9	14,730	5,644
LOSS FOR THE YEAR	年度虧損	10	(356,747)	(256,623)
Attributable to:	以下應佔：			
Equity holders of the Company	本公司股權持有人	31	(354,793)	(258,846)
Non-controlling interests	非控股權益		(1,954)	2,223
			(356,747)	(256,623)
LOSS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	本公司股權持有人應佔每股虧損			
Basic and diluted loss per share	每股基本及攤薄虧損	11	(15.13) cents 仙	(13.61) cents 仙

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

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

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
LOSS FOR THE YEAR	年度虧損	(356,747)	(256,623)
Other comprehensive loss	其他全面虧損		
Items that have been reclassified or may be subsequently reclassified to profit or loss	已重新分類或可於其後重新分類至損益之項目		
Foreign exchange differences	匯兌差額	(3,330)	(7,005)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	(3,330)	(7,005)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年度全面虧損總額	(360,077)	(263,628)
Attributable to:	以下應佔：		
Equity holders of the Company	本公司股權持有人	(358,039)	(265,746)
Non-controlling interests	非控股權益	(2,038)	2,118
		(360,077)	(263,628)

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

			2019 二零一九年	2018 二零一八年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	物業、機器及設備	13	85,987	261,128
Right-of-use assets	使用權資產	14	157,205	—
Goodwill and other intangibles	商譽及其他無形資產	15	14,407	15,854
Interests in associates	於聯營公司之權益	17	53,885	8,074
Deferred income tax assets	遞延所得稅資產	18	9,380	7,501
Non-current prepayments	非即期預付款	19	54,156	52,543
Prepaid operating lease rentals	預付經營租賃租金		—	1,328
Financial assets at fair value through other comprehensive income	按公允價值透過其他全面收益列賬之金融資產		4	24
Total non-current assets			375,024	346,452
CURRENT ASSETS				
流動資產				
Inventories	存貨	20	5,183	6,468
Trade receivables	貿易應收款項	21	251,587	188,503
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	22	118,584	124,908
Tax receivables	應收稅項		1,307	1,143
Restricted cash	受限制現金	23	7,090	7,063
Pledged bank deposits	已抵押銀行存款	23	104,936	153,635
Cash and cash equivalents	現金及現金等價物	23	353,503	677,811
Assets held-for-sale		13(iii)	842,190 6,209	1,159,531 —
Total current assets			848,399	1,159,531
Total assets			1,223,423	1,505,983
CURRENT LIABILITIES				
流動負債				
Trade payables	貿易應付款項	24	81,305	87,641
Other payables and accruals	其他應付款項及應計費用	25	138,116	102,635
Contract liabilities	合約負債	6(b)	10,888	8,132
Borrowings	貸款	26	4,512	16,306
Lease liabilities	租賃負債	14	63,397	—
Tax payables	應付稅項		883	276
Total current liabilities			299,101	214,990
Net current assets			549,298	944,541

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

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
	Note 附註		
Total assets less current liabilities	資產總值減流動負債	924,322	1,290,993
NON-CURRENT LIABILITIES	非流動負債		
Borrowings	貸款 26	—	45,970
Lease liabilities	租賃負債 14	48,267	—
Deferred income tax liabilities	遞延所得稅負債 18	32,442	46,265
Other long-term liabilities	其他長期負債	—	7,237
Total non-current liabilities	非流動負債總額	80,709	99,472
Total liabilities	負債總額	379,810	314,462
Net assets	資產淨值	843,613	1,191,521
EQUITY	權益		
Equity attributable to the Company's equity holders	本公司股權持有人應佔權益		
Share capital	股本 28	234,482	234,482
Reserves	儲備 31	484,256	830,126
Non-controlling interests	非控股權益 32	718,738 124,875	1,064,608 126,913
Total equity	總權益	843,613	1,191,521

The consolidated financial statements on pages 72 to 199 were approved by the Board of Directors on 24 March 2020 and were signed on its behalf.

第72頁至第199頁的綜合財務報表已由董事會於二零二零年三月二十四日批核，並代表董事會簽署。

Ko Chun Shun, Johnson
高振順
Director
董事

Hua Dongyi
華東一
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔			Non-controlling interests	Total equity
		Share capital 股本 HK\$'000 千港元	Reserves 儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	總權益 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	144,970	118,704	263,674	124,267	387,941
Comprehensive (loss)/income	全面(虧損)/收益					
(Loss)/profit for the year	年度(虧損)/溢利	—	(258,846)	(258,846)	2,223	(256,623)
Other comprehensive loss	其他全面虧損					
Foreign exchange differences	匯兌差額	—	(6,900)	(6,900)	(105)	(7,005)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	—	(6,900)	(6,900)	(105)	(7,005)
Total comprehensive (loss)/income for the year	年度全面(虧損)/收益總額	—	(265,746)	(265,746)	2,118	(263,628)
Transactions with equity holders	與權益持有人之交易					
Issue of shares	發行股份	64,000	766,567	830,567	—	830,567
Exercise of share and other options	行使購股權及其他期權	25,512	199,222	224,734	—	224,734
Share-based compensation	以股份支付之補償	—	11,379	11,379	—	11,379
Capital injection from non-controlling interest of a subsidiary	一家附屬公司非控股權益之注資	—	—	—	528	528
		89,512	977,168	1,066,680	528	1,067,208
At 31 December 2018	於二零一八年十二月三十一日	234,482	830,126	1,064,608	126,913	1,191,521

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to equity holders of the Company 本公司權益持有人應佔			Non- controlling interests 非控股權益	Total equity 總權益
		Share capital 股本	Reserves 儲備	Total 總計		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	234,482	830,126	1,064,608	126,913	1,191,521
Comprehensive loss	全面虧損					
Loss for the year	年度虧損	—	(354,793)	(354,793)	(1,954)	(356,747)
Other comprehensive loss	其他全面虧損					
Foreign exchange differences	匯兌差額	—	(3,246)	(3,246)	(84)	(3,330)
Other comprehensive loss for the year, net of tax	年度其他全面虧損 (除稅後)	—	(3,246)	(3,246)	(84)	(3,330)
Total comprehensive loss for the year	年度全面虧損總額	—	(358,039)	(358,039)	(2,038)	(360,077)
Transactions with equity holders	與權益持有人之交易					
Share-based compensation	以股份支付之補償	—	12,169	12,169	—	12,169
		—	12,169	12,169	—	12,169
At 31 December 2019	於二零一九年十二月三十一日	234,482	484,256	718,738	124,875	843,613

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

			2019 二零一九年	2018 二零一八年
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES 來自經營活動之現金流量				
Cash used in operations	營運所用之現金	33	(276,894)	(280,525)
Income tax refund/(paid)	已退/(已付)所得稅		163	(983)
Net cash used in operating activities	經營活動所用之現金淨值		(276,731)	(281,508)
CASH FLOWS FROM INVESTING ACTIVITIES 來自投資活動之現金流量				
Purchase of property, plant and equipment	購買物業、機器及設備	13	(20,329)	(14,362)
Purchase of intangibles	購買無形資產	15	(171)	—
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備所得款項	33(i)	6,442	6,162
Deposit paid for purchase of land-use-rights	購買土地使用權已付按金		—	(22,926)
Capital contribution to an associate	向一家聯營公司注資	17	(39,177)	—
Loan to an associate	向一家聯營公司提供貸款		(1,904)	(4,113)
Increase in amount due from an associate	應收一家聯營公司款項增加		(5,406)	—
Decrease in short-term bank deposits	短期銀行存款減少		—	379
Interest received	已收利息		10,164	15,041
Proceeds from redemption of financial assets at fair value through other comprehensive income	贖回按公允價值透過其他全面收益列賬之金融資產之所得款項		20	19
Net cash used in investing activities	投資活動所用之現金淨值		(50,361)	(19,800)
CASH FLOWS FROM FINANCING ACTIVITIES 來自融資活動之現金流量				
Interest paid	已付利息		(8,300)	(13,383)
Decrease in pledged bank deposits	已抵押銀行存款減少		45,794	70,020
Increase in restricted cash	受限制現金增加		—	(1,978)
Proceeds from exercise of share and other options	行使購股權及其他期權所得款項		—	224,734
Proceeds from issuance of shares	發行股份所得款項	28(ii)	—	830,567
Capital contribution from non-controlling interest of a subsidiary	一家附屬公司非控股權益之注資	32	—	528
Repayment of bank loans	償還銀行貸款		—	(215,804)
Repayment of other loan	償還其他貸款		(88)	—
Drawdown of bank loans	提取銀行貸款		4,083	31,086
Drawdown of finance leases	提取融資租賃		—	2,972
Repayment of principal elements of lease liabilities (2018: Repayment of capital elements of finance leases liabilities)	償還租賃負債之本金部份 (二零一八年：償還融資租賃負債之資本部份)		(37,157)	(14,120)
Net cash generated from financing activities	融資活動所得之現金淨值		4,332	914,622

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物之(減少) ／增加淨值	(322,760)	613,314
Cash and cash equivalents at beginning of the year	年初之現金及 現金等價物	677,811	65,228
Exchange differences	匯兌差額	(1,548)	(731)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及 現金等價物	353,503	677,811

Note
附註

23

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

1 GENERAL INFORMATION

Frontier Services Group Limited (the “**Company**”) is a limited liability company incorporated in Bermuda. The address of its principal place of business is Suite 3902, 39th Floor, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the provision of aviation, logistics, security, insurance and infrastructure related services, and the provision of online financial market information. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

These consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand (HK\$’000), unless otherwise stated.

These consolidated financial statements have been approved for issue by the Board of Directors (the “**Board**”) of the Company on 24 March 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”), a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“**HKASs**”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”), and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

1 一般資料

先豐服務集團有限公司(「**本公司**」)為一家在百慕達註冊成立之有限責任公司，其主要營業地點位於香港金鐘夏慤道16號遠東金融中心39樓3902室。本公司及其附屬公司(統稱「**本集團**」)主要從事提供航空、物流、安保、保險及基建相關服務及提供線上金融市場資訊業務。本公司在香港聯合交易所有限公司(「**聯交所**」)主板上市。

除另有說明外，該等綜合財務報表乃以港元(「**港元**」)呈列，而所有款項已捨入至最接近之千位數(千港元)。

該等綜合財務報表已由本公司之董事會(「**董事會**」)於二零二零年三月二十四日批准刊發。

2 主要會計政策概要

編製此等綜合財務報表所應用之主要會計政策載於下文。除另有說明外，此等政策在所呈報之所有年度內貫徹應用。

2.1 編製基準

本集團之綜合財務報表乃根據香港財務報告準則(「**香港財務報告準則**」)，整體而言包括香港會計師公會(「**香港會計師公會**」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「**香港會計準則**」)及詮釋)及香港《公司條例》(第622章)之披露規定編製。該等綜合財務報表符合香港聯合交易所有限公司證券上市規則(「**上市規則**」)之適用披露規定。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

The consolidated financial statements have been prepared on a historical cost basis, except for (i) certain financial assets and liabilities, which are carried at fair value and (ii) the assets held-for-sale which are measured at fair value less costs to sell. The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Impact of new, amended and revised HKFRSs

In the current year, the Group has adopted all the following new standard, amendments to standards and interpretation for the first time for the accounting period beginning on 1 January 2019:

HKFRS 16	Leases
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Annual improvements to HKFRSs 2015-2017 cycle	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23
HK(IFRIC) – Interpretation 23	Uncertainty over Income Tax Treatments

2 主要會計政策概要(續)

2.1 編製基準(續)

綜合財務報表已按歷史成本基準編製，惟(i)按公允價值列賬的若干金融資產及負債及(ii)按公允價值減出售成本計量的持作出售資產除外。編製符合香港財務報告準則之綜合財務報表需要使用若干關鍵會計估算，亦需要管理層在應用本集團會計政策之過程中作出判斷。涉及須作出更多判斷或更複雜之範疇，或假設及估計對綜合財務報表而言屬重要之範疇於附註4披露。

新訂、修訂及經修訂香港財務報告準則之影響

本集團已於本年度就於二零一九年一月一日開始會計期間首次採納以下所有新訂準則、準則修訂及詮釋：

香港財務報告準則第16號	租賃
香港財務報告準則第9號之修訂	有負補償之預付款特性
香港會計準則第19號之修訂	計劃修訂、縮減或結算
香港會計準則第28號之修訂	聯營公司及合資公司之長期權益
香港財務報告準則二零一五年至二零一七年週期之年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂
香港(國際財務報告準則詮釋委員會) – 詮釋第23號	所得稅之不確定性之處理

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

The Group had to change its accounting policies as a result of adopting HKFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on 1 January 2019. This is disclosed in Note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The following new and amended standards have been issued, but are not effective for the Group's accounting period beginning on 1 January 2019 and have not been adopted early:

		Effective for accounting periods beginning on or after 於以下日期 或之後開始之 會計期間生效
Amendments to HKFRS 3 香港財務報告準則第3號之 修訂	Definition of a Business 業務之定義	1 January 2020 二零二零年一月一日
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
香港財務報告準則第10號及 香港會計準則第28號之修訂	投資者與其聯營公司或合資公司之間的 資產出售或注資	待釐定
Conceptual Framework for Financial Reporting 2018 二零一八年財務報告概念框架	Revised Conceptual Framework for Financial Reporting 經修訂財務報告概念框架	1 January 2020 二零二零年一月一日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 二零二一年一月一日
Amendments to HKAS 1 and HKAS 8	Definition of Material	1 January 2020
香港會計準則第1號及香港 會計準則第8號之修訂	重大之定義	二零二零年一月一日
Amendments to HKAS 39, HKFRS 7 and HKFRS 9	Interest Rate Benchmark Reform	1 January 2020
香港會計準則第39號、香港 財務報告準則第7號及香港 財務報告準則第9號之修訂	利率基準改革	二零二零年一月一日

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

由於採納香港財務報告準則第16號，故本集團已更改其會計政策。本集團選擇追溯採納新規則，惟確認於二零一九年一月一日初始應用新準則之累計影響。有關事項於附註2.2披露。上文所列的大多數其他修訂對於過往期間確認的金額並無任何影響，且預期不會對目前或未來期間產生重大影響。

下列新訂及經修訂準則已頒佈，惟尚未於本集團於二零一九年一月一日開始之會計期間生效及並無提早採納：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

Impact of new, amended and revised HKFRSs (continued)

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Changes in Accounting Policies

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

As indicated in Note 2.1 above, the Group has adopted HKFRS 16 *Leases* retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated statement of financial position on 1 January 2019. The new accounting policies are disclosed in Note 2.26.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of HKAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 9.72%.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability at the date of initial application. The measurement principles of HKFRS 16 are only applied after that date. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application. There were no remeasurements to the lease liabilities upon the adoption of HKFRS 16.

2 主要會計政策概要(續)

2.1 編製基準(續)

新訂、修訂及經修訂香港財務報告準則之影響(續)

該等準則預期於目前或未來報告期間及可見未來交易並不會對本集團產生重大影響。

2.2 會計政策之變動

本附註闡釋採納香港財務報告準則第16號*租賃*對本集團財務報表之影響。

誠如上文附註2.1所示，本集團已自二零一九年一月一日起追溯採納香港財務報告準則第16號*租賃*，惟在該準則特定過渡條文所允許之情況下並無重列二零一八年報告期間之比較數字。因此，新租賃規則產生之重新分類及調整於二零一九年一月一日之期初綜合財務狀況表確認。新會計政策於附註2.26披露。

於採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號*租賃*之原則分類為「經營租賃」之租賃確認租賃負債。該等負債按餘下租賃付款之現值計量，並使用承租人於二零一九年一月一日之增量借款利率貼現。於二零一九年一月一日就租賃負債應用之加權平均承租人增量借款利率為9.72%。

就先前分類為融資租賃之租賃而言，本集團確認租賃資產及租賃負債緊接過渡前之賬面值為使用權資產及租賃負債於初始應用日期之賬面值。香港財務報告準則第16號之計量原則僅於該日期後應用。租賃負債之重新計量於緊隨初始應用日期後確認為相關使用權資產之調整。於採納香港財務報告準則第16號後，概無重新計量租賃負債。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

(i) Practical expedients applied

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

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

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

2 主要會計政策概要(續)

2.2 會計政策之變動(續)

(i) 已應用之可行權宜方法

於首次應用香港財務報告準則第16號時，本集團已採用該準則所允許之下列可行權宜方法：

- 依據過往有關租賃是否屬虧損性之評估以替代減值審閱 – 於二零一九年一月一日並無虧損性合約；
- 將於二零一九年一月一日餘下租期少於12個月之經營租賃以短期租賃入賬；
- 撇除於初始應用日期計量使用權資產之初始直接成本；及
- 倘合約包含延長或終止租賃選擇權，則以事後方式釐定租期。

本集團亦已選擇不重新評估於初始應用日期合約是否為租賃或包含租賃。相反，就過渡日期前訂立之合約而言，本集團依據其應用香港會計準則第17號及詮釋第4號釐定安排是否包含租賃所作之評估。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

(ii) Measurement of lease liabilities

		1 January 2019 二零一九年 一月一日
		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	84,490
Discounted using the lessee's incremental borrowing rate at the date of initial application	使用初始應用日期之承租人增量借款利率貼現	(24,771)
Add:	加：	
Finance lease liabilities recognised as at 31 December 2018	於二零一八年十二月三十一日確認之融資租賃負債	61,838
Less:	減：	
Short-term leases recognised on a straight-line basis as expenses	以直線法確認為開支之短期租賃	(1,297)
Low-value leases recognised on a straight-line basis as expenses	以直線法確認為開支之低價值租賃	(1,344)
Adjustment as a result of amendment of agreements	協議修訂所致之調整	(2,658)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	116,258
Of which are:	其中為：	
Current lease liabilities	流動租賃負債	27,776
Non-current lease liabilities	非流動租賃負債	88,482
		116,258

(iii) Measurement of right-of-use assets

Right-of-use assets for properties leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid lease payments relating to that lease recognised in the consolidated statement of financial position as at 31 December 2018. Other right-of-use assets arise from leases previously classified as finance leases and were measured at their carrying amounts immediately before transition at the date of initial application.

2 主要會計政策概要(續)

2.2 會計政策之變動(續)

(ii) 租賃負債之計量

		1 January 2019 二零一九年 一月一日
		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露之經營租賃承擔	84,490
Discounted using the lessee's incremental borrowing rate at the date of initial application	使用初始應用日期之承租人增量借款利率貼現	(24,771)
Add:	加：	
Finance lease liabilities recognised as at 31 December 2018	於二零一八年十二月三十一日確認之融資租賃負債	61,838
Less:	減：	
Short-term leases recognised on a straight-line basis as expenses	以直線法確認為開支之短期租賃	(1,297)
Low-value leases recognised on a straight-line basis as expenses	以直線法確認為開支之低價值租賃	(1,344)
Adjustment as a result of amendment of agreements	協議修訂所致之調整	(2,658)
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認之租賃負債	116,258
Of which are:	其中為：	
Current lease liabilities	流動租賃負債	27,776
Non-current lease liabilities	非流動租賃負債	88,482
		116,258

(iii) 使用權資產之計量

物業租賃之使用權資產按相等於租賃負債之金額計量，並就有關於二零一八年十二月三十一日之綜合財務狀況表所確認租賃之任何預付租賃付款金額作出調整。其他使用權資產由先前分類為融資租賃之租賃產生，並於初始應用日期按其緊接過渡前之賬面值計量。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Changes in Accounting Policies (continued)

(iv) Impact on consolidated financial statements

The types of assets recognised as right-of-use assets were disclosed in Note 14 to the consolidated financial statements.

The change in accounting policy affected the following items in the consolidated statement of financial position on 1 January 2019:

Consolidated statement of financial position (extract)	綜合財務狀況表(摘錄)	31 December 2018	1 January 2019
		As originally presented	Restated
		HKFRS 16	
		二零一八年十二月三十一日	二零一九年一月一日
		按原先呈列	經重列
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、機器及設備	261,128	163,662
Right-of-use assets	使用權資產	—	156,274
Prepaid operating lease rentals	預付經營租賃租金	1,328	—
Current assets	流動資產		
Prepayments (included in prepayments, deposits and other receivables)	預付款(計入預付款、按金及其他應收款項)	3,060	—
Non-current liabilities	非流動負債		
Borrowings	貸款	45,970	—
Lease liabilities	租賃負債	—	88,482
Current liabilities	流動負債		
Borrowings	貸款	16,306	438
Lease liabilities	租賃負債	—	27,776

The adoption of HKFRS 16 has no significant impact on loss per share for the year ended 31 December 2019.

採納香港財務報告準則第16號於截至二零一九年十二月三十一日止年度對每股虧損並無重大影響。

2 主要會計政策概要(續)

2.2 會計政策之變動(續)

(iv) 對綜合財務報表之影響

確認為使用權資產之資產類別於綜合財務報表附註14披露。

會計政策之變動對於二零一九年一月一日綜合財務狀況表之下列項目造成影響：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (Note 2.4).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (c) below), after initially being recognised at cost.

2 主要會計政策概要(續)

2.3 綜合賬目原則及權益會計法

(a) 附屬公司

附屬公司指本集團擁有控制權之所有實體(包括結構性實體)。當本集團承受或享有參與實體所得之可變回報，且有能透過其對實體之權力影響該等回報時，則本集團控制該實體。附屬公司在控制權轉移至本集團之日全面綜合入賬，在控制權終止之日起停止綜合入賬。

本集團使用購買法作為業務合併之入賬方法(附註2.4)。

集團內公司間之交易、所產生之結餘及未變現收益予以對銷。除非交易亦提供已轉讓資產減值之證據，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

業績之非控股權益及附屬公司權益分別於綜合收益表、全面收益表、權益變動表及財務狀況表獨立列示。

(b) 聯營公司

聯營公司指本集團對其有重大影響力但無控制權或共同控制權之所有實體。其一般於本集團持有20%至50%投票權之情況下出現。於聯營公司之投資初步以成本確認後以權益會計法(見下文(c)段)入賬。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principles of consolidation and equity accounting (continued)

(c) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2.11.

2 主要會計政策概要(續)

2.3 綜合賬目原則及權益會計法(續)

(c) 權益法

根據權益會計法，投資初步以成本確認，並其後經調整，以於損益中確認本集團應佔收購後被投資公司之溢利或虧損，並於其他全面收益中確認本集團應佔收購後被投資公司之其他全面收益。已收或應收聯營公司股息確認為投資賬面值減少。

如本集團應佔以權益會計法入賬之投資之虧損等於或超過其在該實體之權益，包括任何其他無抵押長期應收款項，本集團不會確認進一步虧損，除非本集團已代其他實體承擔責任或作出付款。

本集團與其聯營公司之間交易之未實現收益按本集團於該等實體之權益對銷。除非交易顯示所轉讓資產有減值跡象，否則未實現虧損亦予以對銷。以權益會計法入賬的被投資公司之會計政策已按需要作出改變，以確保與本集團採用之政策符合一致。

於聯營公司以權益會計法入賬之賬面值已根據附註2.11所述之政策作減值測試。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Principles of consolidation and equity accounting (continued)

(d) Changes in ownership interests

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

2.4 Business combinations

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

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

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

2 主要會計政策概要(續)

2.3 綜合賬目原則及權益會計法(續)

(d) 所有權權益變動

本集團將不導致失去控制權之非控股權益交易視作與本集團權益擁有人的交易。所有權權益變動導致須對控股與非控股權益之賬面值作出調整，以反映彼等各自於附屬公司之相關權益。非控股權益調整數額與任何已付或已收代價之間之任何差額於本公司擁有人應佔權益中的獨立儲備內確認。

2.4 業務合併

不論是否收購權益工具或其他資產，本集團利用會計收購法將所有業務合併入賬。收購一家附屬公司所轉讓之代價包括：

- 所轉讓資產之公允價值；
- 已收購業務前擁有人所產生之負債；
- 本集團發行之股本權益；
- 或然代價安排所致之任何資產或負債之公允價值；及
- 附屬公司任何現有股本權益之公允價值。

業務合併中所收購可識別資產以及所承擔之負債及或然負債，初步按彼等於收購日之公允價值計量(少數情況除外)。本集團以公允價值或非控股權益應佔收購實體可識別資產淨值之比例，就每項收購確認任何收購實體非控股權益。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Business combinations (continued)

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

2 主要會計政策概要(續)

2.4 業務合併(續)

收購相關成本於產生時支銷。

倘：

- 所轉讓代價，
- 被收購實體之任何非控股權益金額，及
- 任何先前於被收購實體之股本權益於收購日之公允價值

高於所收購可識別資產淨值公允價值之差額以商譽入賬。倘該等金額低於所收購業務之可識別資產淨值公允價值，則該差額於損益中直接確認為議價購買。

倘任何現金代價之結算延遲，則未來之應付款項將貼現至其於兌換日期之現值，所採用之貼現率乃實體之遞增貸款利率，即根據可比較條款及條件自獨立金融家獲得同類借款的利率。或然代價分類為權益或金融負債。分類為金融負債之金額後重新計量其公允價值，而公允價值變動則於損益中確認。

倘業務合併分階段進行，收購方原先所持被收購方股權於收購日之賬面值按當日之公允價值重新計量，重估產生之收益或虧損於損益中確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Separate Financial Statements

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

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

2.6 Segment Reporting

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

2.7 Foreign Currency Translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

2 主要會計政策概要(續)

2.5 獨立財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括直接應佔之投資成本。附屬公司之業績由本公司按已收及應收股息基準列賬。

當收到於附屬公司之投資之股息時，如股息超過附屬公司在宣派股息期間之全面收益總額，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在綜合財務報表之賬面值時，必須對有關投資進行減值測試。

2.6 分部報告

營運分部之報告方式須與本集團之主要營運決策者獲提供之內部報告之方式一致。作出策略性決定之本公司董事會是主要營運決策者，其負責分配資源及評估營運分部之表現。

2.7 外幣匯兌

(a) 功能及列賬貨幣

各集團實體之財務報表所列項目均以該實體營運所在主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以港元列賬，而港元為本公司之功能貨幣及本集團之呈列貨幣。

(b) 交易及結餘

外幣交易乃採用交易日期或項目重新估值當日之匯率換算為功能貨幣。結算此等交易所產生之匯兌盈虧及將以外幣計值之貨幣資產和負債按年終匯率換算所產生之匯兌盈虧在綜合收益表確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign Currency Translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within “finance costs”. All other foreign exchange gains and losses are presented in the consolidated income statement within “other operating expenses”.

Foreign exchange differences on non-monetary financial assets, such as equities classified as financial assets at fair value through other comprehensive income (“FVOCI”), are included in other comprehensive income.

(c) Group companies

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

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the financial position date;
- (ii) Income and expenses for each income statement are translated at average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) All resulting exchange differences are recognised in other comprehensive income.

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

2 主要會計政策概要(續)

2.7 外幣匯兌(續)

(b) 交易及結餘(續)

與貸款有關之匯兌盈虧於綜合收益表列賬為「融資成本」。所有其他匯兌盈虧於綜合收益表列賬為「其他營運費用」。

非貨幣性金融資產(如分類為按公允價值透過其他全面收益列賬(「按公允價值透過其他全面收益列賬」)之金融資產之股票)之匯兌差額計入其他全面收益。

(c) 集團公司

所有功能貨幣與列賬貨幣不同之集團實體(當中並無嚴重通脹經濟體之貨幣)之業績和財務狀況按如下方法換算為列賬貨幣：

- (i) 所呈報之各財務狀況表內之資產和負債按財務狀況日之收市匯率換算；
- (ii) 各收益表內之收入及開支按平均匯率換算(除非此匯率並非交易日期現行匯率之累計影響之合理約數，在此情況下，收支項目按交易日期之匯率換算)；及
- (iii) 所有由此產生之匯兌差額於其他全面收益內確認。

於收購海外實體時所產生之商譽及公允價值調整乃作為該海外實體之資產及負債處理，並按收市匯率換算。所產生之匯兌差額於其他全面收益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Foreign Currency Translation (continued)

(d) Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the foreign exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the Company are recognised in profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated foreign exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated foreign exchange differences is reclassified to profit or loss.

2.8 Property, Plant and Equipment

All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2 主要會計政策概要(續)

2.7 外幣匯兌(續)

(d) 出售海外業務及部份出售

於出售海外業務(即出售本集團於海外業務之全部權益，或出售涉及失去於旗下包括海外業務之附屬公司之控制權，或出售涉及失去於旗下包括海外業務之合資公司之共同控制權，或出售涉及失去於旗下包括海外業務之聯營公司之重大影響力)時，所有於權益內累計且屬本公司權益持有人應佔該業務之匯兌差額均於損益內確認。

倘部份出售並不會導致本集團失去對附屬公司(包括海外業務)之控制權，按比例所佔之累計匯兌差額乃重新歸於非控股權益，且並非於損益內確認。就所有其他部份權益出售(即本集團於聯營公司或合資公司之擁有權減少，而並無導致本集團失去重大影響力或共同控制權)而言，累計匯兌差額之相應份額乃重新分類至損益。

2.8 物業、機器及設備

所有物業、機器及設備乃按歷史成本減折舊及減值虧損列賬。歷史成本包括收購項目直接產生之開支。

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，而該項目之成本能可靠計量時，才計入資產之賬面值或確認為獨立資產(如適用)。被替換部份之賬面值不再予以確認。所有其他維修及保養費用在其發生之財政期間內於綜合收益表支銷。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Property, Plant and Equipment (continued)

Depreciation of property, plant and equipment, which is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, is provided at the following annual rates:

Leasehold improvements	Over the shorter of the term of the lease (45 years commencing 2004) and the estimated useful life
Hangars	2.5%
Aircraft and aviation equipment	5% to 10%
Plant, machinery and tooling	10% to 38%
Trucks, trailers and containers	8% to 20%
Motor vehicles	18% to 20%
Office equipment	12.5% to 33%
Furniture and fixtures	12.5% to 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated income statement.

2 主要會計政策概要(續)

2.8 物業、機器及設備(續)

按其估計可使用年期以直線法將成本分攤至其剩餘價值來計算之物業、機器及設備之折舊按下列年率計提撥備：

租賃物業裝修	按租賃年期(自二零零四年起計45年)及估計可使用年期(以較短者為準)
飛機庫	2.5%
飛機及航空設備	5%至10%
機器、機械及工具	10%至38%
貨車、拖車及集裝箱	8%至20%
汽車	18%至20%
辦公室設備	12.5%至33%
傢俬及裝置	12.5%至25%

在每個財務狀況日對資產之剩餘價值及可使用年期進行檢討，及在適當時調整。若資產之賬面值高於其估計可收回金額，其賬面值會即時撇減至可收回金額(附註2.11)。

出售物業、機器及設備之盈虧乃比較所得款項與賬面值而釐定，並於綜合收益表內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Other Intangibles

Other intangibles with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses. Other intangibles with indefinite useful lives are not amortised.

Amortisation of other intangibles, which is calculated using straight-line method to allocate their costs over their estimated useful lives, is provided at the following basis:

Operating certificates and trademark	Over the estimated useful lives of 9 – 15 years
Non-compete agreements	Over the non-compete periods of 4 – 6 years

Management reviews the expected useful lives at each financial position date based on the estimated period over which future economic benefits will be received by the Group and takes into account the level of future competition, the risk of technological or functional obsolescence of the assets, and the expected changes in the market.

Other intangibles are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of other intangibles are measured at the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the consolidated income statement in the period when the assets are derecognised.

2.10 Non-Current Prepayments

Prepayments for engine overhaul and maintenance costs of aircraft are recorded as non-current prepayments as management has discretion over when these costs have to be incurred and it is not expected to be utilised within twelve months. Upon consumption, these prepayments are charged to the consolidated income statement.

2 主要會計政策概要(續)

2.9 其他無形資產

具有固定可使用年期之其他無形資產按成本減累計攤銷及任何累計減值虧損列賬。具有無限可使用年期之其他無形資產不予攤銷。

按其估計可使用年期以直線法將成本分攤之其他無形資產攤銷按下列基準計提撥備：

營運證書及商標	按估計可使用年期 9至15年
不競爭協議	按不競爭期間4至6年

管理層於各財務狀況日根據本集團可收取未來經濟利益之估計期間，計及未來競爭水平、資產之技術或功能貶值風險以及預期市場變動對預計可使用年期加以檢討。

其他無形資產於出售或預期不會因使用或出售而產生未來經濟利益時取消確認。取消確認其他無形資產所產生之盈利或虧損按出售所得款項淨額與資產賬面值之差額計量，並於資產取消確認之期間於綜合收益表確認。

2.10 非即期預付款

由於管理層可酌情決定該等成本是否須產生及預期不會於十二個月內動用，故飛機引擎檢修及保養費用預付款列作非即期預付款。該等預付款於消耗後計入綜合收益表。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of Non-Financial Assets, and Interests in Subsidiaries and Associates

Non-financial assets which have an indefinite useful life – for example, goodwill or intangible asset not ready to use – are not subject to amortisation but are tested for impairment annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Non-financial assets which are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each financial position date.

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

The Group determines at each financial position date whether there is any objective evidence that the interest in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount in the profit or loss.

2 主要會計政策概要(續)

2.11 非金融資產以及於附屬公司及聯營公司之權益減值

具有無限可使用年期之非金融資產 — 如商譽或不擬使用之無形資產 — 不予攤銷，惟會每年或於有事件或情況變動顯示賬面值可能無法收回時進行減值測試。須攤銷之非金融資產在有事件或情況變化顯示資產賬面值可能無法收回時，應就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產之公允價值扣除銷售成本與使用價值兩者之較高者為準。於評估減值時，資產按可獨立識辨現金流量之最低水平(現金產生單位)分組。出現減值之非金融資產(商譽除外)會於各財務狀況日進行檢討，以確定有否可能轉回減值。

當收到於附屬公司之權益之股息時，如股息超過附屬公司在宣派股息期間之全面收益總額，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在綜合財務報表之賬面值時，必須對有關投資進行減值測試。

本集團在每個財務狀況日釐定是否有客觀證據證明聯營公司權益已減值。如權益已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並於損益確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Non-Current Assets Held-for-Sale

Non-current assets are classified as held-for-sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets are stated at the lower of carrying amount and fair value less costs to sell.

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

Non-current assets classified as held-for-sale are presented separately from the other assets in the consolidated statement of financial position. Non-current assets are not depreciated or amortised while they are classified as held-for-sale.

2.13 Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“OCI”) or through profit or loss); and
- those to be measured at amortised cost.

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

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

2 主要會計政策概要(續)

2.12 持作出售非流動資產

倘非流動資產之賬面值主要透過一項出售交易收回，且該出售極有可能進行，則有關非流動資產被分類為持作出售類別。非流動資產按賬面值及公允價值減出售成本之較低者列賬。

減值虧損乃就資產之任何初步或其後撇減至公允價值減銷售成本而確認。收益就資產之公允價值減銷售成本之任何其後增幅而確認，惟確認金額不超過先前已確認之任何累計減值虧損。於出售非流動資產日期並無先前確認之收益或虧損於取消確認當日予以確認。

分類為持作出售之非流動資產於綜合財務狀況表與其他資產獨立呈列。非流動資產分類為持作出售時不會折舊或攤銷。

2.13 金融資產

(a) 分類

本集團將其金融資產分類至以下計量類別：

- 隨後按公允價值計量(不論是透過其他全面收益(「其他全面收益」)或損益列賬)的金融資產；及
- 按攤銷成本計量的金融資產。

有關分類視乎管理金融資產的實體業務模式及現金流的合約條款。

就按公允價值計量的資產而言，收益及虧損將記錄於損益或其他全面收益。就非持作買賣的股權工具投資而言，將視乎本集團是否已於初始確認時不可撤回地選擇將股權投資按公允價值透過其他全面收益列賬。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial Assets (continued)

(a) Classification (continued)

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

(b) Recognition

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset.

(c) Measurement

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortised cost and FVOCI.

(i) Amortised cost

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

2 主要會計政策概要(續)

2.13 金融資產(續)

(a) 分類(續)

本集團僅於管理該等資產的業務模式變動時重新分類債務工具。

(b) 確認

經常規途徑買賣之金融資產，於交易日(即本集團承諾購買或出售資產當日)確認。

(c) 計量

於初步確認時，本集團按公允價值加(如並非按公允價值透過損益列賬(「按公允價值透過損益列賬」)之金融資產)收購該金融資產直接應佔的交易成本對金融資產進行計量。按公允價值透過損益列賬之金融資產的交易成本計入損益。

債務工具

債務工具之後續計量取決於本集團管理資產及其現金流量特徵的業務模式。本集團將其債務工具分類為按攤銷成本計量及按公允價值透過其他全面收益列賬。

(i) 攤銷成本

持作收取合約現金流量(僅表示本金及利息付款)的資產按攤銷成本計量。該等金融資產產生的利息收入使用實際利率法計入「利息收入」。取消確認產生的任何收益或虧損直接於損益確認，並連同匯兌收益及虧損呈列。減值虧損在綜合收益表中以單獨條目呈列。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial Assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

(ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in "interest income" using the effective interest rate method. Foreign exchange gains and losses are presented in "other income and other gains" or "other operating expenses" and impairment expenses are presented as separate line item in the consolidated income statement.

2 主要會計政策概要(續)

2.13 金融資產(續)

(c) 計量(續)

債務工具(續)

(ii) 按公允價值透過其他全面收益列賬

倘為收回合約現金流量及出售金融資產而持有的資產的現金流量僅為支付本金及利息，則該等資產計入按公允價值透過其他全面收益列賬之金融資產。賬面值變動計入其他全面收益，惟於損益確認之減值轉回收益或虧損、利息收入及匯兌收益及虧損之確認除外。取消確認金融資產時，先前於其他全面收益確認之累計收益或虧損由權益重新分類至損益。該等金融資產的利息收入按實際利率法計入「利息收入」。匯兌收益及虧損於「其他收入及其他收益」或「其他營運費用」呈列，減值費用於綜合損益表呈列為單獨的項目。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Financial Assets (continued)

(c) Measurement (continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "other income and other gains" when the Group's right to receive payments is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired or have been legally transferred and the Group has transferred substantially all the risks and rewards of the financial asset.

(e) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Notes 3.1(b) and 21 for further details.

2 主要會計政策概要(續)

2.13 金融資產(續)

(c) 計量(續)

股權工具

本集團其後按公允價值計量所有股權投資。倘本集團管理層選擇於其他全面收益呈列股權投資公允價值收益及虧損，取消確認投資後不會將公允價值收益及虧損重新分類至損益。當本集團確立收取股息款項的權利時，該等投資的股息繼續於損益確認為「其他收入及其他收益」。

按公允價值透過損益列賬之股權投資的減值虧損(及減值虧損撥回)並無與其他公允價值變動分開列報。

(d) 取消確認

當收取金融資產所得現金流量之權利已經屆滿或已被合法轉讓，且本集團已轉讓該項金融資產之絕大部份風險及回報，該金融資產(或如適用，一項金融資產之一部份或一組同類金融資產之一部份)將取消確認。

(e) 減值

本集團對有關其按攤銷成本及公允價值透過其他全面收益列賬之債務工具的預期信貸虧損進行前瞻性評估。所應用的減值方法取決於信貸風險是否大幅增加。

對於貿易應收款項，本集團採用香港財務報告準則第9號允許的簡化方法，該方法要求自初步確認時起確認應收款項的全期虧損，進一步詳情見附註3.1(b)及21。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Financial Liabilities

(a) Classification

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. The Group's financial liabilities include trade payables, other payables and accruals, borrowings, lease liabilities and other financial liabilities.

(b) Recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value, in the case of a financial liability not at FVPL, less transaction costs that are directly attributable to the issue of the financial liability.

(c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

Where 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 the recognition of a new liability, and the difference in the respective carrying amount is recognised in the profit or loss.

2 主要會計政策概要(續)

2.14 金融負債

(a) 分類

本集團依據產生負債之相關目的分類金融負債。本集團之金融負債包括貿易應付款項、其他應付款項及應計費用、貸款、租賃負債以及其他金融負債。

(b) 確認及計量

金融負債於本集團成為該工具合約條文之訂約方時確認。倘金融負債並非按其公允價值於損益內列賬，所有金融負債按公允價值初步確認，減去發行金融負債直接應佔交易成本。

(c) 取消確認

金融負債於該負債項下之義務被解除、註銷或屆滿時取消確認。

如一項現有金融負債被來自同一貸款方且大部份條款均有差別之另一項金融負債所取代，或現有負債之條款被大幅修改，此種置換或修改視作取消確認原有負債並確認新負債處理，而兩者之賬面值差額於損益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Inventories

Inventories, mainly represent spare parts and consumables for aircraft maintenance, are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.16 Trade and Other Receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets, except for those with maturities greater than twelve months after the financial position date are classified as non-current assets.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Notes 21 and 22 for further information about the Group's accounting for trade and other receivables and Notes 2.13 and 3.1(b) for a description of the Group's impairment policies.

2.17 Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2 主要會計政策概要(續)

2.15 存貨

存貨主要指用於飛機維修之零部件及耗材，以成本值及可變現淨值兩者中較低者入賬。成本值乃採用加權平均成本法釐定。可變現淨值為一般業務過程中之估計售價減適用可變銷售開支。

2.16 貿易及其他應收款項

貿易應收款項為在日常業務過程中就銷售商品或提供服務而應收客戶之款項。貿易及其他應收款項為並無於活躍市場報價之具有固定或可釐定付款金額之非衍生金融資產。貿易及其他應收款項分類為流動資產，惟到期日超過財務狀況日後十二個月之有關款項則分類為非流動資產。

貿易及其他應收款項初步按已成為無條件之代價金額確認，除非其含有重大融資成份，在此情況下則按公允價值確認。本集團持有貿易及其他應收款項之目的為收取合約現金流量，因此其後使用實際利息法按攤銷成本對其進行計量。本集團有關貿易及其他應收款項的會計處理詳見附註21及22，而有關本集團減值政策之說明見附註2.13及3.1(b)。

2.17 現金及現金等價物

現金及現金等價物包括手頭現金、銀行通知存款及原到期日為三個月或以下之其他短期高流動性投資。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Share Capital

Ordinary shares are classified as equity.

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

Where the Company's shares are acquired from the market by the Employee Share Trust under the employee share scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for employee share scheme and deducted from total equity. Upon vesting, the related costs of the vested shares for employee share scheme purchased from the market are credited to shares held for employee share scheme, with a corresponding decrease in employee share-based compensation reserve for employee share scheme.

2.19 Trade and Other Payables

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

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

2 主要會計政策概要(續)

2.18 股本

普通股被列為權益。

直接歸屬於發行新股之新增成本(除稅後)在權益中列為所得款項之扣減。

當僱員股份計劃項下之僱員股份信託於市場購買本公司之股份時，於市場購買之股份總代價(包括任何直接產生之新增成本)呈列為僱員股份計劃持有之股份，並自總權益扣除。歸屬後，為僱員股份計劃於市場購買之已歸屬股份之相關成本計入為僱員股份計劃持有之股份，並於僱員股份計劃之以股份支付之補償儲備中扣除相關金額。

2.19 貿易及其他應付款項

貿易應付款項為於日常業務過程中向供應商購入貨品或服務之付款責任。倘貿易及其他應付款項乃於財務狀況日後一年或以內(或如屬較長時間，則以一般營運業務週期為準)到期，則分類為流動負債，否則列賬為非流動負債。

貿易及其他應付款項初步按公允價值確認，其後以實際利率法按攤銷成本計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Borrowings

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

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

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

2.21 Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the financial position date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要(續)

2.20 貸款

貸款初步按公允價值扣除交易成本確認。其後貸款按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之任何差額乃使用實際利率法按貸款期間於綜合收益表確認。

就設立貸款融資時支付的費用而言，倘部份或全部融資將很有可能提取，該費用確認為貸款的交易成本。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將很有可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

貸款分類為流動負債，惟本集團有無條件權利遞延償還負債之日期至財務狀況日後最少十二個月者除外。

2.21 即期及遞延所得稅

期內稅務開支包括即期及遞延稅項。稅項均於綜合收益表確認，惟如有關稅項與於其他全面收益或直接於權益內確認之項目相關之情況則除外。在此情況下，稅項亦分別於其他全面收益確認或直接於權益中確認。即期所得稅支出根據本集團之附屬公司及聯營公司營運所在及產生應課稅收入之國家於財務狀況日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Current and Deferred Income Tax (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise 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 accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax liabilities are provided on temporary differences arising on investments in subsidiaries, associates and joint ventures, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

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

2 主要會計政策概要(續)

2.21 即期及遞延所得稅(續)

遞延所得稅是以負債法計算，就資產和負債之計稅基礎與這些資產和負債在綜合財務報表上之賬面值之暫時差異作確認。然而，若遞延所得稅負債來自在交易(不包括業務合併)中對商譽或資產或負債之初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作確認。遞延所得稅採用於財務狀況日已頒佈或實質頒佈，並在有關之遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用之稅率(及法例)而釐定。

遞延所得稅資產僅就可能未來應課稅溢利而就其可使用的暫時差異而確認。

遞延所得稅負債就附屬公司、聯營公司及合資公司投資所產生之暫時差異作撥備，但假若本集團可以控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回之遞延所得稅負債則除外。一般而言，本集團無法控制聯營公司暫時差異之撥回。僅於訂有協議賦予本集團能力於可預見將來控制暫時差異之撥回時，方不就聯營公司之未分派溢利所產生之應課稅暫時差異確認遞延稅項負債。

倘有可依法強制執行權利將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債與同一稅務機關就一個或多個應課稅實體徵收之所得稅有關，而有關實體有意按淨額基準繳納稅項時，遞延所得稅資產與負債將予互相抵銷。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee Benefits

(a) Pension obligations

The Group participates in several defined contribution plans, under which the Group pays fixed contributions into separate entities. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employees' services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, including any market performance conditions (for example, an entity's share price) and excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each financial position date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement with a corresponding adjustment to equity.

When the options are exercised, the option issuer issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 主要會計政策概要(續)

2.22 僱員福利

(a) 退休金責任

本集團參與多個定額供款計劃，本集團就此向多個實體繳付固定供款。本集團作出供款後，即無進一步付款責任。供款在應付時確認為僱員福利開支，且可由全數歸屬供款前離開計劃之僱員所放棄之供款而減少。倘有現金退款或可供扣減未來供款之款項，則此等預付供款會確認作資產。

(b) 以股份支付之補償

本集團設有一個以權益結算並以股份支付之補償計劃。在該計劃下，實體獲取僱員提供之服務作為本集團有關權益工具（購股權）之代價。僱員為獲取授予購股權而提供之服務之公允價值確認為費用。在釐定歸屬期間內將予支銷之總金額時，會參考授出購股權之公允價值，包括任何市場表現情況（例如實體之股價），惟不包括任何非市場歸屬條件（例如盈利能力和銷售增長目標）之影響。在預期歸屬之購股權數目之假設中，則包括非市場歸屬條件。在每個財務狀況日，本集團修訂其對預期歸屬之購股權數目之估計。本集團在綜合收益表確認對原估算修訂（如有）之影響，並按此對權益作出相應調整。

倘行使購股權，購股權發行人發行新股份。所得款項扣除任何直接交易成本後，計入股本（面值）及股份溢價內。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee Benefits (continued)

(b) Share-based compensation (continued)

The Group recognises the effects of modifications that increase the total fair value of the share-based compensation arrangement or are otherwise beneficial to the employees. The Group shall include the incremental fair value granted in the measurement of the amount recognised for services received as consideration for the equity instruments granted. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

If the Group cancels or settles a grant of equity instruments during the vesting period, the Group should treat this as an acceleration of vesting and recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

The grant by the Company of options over its equity instruments to the employees of the subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to interests in subsidiaries, with a corresponding credit to the Company's equity.

2 主要會計政策概要(續)

2.22 僱員福利(續)

(b) 以股份支付之補償(續)

本集團確認增加以股份支付之補償安排公允總值或在其他方面對僱員有利之修訂影響。本集團於計量獲取作為已授出權益工具代價服務之確認金額時包括增加之已授出公允價值。倘修訂於歸屬期內作出，則增加之已授出公允價值於計量修訂日期至經修訂權益工具歸屬日期止期間獲取服務確認金額時計算在內，附加於按原有權益工具於授出日期之公允價值計算之金額，該金額乃於原有歸屬期之餘下期間確認。

倘本集團於歸屬期內註銷或結付授出之權益工具，則其應視之為加速歸屬，並即時確認原應按歸屬期之餘下期間所獲取服務確認之金額。

本公司向本集團附屬公司之僱員所授出其權益工具之認股權被視為資本出資。所獲得僱員服務之公允價值乃參考授出日期之公允價值計量，於歸屬期內確認為於附屬公司之權益增加，並相應計入本公司權益。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee Benefits (continued)

(c) Share award scheme

The fair value of the share awards granted to employees or directors is recognised as an expense with a corresponding increase in credit to share-based compensation reserve. The fair value is measured with reference to the Company's share price at grant date taking into account the terms and conditions upon which the share awards are granted. Where the vesting conditions are met before becoming unconditionally entitled to the share awards, the total estimated fair value of the share awards is spread over the vesting period, taking into account the probability that the share awards will be vested.

During the vesting period, the number of share awards which are expected to be vested is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the consolidated income statement for the year of the review.

Upon vesting, the amount recognised as an expense is credited to shares held for share award scheme and debited to share-based compensation reserve.

When the share award is cancelled, it is treated as if it were vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

(d) Employee leave entitlement and long service payment

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

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

2 主要會計政策概要(續)

2.22 僱員福利(續)

(c) 股份獎勵計劃

授予僱員或董事之股份獎勵之公允價值確認為費用，並於以股份支付之補償儲備內計入相應增加。公允價值於授出當日經參考本公司之股價計量，並已計及授出股份獎勵後之條款及條件。倘歸屬條件於無條件享有股份獎勵前獲達成，在計及股份獎勵將會歸屬之可能性後，股份獎勵之估計公允價值總額於歸屬期間內攤分。

於歸屬期間，會對預期將予歸屬之股份獎勵數目進行檢討。對以往年度確認之累計公允價值之任何調整，於回顧年度之綜合收益表扣除／計入。

歸屬後，確認為費用之金額計入持作股份獎勵計劃之股份，並於以股份支付之補償儲備扣減。

倘股份獎勵被註銷，其會被視為猶如已於註銷當日獲歸屬，並即時確認該獎勵尚未確認之任何費用。

(d) 僱員可享有之假期及長期服務金

僱員可享有之年假及長期服務金乃於應計予僱員時確認。因僱員於截至報告日期止提供服務而估計未放之年假及長期服務金須作出撥備。

僱員可享有之病假及產假直至放假時方予以確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee Benefits (continued)

(e) Bonus plans

The Group recognises a liability and an expense for bonuses, based on performance and takes into consideration the profit attributable to the Company's shareholders. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(f) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2 主要會計政策概要(續)

2.22 僱員福利(續)

(e) 花紅計劃

本集團按表現及計及本公司股東應佔溢利確認負債及花紅支出。當按照合約為有責任或根據過往慣例構成推定責任時，本集團會確認撥備。

(f) 離職福利

本集團在正常退休日期前解僱僱員或僱員自願接受離職以換取該等福利時支付離職福利。本集團於以下日期(以較早者為準)確認離職福利：(a)本集團無法收回提供該等福利之日；及(b)當本集團確認重組成本屬香港會計準則第37號範圍內並涉及支付離職福利之日。在提出要約以鼓勵自願離職之情況下，離職福利乃根據預期接受要約之僱員人數計量。自報告期末起計逾12個月後到期應付之福利將折現至現值。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Provisions and Contingent Liabilities

(a) Provision

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

(b) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to consolidated financial statements. When a change in the probability of an outflow occurs so that an outflow is probable, it will then be recognised as a provision.

2 主要會計政策概要(續)

2.23 撥備及或然負債

(a) 撥備

當本集團因過往事件而負擔法律或推定債務、可能須撥出資源以支付該債務及已對數額作出可靠估計時，撥備將予以確認。撥備不可為未來經營虧損確認。

倘若有多項同類債務，須撥出資源予以支付之可能性將在整體考慮債務類別後決定。即使在同一責任類別所包含之任何一個項目相關資源流出之可能性極低，仍需確認撥備。

撥備使用除稅前利率按支付債務可能所需之除稅前費用之現值計算，而該現值反映當時市場對貨幣時間價值之評估及該項債務之特有風險。撥備隨著時間過去而增加之數額確認為利息開支。

(b) 或然負債

或然負債指可能因過往事件而產生之可能責任，而有關責任須透過一項或以上並非盡在本集團控制範圍內之不確定日後事件發生與否方能確定存在。或然負債亦指因過往事件而產生之現有責任，由於可能不需要流出經濟資源或責任金額無法可靠計量而未有確認。

或然負債不予確認，惟會於綜合財務報表附註內披露。倘資源流出之可能性有變，以致可能流出資源，則將確認為撥備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax and discounts, and after eliminating sales within the Group.

The Group recognises revenue, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Revenue is recognised when or as the control of the good or service is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time.

Control of the good or service is transferred over time if the Group's performance:

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

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service. Specific criteria where revenue is recognised are described below.

2 主要會計政策概要(續)

2.24 收入確認

收入按本集團於日常營業期間銷售貨品及服務而已收或應收代價之公允價值計量。收入顯示為扣除增值稅及折扣並抵銷本集團內之銷售。

當未來經濟利益可能流入有關實體、以及符合下文所述本集團之各業務之特定條件時，本集團將確認收入。本集團以其過往業績作為回報估計之依據，並會考慮客戶類別、交易類別及各項安排之具體情況。

倘合約包括多項履約責任，交易價格將基於單獨售價分配至各履約責任。倘該等售價不可直接觀察，則基於預期成本加利潤率進行估計。

收入在貨品或服務的控制權轉移給客戶時確認。取決於合約的條款及合約適用的法例，貨品或服務的控制權可以是隨時間或在某個時間點轉移。

倘本集團的履約符合下列其中一項標準，則貨品或服務的控制權為隨時間轉移：

- 客戶同時取得並耗用所有利益；
- 產生或提升一項資產，而該項資產於本集團履約時由客戶控制；或
- 並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約的付款具有可強制執行的權利。

倘貨品或服務的控制權為隨時間轉移，則參考履約責任的完成進度按合約期確認收入。在其他情況下，則在客戶獲取貨品或服務的控制權的時間點確認收入。確認收入的特定標準載於下文。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Revenue Recognition (continued)

(a) Rendering of services

Service fee income in relation to the provision of aviation and logistics services, freight forwarding, ground logistics and warehousing services, security and infrastructure services is recognised in the accounting period in which the services are rendered.

Aircraft management services and aircraft maintenance services is recognised over the period of the service contract as the customer receives and consumes the benefits provided by the Group's performance as the Group performs. The Group has a right to invoice with reference to its services provided to the customer at a pre-determined rate as stated in the contract. The Group usually issues invoices to its customers on a monthly basis with a 30-90 days credit term. The Group's billings to its customers are invoiced at amounts that correspond with the value of the Group's performance completed to date based on the pre-determined rates as stated in the service contracts and the Group applies the practical expedient to simplify disclosure regarding remaining performance obligations.

Service fee income in relation to the provision of financial market information is recognised on a straight-line basis over the period of the service contract.

Payment for aviation and logistics services, freight forwarding, ground logistics and warehousing services, aircraft maintenance services, security and infrastructure services are not due from the customers until the services are completed, with a 30-90 days credit term.

Payment for aircraft management services would be made by customers before the commencement of services. For financial market information services, the customer pays the fixed amount at the commencement of service contract. A contract liability is recognised for payments which exceed the services rendered.

2 主要會計政策概要(續)

2.24 收入確認(續)

(a) 提供服務

有關提供航空及物流服務、貨運代理、地面物流及倉儲服務、安保及基建服務之服務費用收入於提供服務之會計期間確認。

由於客戶於本集團履約時取得並消耗本集團履約所提供之利益，故飛機管理服務及飛機維修服務於服務合約期內確認。本集團有權經參考後其為客戶提供之服務按合約所述事先釐定之利率收費。本集團一般每月向其客戶發出發票，信貸期為30至90日。本集團以與本集團至今完成履約之價值相應之金額按合約所述事先釐定之利率向其客戶發出發票，且本集團應用可行權宜方法簡化有關餘下履約責任之披露。

有關提供金融市場資訊的服務費用收入於服務合約期間以直線法確認。

航空及物流服務、貨運代理、地面物流及倉儲服務、飛機維修服務、安保以及基建服務之款項在完成服務時由客戶支付，信貸期為30至90日。

飛機管理服務之付款將在開始服務前由客戶支付。對於金融市場資訊服務，客戶在服務合約開始時支付固定金額。倘客戶支付的金額超過已提供服務之價值，則確認合約負債。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Revenue Recognition (continued)

(b) Sale of goods

Revenue from the sale of goods is recognised when control of the products has transferred to the customer, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Payment of the transaction price is due immediately when goods are delivered.

(c) Reimbursement income

Reimbursement income of disbursement recharge is recognised when the service is performed by the respective supplier.

The Group does not expect to have significant contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2.25 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

2 主要會計政策概要(續)

2.24 收入確認(續)

(b) 出售貨品

來自出售貨品之收入在產品的控制權轉移給客戶(即產品交付予客戶之時)，且並無可能影響客戶接受產品的未達成責任時確認。交易價格之款項在貨品交付時需立即支付。

(c) 償付收入

收取開支之償付收入乃於相關供應商提供服務時確認。

本集團預期不會有向客戶轉讓承諾貨品或服務與客戶付款之期間超過一年之重大合約。因此，本集團並無就貨幣之時間價值調整任何交易價格。

2.25 貸款成本

直接源自合資格資產(需經較長時間方能達至其預定使用或出售目的)收購、興建或生產之一般及特定貸款成本，計入該等資產的成本，直至大致達至其預定使用或出售目的為止。

尚未使用於合資格資產的特定貸款作短期投資賺取的投資收入，於合資格資本化的貸款成本中扣除。所有其他貸款成本於其產生期間於綜合收益表內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Leases

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

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

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

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

Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

2 主要會計政策概要(續)

2.26 租賃

誠如上文附註2.2所闡釋，本集團已就本集團為承租人之租賃更改其會計政策。新政策於下文闡述，而變動影響則於附註2.2闡述。

截至二零一八年十二月三十一日，本集團(作為承租人)擁有絕大部份擁有權風險及回報之物業、機器及設備租賃分類為融資租賃。根據融資租賃持有之物業、機器及設備於租賃訂立之初按租賃物業之公允價值或最低租金現值之較低者撥充資本。相關租賃責任(扣除融資費用)計入其他短期及長期應付款項。各項租賃款項在負債及融資成本之間分攤。融資費用於租期內在損益中支銷，以計算出各期負債結餘的固定週期利率。倘不能合理確定本集團將可在租期結束時獲得擁有權，根據資產之可使用年期或融資租賃收購之物業、機器及設備按資產之可使用年期及租賃年期之較短者折舊。

絕大部份擁有權風險及回報並無轉移至本集團(作為承租人)之租賃分類為經營租賃。根據經營租賃作出的付款(扣除自出租人收取的任何獎金後)於租期內以直線法在損益中支銷。

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

合約可能包含租賃及非租賃部分。本集團已選擇將租賃及非租賃部分入賬為單一租賃組成部分，並無將兩者區分。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Leases (continued)

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

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

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

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

2 主要會計政策概要(續)

2.26 租賃(續)

租賃產生之資產及負債初步以現值基準計量。租賃負債包括以下租賃付款之淨現值：

- 固定付款(包括實質固定付款)，減任何應收租賃優惠；
- 基於某一指數或比率之可變租賃付款，採用於開始日期之指數或比率初步計量；
- 本集團於剩餘價值擔保下預期應付之金額；
- 倘本集團合理確定行使購買選擇權，則為該選擇權之行使價；及
- 倘租期反映本集團行使終止租賃選擇權，則支付終止租賃之罰款。

將根據合理確定延長選擇權作出之租賃付款亦計入負債之計量(如有)。

租賃付款使用租賃中隱含之利率進行貼現。倘難以釐定該利率(為本集團租賃之一般情況)，則使用承租人之遞增貸款利率，即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值之資產所需資金而必須支付之利率。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Leases (continued)

To determine the incremental borrowing rate, the Group, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and makes adjustments specific to the lease.

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

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

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

2 主要會計政策概要(續)

2.26 租賃(續)

為釐定遞增貸款利率，本集團使用個別承租人近期獲得之第三方融資為出發點作出調整，以反映自獲得第三方融資以來融資條件之變動，並進行特定於該租賃之調整。

租賃付款於本金及融資成本之間作出分配。融資成本於租期內於損益扣除，藉以令各期間之負債餘額之期間利率一致。

使用權資產按成本計量，包括以下各項：

- 初步計量租賃負債之金額；
- 於開始日期或之前作出之任何租賃付款減任何已收租賃優惠；
- 任何初始直接成本；及
- 復原成本。

使用權資產一般於資產之可使用年期及租期(以較短者為準)內以直線法折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產之可使用年期內折舊。

與短期租賃及所有低價值資產租賃相關之付款以直線法於損益確認為開支。短期租賃指租期為12個月或以下之租賃。低價值資產主要包括辦公室設備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Related Parties

A person or entity is considered to be related to the Group if:

- (a) a person or a close member of that person's family (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;
- (b) the entity and the Group are members of the same group, which means that each parent, subsidiary and fellow subsidiary is related to the others;
- (c) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a group of which the other entity is a member;
- (d) both entities are joint ventures of the same third party;
- (e) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (f) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (g) the entity is controlled or jointly controlled by a person identified in (a); or
- (h) a person identified in (a) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.

2.28 Interest Income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2 主要會計政策概要(續)

2.27 關聯人士

在下列情況下，以下人士或實體被視為與本集團有關聯：

- (a) 如有以下情況之個人及其近親：(i)能夠控制或共同控制本集團；(ii)能夠對本集團行使重大影響；或(iii)為本集團之主要管理人員；
- (b) 該實體與本集團為同一集團內成員，即各母公司、附屬公司及同系附屬公司互有關聯；
- (c) 一個實體為另一個實體之聯營公司或合資公司，或倘另一個實體為集團成員，則為該集團成員之聯營公司或合資公司；
- (d) 兩個實體均為同一第三方之合資公司；
- (e) 一個實體為第三方實體之合資公司，而另一個實體為該第三方實體之聯營公司；
- (f) 該實體為本集團或與本集團有關聯之實體僱員終止受僱後福利計劃受益人；
- (g) 該實體由(a)節界定之人士控制或共同控制；或
- (h) (a)節界定之人士能夠對該實體施以重大影響，或該人士為該實體或該實體之母公司之主要管理人員。

2.28 利息收入

利息收入透過對金融資產的賬面總值應用實際利率計算，惟其後出現信貸減值的金融資產除外。就出現信貸減值的金融資產而言，利息收入透過對金融資產的賬面淨值(扣除虧損撥備後)應用實際利率計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group is exposed to a variety of financial risks which result from its operating, investing and financing activities. Management periodically analyses and reviews measures to manage the Group's exposure to market risk (including foreign currency risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. Generally, the Group employs a conservative strategy regarding its risk management and has not used any derivatives or other instruments for hedging purposes.

At 31 December 2019, the Group's financial instruments mainly consisted of trade receivables, deposits and other receivables, cash and bank balances, borrowings, lease liabilities, trade payables, other payables and accruals, and financial assets at FVOCI.

(a) Market risk

(i) Foreign currency risk

The Group currently operates mainly in Hong Kong, Kenya, South Africa, Malta and Mainland China.

For operations in Hong Kong, most of the transactions are denominated in HK\$ and United States dollars ("US\$"). The exchange rate of US\$ against HK\$ is relatively stable and the related currency exchange risk is considered minimal.

For operations in Africa, most of the transactions are denominated in US\$, Kenyan Shillings ("KES") and South African Rand ("ZAR"). No financial instrument was used for hedging purposes for the year due to the prohibitive cost of available hedging opportunities. The Group is closely monitoring the currency exchange risk of KES and ZAR and will consider the use of financial instrument for hedging purposes, if necessary.

3 財務風險管理

3.1 財務風險因素

本集團承受著多種來自營運、投資及融資活動產生之財務風險。管理層定期分析及檢討措施，以管理本集團之市場風險(包括外幣風險及現金流量與公允價值利率風險)、信貸風險及流動資金風險。本集團一般為風險管理採用保守之策略，並無使用任何衍生或其他工具作對沖之用。

於二零一九年十二月三十一日，本集團之金融工具主要包括貿易應收款項、按金及其他應收款項、現金及銀行結存、貸款、租賃負債、貿易應付款項、其他應付款項及應計費用以及按公允價值計入其他全面收益之金融資產。

(a) 市場風險

(i) 外幣風險

本集團主要於香港、肯尼亞、南非、馬耳他及中國內地經營業務。

就香港之經營業務而言，大部份交易乃以港元及美元(「美元」)列值。美元兌港元之匯率相對穩定，故有關貨幣匯兌風險不大。

就非洲之經營業務而言，大部份交易乃以美元、肯尼亞先令(「肯尼亞先令」)及南非蘭特(「南非蘭特」)列值。由於可用之對沖機會成本過高，故此年內本公司並無使用金融工具以作對沖。本集團密切監察肯尼亞先令及南非蘭特之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

For operations in Malta, most of the transactions are denominated in Euro ("EUR") and US\$. No financial instrument was used for hedging purposes for the year. The Group is closely monitoring the currency exchange risk of EUR and will consider the use of financial instrument for hedging purposes, if necessary.

For operations in Mainland China, most of the transactions are denominated in Renminbi ("RMB"). The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange controls promulgated by the Chinese government. The Group is closely monitoring the currency exchange risk of RMB and is looking for any opportunities to mitigate the currency exchange risk of RMB.

(ii) Cash flow and fair value interest rate risk

The Group's cash flow and fair value interest rate risk arises from bank balances and deposits and borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk which is partially offset by bank balances and deposits held at variable rates. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. During the year ended 31 December 2019, the Group's borrowings were denominated in US\$, EUR and ZAR (2018: same). The Group has not used any derivative financial instruments to hedge its cash flow and fair value interest rate risk.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外幣風險(續)

就馬耳他之經營業務而言，大部份交易乃以歐元(「歐元」)及美元列值。本公司於本年度並無使用金融工具以作對沖。本集團密切監察歐元之匯兌風險，並將考慮於必要時使用金融工具以作對沖。

就中國內地之經營業務而言，大部份交易乃以人民幣(「人民幣」)列值。人民幣兌換外幣受中國政府頒佈之外匯管制規則及規例規限。本集團密切監察人民幣之匯兌風險，並正尋求任何可減低人民幣匯兌風險之機會。

(ii) 現金流量與公允價值利率風險

本集團之現金流量及公允價值利率風險來自銀行結存及存款以及貸款。按浮動利率獲取之貸款使本集團面對現金流量利率風險，部份為按浮動利率持有之銀行結存及存款所抵銷。按固定利率獲取之貸款使本集團面對公允價值利率風險。截至二零一九年十二月三十一日止年度，本集團之貸款按美元、歐元及南非蘭特計值(二零一八年：相同)。本集團未使用任何衍生金融工具對沖其現金流量及公允價值利率風險。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk (continued)

At 31 December 2019, if interest rate had increased/decreased by 100 basis points (2018: 100 basis points) with all other variables held constant, the Group's loss after tax and accumulated losses would have been HK\$3,635,000 (2018: HK\$8,243,000) lower/higher.

The sensitivity analysis above had been determined assuming that the change in interest rates had occurred at the financial position date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date, and that all other variables had remained constant. The stated increase/decrease represented management's assessment of reasonably possible changes in interest rates over the period until the next annual financial position date. The analysis was performed on the same basis for 2018.

(b) Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amounts of the respective recognised financial assets as stated in the respective notes to the consolidated financial statements. The Group's exposure to credit risk is mainly related to its contractual cash flows of trade receivables, deposits and other receivables, and cash and bank balances.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 現金流量與公允價值利率風險(續)

於二零一九年十二月三十一日，假設所有其他變量維持不變，倘利率上升／下降100個基點(二零一八年：100個基點)，本集團之除稅後虧損及累計虧損會減少／增加約3,635,000港元(二零一八年：8,243,000港元)。

上述敏感度分析乃假設利率之改變於財務狀況日已出現，並已應用於在該日已存在之金融工具利率風險，以及所有其他變量維持不變而釐定。該等列明上升／下降為管理層對該期間直至下一個年度財務狀況日之利率可能合理改變之評估。該分析採用二零一八年之相同基準進行。

(b) 信貸風險

由於交易對手未能履行責任引致之本集團最大之信貸風險將令本集團面臨財務虧損，並由綜合財務報表內有關附註所列各自之已確認金融資產賬面值產生。本集團面臨的信貸風險主要與其貿易應收款項之合約現金流量、按金及其他應收款項以及現金及銀行結存有關。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(b) Credit risk (continued)

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables for sales of goods and from the provisions of services; and
- other financial assets at amortised cost

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial. Majority of bank balances of the Group are generally placed in short to medium term deposits and investments with reputable banks.

The Group has certain bank balances placed at a bank in Malta which was under administration as required by the local financial authority as at 31 December 2019. The bank released the fund to account holders subsequent to year end. Therefore, no impairment loss has been identified. Further details has been disclosed in Note 23 to the consolidated financial statements.

(i) Trade receivables

For trade receivables, the Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 12 to 36 months before 31 December 2019 and 2018 respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團有兩類金融資產適用預期信貸虧損模式：

- 出售貨品及提供服務之貿易應收款項；及
- 按攤銷成本列賬之其他金融資產

儘管現金及現金等價物亦適用香港財務報告準則第9號之減值要求，惟所識別之減值虧損並不重大。本集團之大部份銀行結存一般存放於具良好信譽之銀行作中短期存款及投資。

本集團存放於一家馬耳他銀行之若干銀行結存於二零一九年十二月三十一日根據當地金融監管機構的要求被凍結。該銀行於年結後已向賬戶持有人放款。因此，並無識別減值虧損。進一步詳情披露於綜合財務報表附註23。

(i) 貿易應收款項

對於貿易應收款項，本集團採用香港財務報告準則第9號的簡化方法計量預期信貸虧損，即對所有貿易應收款項使用全期預期信貸虧損。為計量預期信貸虧損，貿易應收款項乃根據共同信貸風險特徵及逾期天數進行分組。

預期虧損率乃根據二零一九年及二零一八年十二月三十一日前12至36個月期間的銷售付款情況及此期間內所經歷的相應過往信貸虧損而釐定。過往虧損率乃經調整以反映影響客戶結算應收款項之能力的宏觀經濟因素之現時及前瞻性資料。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

Trade receivables are written off when there is no reasonable expectation of recovery. Subsequent recoveries of amounts previously written off are credited against the same line item.

The expected credit loss for trade receivables not yet due is close to zero and based on an expected credit loss rate of approximately 0.15% to 0.92% (2018: 0.03% to 0.26%) for trade receivables past due, the impact of the expected loss is assessed to be immaterial and no further loss allowance is needed under the expected credit loss model.

(ii) Other financial assets at amortised cost

The Group applies a 12-month expected credit loss on other financial assets at amortised cost. Management considered among other factors, analysed historical pattern and concluded that the expected credit loss for other financial assets at amortised cost to be immaterial as the credit risk is assessed as low. During the year, impairment loss on other receivables of HK\$4,857,000 was recognised in profit or loss (2018: Nil).

(c) Liquidity risk

The Group implements a prudent liquidity risk management to regularly monitor current and expected liquidity requirements for maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet its liquidity requirements in the short and long term.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 貿易應收款項(續)

貿易應收款項於合理預期不可收回時撇銷。貿易應收款項之減值虧損在其他營運費用內呈列為減值虧損。其後收回此前撇銷之款項計入同一條目。

尚未逾期之貿易應收款項之預期信貸虧損接近零，而已逾期之貿易應收款項乃基於預期虧損率約0.15%至0.92%（二零一八年：0.03%至0.26%），相關預期虧損之影響經評估並不重大，無需根據預期信貸虧損模式進一步計提虧損撥備。

(ii) 按攤銷成本列賬之其他金融資產

本集團就按攤銷成本列賬之其他金融資產採用12個月預期信貸虧損。管理層會(其中包括)分析過往情況，倘評估相關信貸風險較低，則認為按攤銷成本列賬之其他金融資產之預期信貸虧損並不重大。本年度，其他應收款項之減值虧損4,857,000港元於損益確認(二零一八年：無)。

(c) 流動資金風險

本集團實施審慎之流動資金風險管理，定期監察即期及預期之流動資金要求，維持充足之現金，透過已承諾信貸授信之足夠額度備有資金，以滿足短期及長期之流動資金要求。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial Risk Factors (continued)

(c) Liquidity risk (continued)

Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit facilities available from various banks if necessary. The liquidity risk of the Group is primarily attributable to trade payables, other payables and accruals, borrowings and lease liabilities.

The amounts of the contractual undiscounted cash flows of the financial liabilities were summarised as follow:

		On demand	Within 1 year	More than 1 year but less than 5 years	More than 5 years	Total
		按要求	一年內	超過一年但少於五年	超過五年	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2019	於二零一九年十二月三十一日					
Trade payables	貿易應付款項	81,305	—	—	—	81,305
Other payables and accruals	其他應付款項及應計費用	—	132,606	—	—	132,606
Borrowings	貸款	—	4,546	—	—	4,546
Lease liabilities	租賃負債	—	70,632	55,421	4,475	130,528
		81,305	207,784	55,421	4,475	348,985
At 31 December 2018	於二零一八年十二月三十一日					
Trade payables	貿易應付款項	87,641	—	—	—	87,641
Other payables and accruals	其他應付款項及應計費用	—	96,247	—	—	96,247
Borrowings	貸款	—	20,920	48,846	—	69,766
Other long-term liabilities	其他長期負債	—	—	7,237	—	7,237
		87,641	117,167	56,083	—	260,891

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

由於主要業務性質經常變動，本集團致力透過各銀行已承諾之可用信貸額度(如必要)維持資金之靈活性。本集團之流動資金風險主要來自貿易應付款項、其他應付款項及應計費用、貸款及租賃負債。

金融負債之合約未折現現金流量金額概要如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital Management

The Group regards its total equity as capital. The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders to support the Group's sustainable growth and to maintain an optimal capital structure to reduce the cost of capital.

The Group reviews and manages its capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, raise new debt financing or sell assets to reduce debt. No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 2018. The Group is not subject to any externally imposed capital requirements.

The Group monitors its capital structure on the basis of a total liabilities-to-total assets ratio, which shows the proportion of the Group's assets being financed through debt. During the year ended 31 December 2019, the Group's strategy was to maintain the total liabilities-to-total assets ratio around 50% (2018: 50%). The total liabilities-to-total assets ratio at 31 December 2019 and 2018 was as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Total liabilities	負債總額	379,810	314,462
Total assets	資產總值	1,223,423	1,505,983
Total liabilities-to-total assets ratio	總負債資產比率	31%	21%

3 財務風險管理(續)

3.2 資本管理

本集團視其總權益為資本。本集團資本管理之主要目的為保障本集團持續營運之能力，為股東提供回報，為其他利益相關者提供利益，以支持本集團之持續發展及維持最佳資本結構化，減低資本成本。

本集團按經濟狀況之變化檢討及管理其資本結構並對其作出調整。為維持或調整資本結構，本集團可調整支付予股東之股息、返還資本予股東、發行新股、提出新債務融資或出售資產以減少債務。截至二零一九年及二零一八年十二月三十一日止年度，並無對目的、政策或過程作出變動。本集團並不受任何外在施加資本要求影響。

本集團按總負債資產比率監察其資本結構，該比率顯示本集團資產以債務撥付之比例。截至二零一九年十二月三十一日止年度，本集團之策略為維持總負債資產比率約為50%（二零一八年：50%）。於二零一九年及二零一八年十二月三十一日之總負債資產比率如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair Value Estimation

The different levels of financial instruments carried at fair value have been defined as follows:

- (a) Quoted prices (unadjusted) in active market for identical assets or liabilities (level 1);
- (b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- (c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of debt instruments at FVOCI at 31 December 2019 with respect to the listed investments amounting to HK\$Nil (31 December 2018: HK\$20,000) is based on the quoted market prices of the listed investments. The instruments are included in level 1 at 31 December 2018.

The fair value of equity instruments at FVOCI at 31 December 2019 with respect to the unlisted investments amounting to HK\$4,000 (31 December 2018: HK\$4,000) which are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If one or more of the significant inputs is not based on observable data, the instrument is included in level 3.

During the year ended 31 December 2019, there were no transfers of financial instruments between levels 1, 2 and 3 (2018: same).

3 財務風險管理(續)

3.3 公允價值估計

按公允價值入賬的金融工具之各層級定義如下：

- (a) 相同資產或負債在活躍市場之報價(未經調整)(第一層級)；
- (b) 除第一層級所包括之報價外，有關資產或負債之可直接(即其價格)或間接(即衍生自價格)之可觀察之輸入值(第二層級)；及
- (c) 有關資產或負債之輸入值並非依據可觀察之市場數據(即不可觀察之輸入值)(第三層級)。

於二零一九年十二月三十一日，有關上市投資之按公允價值透過其他全面收益列賬之債權工具之公允價值為零港元(二零一八年十二月三十一日：20,000港元)乃根據上市投資之市場報價釐定。於二零一八年十二月三十一日，該等工具計入第一層級。

於二零一九年十二月三十一日，有關並非於活躍市場買賣非上市投資之按公允價值透過其他全面收益列賬之股權工具(如場外衍生工具)之公允價值4,000港元(二零一八年十二月三十一日：4,000港元)乃使用估計技術釐定。該等估值技術最大限度使用可觀察市場數據，而盡可能減少使用特定實體估計。倘一項或多項重大輸入值並非根據可觀察數據，則該工具計入第三層級。

截至二零一九年十二月三十一日止年度，第一、二及三層級之間並無作出金融工具轉撥(二零一八年：相同)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

4.1 Impairment of Goodwill

The Group conducts reviews annually whether goodwill has suffered any impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts of CGUs have been determined based on value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

Details of the key assumptions selected by management in assessing impairment of goodwill are set out in Note 15 of these financial statements.

4 關鍵會計估算及判斷

估算及判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信為合理之對未來事件之預測。

本集團就未來狀況作出估計及假設。所得之會計估量按定義一般不會相等於有關實際結果。將導致於下一財政年度對資產及負債賬面值作重大調整之極大風險之估計及假設於下文討論。

4.1 商譽之減值

倘有事件或情況變化顯示賬面值可能無法收回時，本集團會每年檢討商譽是否已出現任何減值。現金產生單位之可收回金額乃根據使用價值計算方法或按公允價值減出售成本釐定。該等計算需要運用判斷及估計，管理層須就資產減值作出判斷，尤其是評估下列各項時：(i) 是否已發生可能顯示有關資產價值可能無法收回之事件；(ii) 可收回金額（即公允價值減出售成本及基於在業務中持續使用資產所估計之未來現金流量現值淨額兩者中之較高者）是否能夠支持資產的賬面值；及(iii) 編製現金流量預測所應用的主要假設是否恰當，包括該等現金流量預測是否使用適當的利率折現。倘管理層於評估減值時選定之假設（包括折現率或現金流量預測之增長率假設）有所改變，則可能會對減值測試所使用之現值淨額造成重大影響，並因而影響本集團之財務狀況及經營業績。

管理層於評估商譽減值時選定之主要假設詳情於該等財務報表的附註15內說明。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.2 Impairment of Intangible Assets, Property, Plant and Equipment and Right-of-Use Assets

Intangible assets, property, plant and equipment and right-of-use assets are reviewed for impairment whenever events or change in circumstances indicate that the carrying amounts may not be recoverable. The recoverable amounts have been determined based on the higher of value-in-use calculations or fair value less costs to sell calculations.

The calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying amount of an asset can be supported by the recoverable amount, being the higher of fair value less costs to sell and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could affect the net present value used in the impairment test and as a result affect the Group's financial position and results of operations.

4.3 Impairment of Trade Receivables

The loss allowances for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

4 關鍵會計估算及判斷(續)

4.2 無形資產、物業、機器及設備以及使用權資產之減值

無形資產、物業、機器及設備以及使用權資產在有事件或情況變化顯示賬面值可能無法收回時就減值進行檢討。可收回金額乃根據使用價值計算方法或以公允價值減出售成本之計算方法兩者所得金額中的較高者釐定。

該等計算需要運用判斷及估計。管理層須就資產減值作出判斷，尤其是評估下列各項時：(i) 是否已發生可能顯示有關資產價值可能無法收回之事件；(ii) 可收回金額(即公允價值減出售成本及基於在業務中持續使用資產所估計之未來現金流量現值淨額兩者中之較高者)是否能夠支持資產的賬面值；及(iii) 編製現金流量預測所應用的主要假設是否恰當，包括該等現金流量預測是否使用適當的利率折現。倘管理層於評估減值時選定之假設(包括折現率或現金流量預測之增長率假設)有所改變，則可能會對減值測試所使用之現值淨額造成影響，並因而影響本集團之財務狀況及經營業績。

4.3 貿易應收款項之減值

貿易應收款項之虧損撥備乃基於有關違約風險及預期虧損率之假設。於各報告期末，本集團於作出該等假設及挑選計算減值之輸入數據時運用其判斷，有關判斷乃基於本集團之過往經驗、現行市況及前瞻性估計。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

4.4 Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations, including the aircraft leasing arrangement between the Group companies that are structured on an arm's length basis, for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues, if any, based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, including the tax position of those intra-group transactions, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred income tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Deferred income tax liabilities are recognised in respect of the unremitted earnings of subsidiaries in Mainland China generated subsequent to 31 December 2007 and Africa, except to the extent that the parent is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Significant management judgement is required to determine the amount of deferred income tax liabilities to be recognised, which is based upon the estimated timing of dividend distribution.

4 關鍵會計估算及判斷(續)

4.4 所得稅

本集團須在多個司法權區繳納所得稅。釐定全球所得稅之撥備時需要作出重大判斷。有若干難以確定最終稅項之交易及計算方法(包括集團公司間按公平基準訂立之飛機租賃安排)。本集團根據會否將出現額外應繳稅項之估計而確認預期稅務審核事宜(如有)所產生之負債。倘該等事宜之最終稅務結果與初始記錄之金額不同(包括該等集團間交易之稅務狀況)，該等差異將影響稅務釐定期內之即期及遞延所得稅資產及負債。

在可能有可用應課稅溢利用以抵銷虧損之限度內，應就所有尚未利用之稅項虧損確認遞延所得稅資產。這需要管理層作出重大判斷，基於未來應課稅溢利之可能時間及水平，結合未來稅務籌劃策略，以釐定可確認之遞延所得稅資產之金額。

對於中國內地附屬公司於二零零七年十二月三十一日後產生及非洲附屬公司之未匯出盈利應確認遞延所得稅負債，惟母公司能控制暫時差異之撥回時間，而暫時差異在可預見將來有可能不會撥回則除外。這需要管理層作出重大判斷，基於股息分派之估計時間，以釐定將予確認之遞延所得稅負債之金額。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board of the Company. Management has determined the operating segments based on the internal reports reviewed by the Board of the Company that are used to assess performance and allocate resources. The Group's operating segments are structured and managed separately according to the services provided by different strategic business units, and the services offered are subject to risks and returns that are different from those of the other operating segments.

During the year, management has changed its internal performance review to align more closely with the Group's strategic decision and development of which the previous operating segment of Aviation and Logistics Business was separated into two operating segments, namely Aviation and Logistics Business and Security, Insurance and Infrastructure Business to reflect the latest business development of the Group. The comparative amounts of the segment information in 2018 has been reclassified to reflect such change.

The performance and the financial position under each operating segment are summarised as follows:

- (i) Aviation and Logistics Business (“**AL Business**”) – Provision of aviation and logistics related services;
- (ii) Security, Insurance and Infrastructure Business (“**SII Business**”) – Provision of security, insurance and infrastructure related services; and
- (iii) Financial Market Information Business (“**FMI Business**”) – Provision of online financial market information.

Others include corporate income and expenses, other direct investments and others.

The Board of the Company assesses segment performance based on reportable operating result.

5 分部資料

主要營運決策者已識別為本公司之董事會。管理層已根據經本公司董事會審閱用作評估表現及分配資源之內部報告釐定營運分部。本集團之營運分部乃根據不同策略業務單位所提供之服務分別進行組織及管理，而各營運分部提供之服務所承擔之風險及所得回報與其他營運分部不同。

本年度，管理層已更改其內部表現檢討，以更適切配合本集團之策略決定及發展，而航空及物流業務之過往經營分部已分為兩個經營分部（即航空及物流業務以及安保、保險及基建業務），以反映本集團之最新業務發展。二零一八年分部資料之比較金額已經重新分類以反映有關變動。

各經營分部之表現及財務狀況概述如下：

- (i) 航空及物流業務（「**航空及物流業務**」）– 提供航空及物流相關服務；
- (ii) 安保、保險及基建業務（「**安保、保險及基建業務**」）– 提供安保、保險及基建相關服務；及
- (iii) 金融市場資訊業務（「**金融市場資訊業務**」）– 提供線上金融市場資訊。

其他包括企業收益與開支、其他直接投資及其他。

本公司董事會以可呈報營運業績來評估分部之表現。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the year ended 31 December 2019 by operating segments is as follows:

5 分部資料(續)

本集團截至二零一九年十二月三十一日止年度之收入、業績及若干資產、負債及開支資料按營運分部分析如下：

		AL Business 航空及 物流業務	SII Business 安保、保險 及基建業務	FMI Business 金融市場 資訊業務	Others 其他	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Revenue from contracts with customers (from external customers)	來自客戶合約之收入 (來自對外客戶)	682,497	27,463	15,960	—	725,920
Depreciation	折舊	49,950	4,163	556	172	54,841
Amortisation	攤銷	1,605	14	—	—	1,619
Provision for impairment of property, plant and equipment and assets held-for-sale	物業、機器及設備以及持作出售資產之減值撥備	64,509	—	—	—	64,509
Impairment losses on financial assets	金融資產之減值虧損	14,286	—	—	—	14,286
Operating loss	營運虧損	(178,139)	(86,094)	(778)	(104,391)	(369,402)
Interest income	利息收入					12,045
Finance costs	融資成本					(10,360)
Share of losses of associates	應佔聯營公司虧損					(3,760)
Loss before income tax	除所得稅前虧損					(371,477)
Income tax credit	所得稅抵免					14,730
Loss for the year	年度虧損					(356,747)
Total assets	資產總值	650,371	175,880	2,524	394,648	1,223,423
Total assets include: Interests in associates	資產總值包括： 於聯營公司之權益	—	52,059	—	1,826	53,885
Total liabilities	負債總額	285,710	64,024	6,230	23,846	379,810
Capital expenditure	資本開支	14,773	8,139	53	1,661	24,626

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

An analysis of the Group's revenue, results and certain assets, liabilities and expenditure information for the year ended 31 December 2018 by operating segments is as follows:

5 分部資料(續)

本集團截至二零一八年十二月三十一日止年度之收入、業績及若干資產、負債及開支資料按營運分部分析如下：

		AL Business	SII Business	FMI Business	Others	Total
		航空及 物流業務	安保、保險 及基建業務	金融市場 資訊業務	其他	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Restated)	(Restated)		(Restated)	
		(經重列)	(經重列)		(經重列)	
Revenue from contracts with customers (from external customers)	來自客戶合約之收入 (來自對外客戶)	843,135	6,141	17,472	—	866,748
Depreciation	折舊	27,896	1,005	77	96	29,074
Amortisation	攤銷	8,236	—	—	—	8,236
Provision for impairment of other intangibles	其他無形資產之 減值撥備	4,087	—	—	—	4,087
Provision for impairment of property, plant and equipment and assets held-for-sale	物業、機器及設備以及 持作出售資產之 減值撥備	8,318	—	—	—	8,318
Impairment losses on financial assets	金融資產之減值虧損	2,732	—	—	—	2,732
Operating loss	營運虧損	(120,407)	(55,892)	(1,071)	(81,878)	(259,248)
Interest income	利息收入					12,426
Finance costs	融資成本					(13,928)
Share of losses of associates	應佔聯營公司虧損					(1,517)
Loss before income tax	除所得稅前虧損					(262,267)
Income tax credit	所得稅抵免					5,644
Loss for the year	年度虧損					(256,623)
Total assets	資產總值	632,742	92,697	2,720	777,824	1,505,983
Total assets include:	資產總值包括：					
Interests in associates	於聯營公司之權益	—	6,202	—	1,872	8,074
Total liabilities	負債總額	255,116	22,051	6,571	30,724	314,462
Capital expenditure	資本開支	16,089	27,479	68	457	44,093

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

The Company is domiciled in Hong Kong. The Group's revenue from external customers by geographical regions is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Africa	非洲	462,903	506,957
Europe	歐洲	115,375	151,834
The People's Republic of China (“PRC”)	中華人民共和國 (「中國」)		
Mainland China	中國內地	102,494	145,737
Hong Kong	香港	33,910	56,381
Others	其他	11,238	5,839
		725,920	866,748

Revenue derived from external customers with amounts equal to or above 10% of the Group's revenue is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Customer A 客戶甲	Operating Segment 經營分部 AL Business 航空及物流業務	186,954	234,494

5 分部資料(續)

本公司位於香港。本集團來自對外客戶之收入按地區劃分如下：

源自對外客戶之收入相等於或高於本集團收入10%之金額如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

5 SEGMENT INFORMATION (continued)

A reconciliation of the total of the reportable segments' assets to the Group's total assets is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元 (Restated) (經重列)
Total assets for reportable segments	可呈報分部資產總值	828,775	728,159
Other direct investments	其他直接投資	6,650	7,706
Corporate assets	企業資產	387,998	770,118
Total assets of the Group		1,223,423	1,505,983

The total of non-current assets other than financial instruments and deferred income tax assets by geographical regions is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Africa	非洲	270,699	228,712
Europe	歐洲	40,941	73,117
The PRC	中國		
Mainland China	中國內地	20,523	9,616
Hong Kong	香港	4,651	1,604
Others	其他	28,826	25,878
		365,640	338,927

5 分部資料(續)

可呈報分部資產總值與本集團資產總值之對賬如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元 (Restated) (經重列)
Total assets for reportable segments	可呈報分部資產總值	828,775	728,159
Other direct investments	其他直接投資	6,650	7,706
Corporate assets	企業資產	387,998	770,118
Total assets of the Group		1,223,423	1,505,983

除金融工具及遞延所得稅資產外之非流動資產總值按地區劃分如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Africa	非洲	270,699	228,712
Europe	歐洲	40,941	73,117
The PRC	中國		
Mainland China	中國內地	20,523	9,616
Hong Kong	香港	4,651	1,604
Others	其他	28,826	25,878
		365,640	338,927

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) An analysis of revenue is as follows:

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Revenue from provision of aviation and logistics services	來自提供航空及物流服務之收入	682,497	843,135
Revenue from provision of security, insurance and infrastructure services	來自提供安保、保險及基建服務之收入	27,463	6,141
Revenue from provision of online financial market information	來自提供線上金融市場資訊之收入	15,960	17,472
		725,920	866,748

Disaggregation of revenue from contracts with customers:

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Timing of revenue recognition	確認收入之時間		
At a point in time	於某一時間點	669,540	831,184
Over time	隨時間	56,380	35,564
Revenue from contracts with customers (from external customers)	來自客戶合約之收入 (來自對外客戶)	725,920	866,748

6 來自客戶合約之收入

(a) 收入分析如下：

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Revenue from provision of aviation and logistics services	來自提供航空及物流服務之收入	682,497	843,135
Revenue from provision of security, insurance and infrastructure services	來自提供安保、保險及基建服務之收入	27,463	6,141
Revenue from provision of online financial market information	來自提供線上金融市場資訊之收入	15,960	17,472
		725,920	866,748

來自客戶合約之收入分拆：

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Timing of revenue recognition	確認收入之時間		
At a point in time	於某一時間點	669,540	831,184
Over time	隨時間	56,380	35,564
Revenue from contracts with customers (from external customers)	來自客戶合約之收入 (來自對外客戶)	725,920	866,748

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

6 REVENUE FROM CONTRACTS WITH CUSTOMERS *(continued)*

(b) Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Provision of aviation and logistics services	提供航空及物流服務	6,155	2,929
Provision of online financial market information	提供線上金融市場資訊服務	4,733	5,203
Total current contract liabilities	即期合約負債總額	10,888	8,132

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘之已確認收入		
Provision of aviation and logistics services	提供航空及物流服務	2,929	4,032
Provision of online financial market information	提供線上金融市場資訊服務	5,203	5,523
		8,132	9,555

6 來自客戶合約之收入(續)

(b) 客戶合約相關負債

本集團已確認下列客戶合約相關負債：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Provision of aviation and logistics services	提供航空及物流服務	6,155	2,929
Provision of online financial market information	提供線上金融市場資訊服務	4,733	5,203
Total current contract liabilities	即期合約負債總額	10,888	8,132

(i) 就合約負債確認之收入

下表顯示本報告期就結轉合約負債確認的收入金額。

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	計入年初合約負債結餘之已確認收入		
Provision of aviation and logistics services	提供航空及物流服務	2,929	4,032
Provision of online financial market information	提供線上金融市場資訊服務	5,203	5,523
		8,132	9,555

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES

An analysis of employee benefit expenses, including directors' emoluments, is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Salaries and bonuses	薪金及花紅	194,882	172,793
Share-based compensation	以股份支付之補償	12,169	11,379
Pension costs – defined contribution plans	退休金成本 — 定額供款計劃	5,915	5,164
Termination benefits	離職福利	1,906	1,609
Unutilised annual leave	未動用年假	914	607
Other benefits (Note)	其他福利(附註)	25,110	20,170
		240,896	211,722

Note:

Other benefits include medical insurance, travel insurance and other statutory welfare contributions.

7 僱員福利開支

僱員福利開支(包括董事酬金)分析如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Salaries and bonuses	薪金及花紅	194,882	172,793
Share-based compensation	以股份支付之補償	12,169	11,379
Pension costs – defined contribution plans	退休金成本 — 定額供款計劃	5,915	5,164
Termination benefits	離職福利	1,906	1,609
Unutilised annual leave	未動用年假	914	607
Other benefits (Note)	其他福利(附註)	25,110	20,170
		240,896	211,722

附註：

其他福利包括醫療保險、旅遊保險及其他法定福利供款。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(a) Directors' Emoluments

Details of directors' emoluments are as follows:

Name of director 董事姓名		Fees 袍金	Salaries 薪金	Bonuses 花紅	Contributions		Other benefits 其他福利	Total 總計
					to pension schemes 退休金計劃供款	Share-based compensation 以股份支付之補償		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2019 截至二零一九年十二月三十一日止年度							Note (i) 附註(i)	
Mr. Chang Zhenming (Note (ii)) 常振明先生(附註(ii))		—	—	—	—	—	—	—
Mr. Erik D. Prince Erik D. Prince 先生		—	4,447	2,665	—	—	1,175	8,287
Mr. Ko Chun Shun, Johnson 高振揚先生		120	—	—	—	—	—	120
Mr. Luo Ning 羅寧先生		—	—	—	—	—	—	—
Dr. Hua Dongyi 華東一博士		—	5,884	2,468	42	12,169	111	20,674
Mr. Hu Qinggang (Note (iii)) 胡慶剛先生(附註(iii))		—	1,609	133	133	—	30	1,905
Mr. Yap Fat Suan, Henry 葉發旋先生		549	—	—	—	—	—	549
Professor Lee Hau Leung 李效良教授		549	—	—	—	—	—	549
Dr. Harold O. Demuren Harold O. Demuren 博士		549	—	—	—	—	—	549
Total 總計		1,767	11,940	5,266	175	12,169	1,316	32,633
Year ended 31 December 2018 截至二零一八年十二月三十一日止年度								
Mr. Chang Zhenming (Note (ii)) 常振明先生(附註(ii))		—	—	—	—	—	—	—
Mr. Erik D. Prince Erik D. Prince 先生		—	4,237	2,539	—	—	1,176	7,952
Mr. Ko Chun Shun, Johnson 高振揚先生		120	—	—	—	—	—	120
Mr. Luo Ning 羅寧先生		—	—	—	—	—	—	—
Dr. Hua Dongyi 華東一博士		—	5,606	2,351	42	11,379	99	19,477
Mr. Hu Qinggang (Note (iii)) 胡慶剛先生(附註(iii))		—	1,605	134	133	—	21	1,893
Mr. Yap Fat Suan, Henry 葉發旋先生		549	—	—	—	—	—	549
Professor Lee Hau Leung 李效良教授		549	—	—	—	—	—	549
Dr. Harold O. Demuren Harold O. Demuren 博士		549	—	—	—	—	—	549
Total 總計		1,767	11,448	5,024	175	11,379	1,296	31,089

Notes:

- (i) Other benefits include medical insurance, travel insurance and other statutory welfare contributions.
- (ii) Mr. Chang Zhenming was appointed as the chairman of the Board and a non-executive director on 6 December 2018.
- (iii) Mr. Hu Qinggang was resigned as an executive director on 24 March 2020.

附註:

- (i) 其他福利包括醫療保險、旅遊保險及其他法定福利供款。
- (ii) 常振明先生於二零一八年十二月六日獲委任為董事會主席兼非執行董事。
- (iii) 胡慶剛先生於二零二零年三月二十四日辭任執行董事。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(b) Directors' Retirement Benefits

No retirement benefits were paid to or receivable by any director during the year ended 31 December 2019 in respect of services as a director of the Company and its subsidiary undertakings or in respect of other services in connection with the management of the affairs of the Company or its subsidiary undertakings (2018: Nil).

(c) Directors' Termination Benefits

There were no other payments made to or receivable by any director during the year ended 31 December 2019 in respect of the loss of office as a director, whether of the Company or its subsidiary undertakings, or the loss of other office in connection with the management of the affairs of the Company or its subsidiary undertakings (2018: Nil).

(d) Consideration Provided to Third Parties for Making Available Directors' Services

No consideration was provided to or receivable by third parties for making available directors' services during the year ended 31 December 2019 (2018: Nil).

(e) Information about Loans, Quasi-Loans and Other Dealings Entered Into by the Company or Its Subsidiary Undertakings, Where Applicable, in Favour of Directors

There were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected parties during the year ended 31 December 2019 (2018: Nil).

(f) Directors' Material Interests in Transactions, Arrangements or Contracts

There were no significant transactions, arrangements and contracts in relation to the Group's business to which the Company or its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019 (2018: Nil).

7 僱員福利開支(續)

(b) 董事退休福利

於截至二零一九年十二月三十一日止年度，概無任何董事就出任本公司及其附屬公司業務之董事或就與管理本公司或其附屬公司業務的事務有關的其他服務而獲支付或應收取退休福利(二零一八年：無)。

(c) 董事離職福利

於截至二零一九年十二月三十一日止年度，概無任何董事就辭任董事職務(不論本公司或其附屬公司業務)或就辭任與管理本公司或其附屬公司業務的事務而獲支付或應收取其他付款(二零一八年：無)。

(d) 就獲取董事服務而向第三方支付之代價

於截至二零一九年十二月三十一日止年度，概無就為獲取董事服務而令第三方獲得或應收取代價(二零一八年：無)。

(e) 有關本公司或其附屬公司業務(如適用)以董事為受益人所訂立之貸款、準貸款及其他交易之資料

於截至二零一九年十二月三十一日止年度，概無以董事、彼等之受控制法團及關連方為受益人之貸款、準貸款或其他交易(二零一八年：無)。

(f) 董事於交易、安排或合約中之重大權益

於年結日或截至二零一九年十二月三十一日止年度內任何時間，本公司或其附屬公司概無簽訂任何涉及本集團之業務而本公司之董事直接或間接在其中擁有重大權益且仍然存續之重大交易、安排及合約(二零一八年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(g) Five Highest Paid Individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2018: two) directors, whose emoluments are reflected in Note 7(a). The emoluments payable to the remaining three (2018: three) individuals during the year are as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	8,897	7,888
Bonuses	花紅	594	555
Share-based compensation	以股份支付之補償	—	—
Contributions to pension schemes	退休金計劃供款	84	236
		9,575	8,679

The emoluments fell within the following bands:

Emolument bands	酬金幅度	Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	2	3
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元 – 4,000,000 港元	1	—

7 僱員福利開支(續)

(g) 五位最高薪人士

年內本集團五位最高薪人士包括兩位(二零一八年：兩位)董事，其酬金於附註7(a)內反映。年內應付予其餘三位(二零一八年：三位)人士之酬金如下：

酬金介乎下列幅度：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

7 EMPLOYEE BENEFIT EXPENSES (continued)

(h) Remuneration of Senior Management

Senior Management is set out in the session headed under “Biographical Details of Directors and Senior Management”.

Details of the emoluments payable to the members of the senior management, including key management personnel, other than Directors by band for the year are set out below:

Emolument bands	酬金幅度	Number of individuals 人數	
		2019 二零一九年	2018 二零一八年
HK\$1 – HK\$500,000	1 港元 – 500,000 港元	1	—
HK\$500,001 – HK\$1,000,000	500,001 港元 – 1,000,000 港元	2	2
HK\$1,000,001 – HK\$1,500,000	1,000,001 港元 – 1,500,000 港元	5	5
HK\$1,500,001 – HK\$2,000,000	1,500,001 港元 – 2,000,000 港元	—	—
HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元	2	1

7 僱員福利開支(續)

(h) 高級管理人員薪酬

高級管理人員載列於「董事及高級管理人員之履歷詳情」一節。

董事除外之高級管理人員(包括重要管理人員)按酬金幅度劃分之本年度酬金詳情如下：

8 FINANCE COSTS

Interests on:	下列各項之利息：
Bank loans	銀行貸款
Lease liabilities (Note 14(ii))	租賃負債(附註 14(ii))
Other loans	其他貸款
Financing arrangement fee	融資安排費用
Net exchange gain on borrowings	貸款之匯兌收益淨額

8 融資成本

	2019 二零一九年	2018 二零一八年
	HK\$'000 千港元	HK\$'000 千港元
Interests on:		
Bank loans	944	3,448
Lease liabilities (Note 14(ii))	7,566	6,294
Other loans	—	1,300
Financing arrangement fee	1,916	3,468
Net exchange gain on borrowings	(66)	(582)
	10,360	13,928

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 INCOME TAX CREDIT

	即期所得稅		
Current income tax	即期所得稅		
Outside Hong Kong	香港以外地區		
Provision for the year	本年度撥備	(79)	(675)
Adjustment in respect of prior years	過往年度調整	(201)	(213)
		(280)	(888)
Deferred income tax	遞延所得稅		
Outside Hong Kong	香港以外地區	15,010	6,532
		14,730	5,644

Taxation on profits has been calculated on the estimated assessable profits for the year at the applicable rates of taxation prevailing in the countries/places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

No provision for Hong Kong profit tax has been provided because the Group did not generate any assessable profit in Hong Kong during the year.

9 所得稅抵免

	2019 二零一九年	2018 二零一八年
	HK\$'000 千港元	HK\$'000 千港元
Current income tax		
Outside Hong Kong		
Provision for the year	(79)	(675)
Adjustment in respect of prior years	(201)	(213)
	(280)	(888)
Deferred income tax		
Outside Hong Kong	15,010	6,532
	14,730	5,644

年內溢利之稅項已按估計應課稅溢利以本集團業務所在國家／地方之現行適用稅率，基於其現行法例、詮釋及慣例而計算。

並無就香港利得稅作出撥備，因為本集團於本年度內並無於香港產生任何應課稅溢利。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

9 INCOME TAX CREDIT (continued)

The reconciliation between the income tax credit on the Group's loss before income tax and the theoretical amount of income tax credit that would arise using the domestic tax rate applicable to each of the group companies for the year is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Loss before income tax	除所得稅前虧損	(371,477)	(262,267)
Tax calculated at the domestic tax rates applicable in the respective countries	以有關國家適用之稅率計算之稅項	49,066	35,576
Tax effects of:	以下各項稅項影響：		
Income not subject to tax	毋須繳稅之收入	3,397	1,189
Expenses not deductible for tax purposes	不可作扣減稅項之開支	(29,624)	(22,035)
Utilisation of previously unrecognised tax losses	使用之前未確認之稅項虧損	134	83
Tax losses not recognised	未確認之稅項虧損	(11,232)	(11,514)
Withholding tax	預扣稅	3,190	2,558
Adjustment in respect of prior years	過往年度調整	(201)	(213)
Income tax credit	所得稅抵免	14,730	5,644

9 所得稅抵免(續)

年內本集團除所得稅前虧損之所得稅抵免與利用適用於集團內各公司之本土國家之稅率計算產生之所得稅抵免之理論金額之對賬如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

10 LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/
(crediting):

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
(a) Rental expenses	租金費用		
Rentals on land and buildings	土地及樓宇租金	14,029	28,867
Rentals on equipment	設備租金	3,177	4,215
Rentals on motor vehicle	汽車租金	400	356
		17,606	33,438
(b) Depreciation and amortisation	折舊及攤銷		
Depreciation of right-of-use assets (Note)	使用權資產折舊(附註)	32,868	—
Depreciation of property, plant and equipment (Note 13)	物業、機器及設備折舊 (附註 13)	21,973	29,074
Amortisation of other intangibles (Note 15)	其他無形資產攤銷 (附註 15)	1,619	8,192
Amortisation of prepaid operating lease rentals (Note)	預付經營租賃租金攤銷 (附註)	—	44
		56,460	37,310
(c) Other operating expenses	其他營運費用		
Professional and consultancy fee	專業及諮詢費用	16,410	10,067
Travelling expenses	差旅費用	17,563	17,506
Net exchange losses	匯兌虧損淨額	12,267	7,545
Net loss on disposal of property, plant and equipment	出售物業、機器及設備 之虧損淨額	—	977
Auditor's remuneration	核數師酬金		
Audit services	審核服務	3,080	3,010
Non-audit services	非審核服務	395	501
Provision for inventories (Note 20)	存貨撥備(附註 20)	1,456	4,030
Write-off of purchase option in an associate	撇銷於一家聯營公司之 購股權	3,907	—
Others	其他	63,245	51,776
		118,323	95,412
(d) Other income and other gains	其他收入及其他收益		
Warehouse income	倉儲收入	(4,512)	(3,959)
Write-back of other payables	其他應付款項撥回	(798)	(4,507)
Net gain on disposal of property, plant and equipment	出售物業、機器及設備之 收益淨額	(1,048)	—
Others	其他	(589)	(405)
		(6,947)	(8,871)

Note: As a result of the adoption of HKFRS 16 Leases during the year, depreciation of right-of-use assets was recognised, further details of the impact of the adoption and of such change were set out in Notes 2.2 and 14(ii) of these consolidated financial statements, respectively.

10 年度虧損

本集團年度虧損已扣除／(計入)下列各項：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
(a) Rental expenses	租金費用		
Rentals on land and buildings	土地及樓宇租金	14,029	28,867
Rentals on equipment	設備租金	3,177	4,215
Rentals on motor vehicle	汽車租金	400	356
		17,606	33,438
(b) Depreciation and amortisation	折舊及攤銷		
Depreciation of right-of-use assets (Note)	使用權資產折舊(附註)	32,868	—
Depreciation of property, plant and equipment (Note 13)	物業、機器及設備折舊 (附註 13)	21,973	29,074
Amortisation of other intangibles (Note 15)	其他無形資產攤銷 (附註 15)	1,619	8,192
Amortisation of prepaid operating lease rentals (Note)	預付經營租賃租金攤銷 (附註)	—	44
		56,460	37,310
(c) Other operating expenses	其他營運費用		
Professional and consultancy fee	專業及諮詢費用	16,410	10,067
Travelling expenses	差旅費用	17,563	17,506
Net exchange losses	匯兌虧損淨額	12,267	7,545
Net loss on disposal of property, plant and equipment	出售物業、機器及設備 之虧損淨額	—	977
Auditor's remuneration	核數師酬金		
Audit services	審核服務	3,080	3,010
Non-audit services	非審核服務	395	501
Provision for inventories (Note 20)	存貨撥備(附註 20)	1,456	4,030
Write-off of purchase option in an associate	撇銷於一家聯營公司之 購股權	3,907	—
Others	其他	63,245	51,776
		118,323	95,412
(d) Other income and other gains	其他收入及其他收益		
Warehouse income	倉儲收入	(4,512)	(3,959)
Write-back of other payables	其他應付款項撥回	(798)	(4,507)
Net gain on disposal of property, plant and equipment	出售物業、機器及設備之 收益淨額	(1,048)	—
Others	其他	(589)	(405)
		(6,947)	(8,871)

附註：由於本年度採納香港財務報告準則第16號租賃，故使用權資產折舊已予確認，採納影響及有關變動之進一步詳情分別載於該等綜合財務報表附註2.2及14(ii)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

11 LOSS PER SHARE

The calculation of the basic loss per share for the year is based on the Group's loss attributable to the equity holders of the Company and the weighted average number of ordinary shares in issue during the year.

The basic and diluted loss per share for the year ended 31 December 2019 were the same because the effect of the assumed conversion of all dilutive potential ordinary shares outstanding, including the conversion of the exchangeable preference shares and the exercise of the outstanding share options, during the year was anti-dilutive.

The weighted average number of ordinary shares in issue during the year ended 31 December 2019 was the number of ordinary shares in issue, as there was no new ordinary shares issued under the share option schemes.

		2019 二零一九年	2018 二零一八年
Weighted average number of ordinary shares in issue	已發行普通股之加權平均數	2,344,818,660	1,902,492,380
		HK\$'000 千港元	HK\$'000 千港元
Group's loss attributable to the equity holders of the Company	本公司股權持有人應佔本集團虧損	(354,793)	(258,846)

12 DIVIDENDS

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

11 每股虧損

本年度每股基本虧損乃根據本公司股權持有人應佔本集團虧損以及年內已發行普通股之加權平均數計算。

由於本年度所有發行在外並具攤薄作用之潛在普通股在假設轉換後(包括可兌換轉換之優先股獲轉換及尚未行使之購股權獲行使)具有反攤薄效應，故此截至二零一九年十二月三十一日止年度之每股基本及攤薄虧損相同。

截至二零一九年十二月三十一日止年度之已發行普通股加權平均數為已發行普通股數目，原因為並無根據購股權計劃發行新普通股。

12 股息

本公司董事會不建議派付截至二零一九年十二月三十一日止年度之任何股息(二零一八年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD-FOR-SALE

13 物業、機器及設備和持作出售資產

		Leasehold improvements and hangars 租賃物業裝修及飛機庫 HK\$'000 千港元	Aircraft and aviation equipment 飛機及航空設備 HK\$'000 千港元 Note (i) 附註(i)	Plant, machinery and tooling 機器、機械及工具 HK\$'000 千港元	Trucks, trailers and containers 貨車、拖車 HK\$'000 千港元 Note (i) 附註(i)	Motor vehicles 汽車 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日								
Cost	成本	5,839	288,389	13,809	18,572	8,803	9,323	3,467	348,202
Accumulated depreciation and impairment	累計折舊及減值	(1,633)	(46,826)	(7,744)	(7,327)	(4,844)	(5,918)	(1,158)	(75,450)
Net carrying amount	賬面淨值	4,206	241,563	6,065	11,245	3,959	3,405	2,309	272,752
Year ended 31 December 2018	截至二零一八年十二月三十一日止年度								
Opening net carrying amount	年初賬面淨值	4,206	241,563	6,065	11,245	3,959	3,405	2,309	272,752
Additions	添置	702	2,443	181	3,483	4,878	1,916	759	14,362
Disposals (Note 33(i))	出售(附註33(i))	—	(6,989)	—	(56)	—	(94)	—	(7,139)
Impairment (Note (ii))	減值(附註(ii))	—	(5,958)	—	—	—	—	—	(5,958)
Depreciation (Note 10)	折舊(附註10)	(482)	(19,705)	(1,883)	(3,793)	(1,205)	(1,484)	(522)	(29,074)
Other transfer	其他轉撥	(825)	17,238	400	—	—	425	—	17,238
Exchange differences	匯兌差額	(1)	1,326	(678)	(1,379)	(157)	(94)	(70)	(1,053)
Closing net carrying amount	年終賬面淨值	3,600	229,918	4,085	9,500	7,475	4,074	2,476	261,128
At 31 December 2018	於二零一八年十二月三十一日								
Cost	成本	5,705	293,518	13,158	19,284	13,094	11,142	4,124	360,025
Accumulated depreciation and impairment	累計折舊及減值	(2,105)	(63,600)	(9,073)	(9,784)	(5,619)	(7,068)	(1,648)	(98,897)
Net carrying amount	賬面淨值	3,600	229,918	4,085	9,500	7,475	4,074	2,476	261,128

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD-FOR-SALE (continued)

13 物業、機器及設備和持作出售資產 (續)

		Leasehold improvements and hangars 租賃物業裝修及飛機庫	Aircraft and aviation equipment 飛機及航空設備	Plant, machinery and tooling 機器、機械及工具	Trucks, trailers and containers 貨車、拖車及集裝箱	Motor vehicles 汽車	Office equipment 辦公室設備	Furniture and fixtures 傢俬及裝置	Total 總計
		HKS'000 千港元	HKS'000 千港元 Note (i) 附註(i)	HKS'000 千港元	HKS'000 千港元 Note (i) 附註(i)	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元	HKS'000 千港元
Year ended 31 December 2019	截至二零一九年十二月三十一日止年度								
Opening net carrying amount	年初賬面淨值	3,600	229,918	4,085	9,500	7,475	4,074	2,476	261,128
Adjustment for change in accounting policy (Note 2.2)	會計政策之變動調整 (附註2.2)	—	(94,562)	—	(2,904)	—	—	—	(97,466)
Restated opening net book amount	年初賬面淨值(經重列)	3,600	135,356	4,085	6,596	7,475	4,074	2,476	163,662
Additions	添置	461	—	5,930	1,251	9,500	1,624	1,563	20,329
Disposals (Note 33(i))	出售(附註33(i))	(452)	(3,637)	(554)	(249)	(344)	(119)	(39)	(5,394)
Impairment (Note (ii) and (iii))	減值(附註(ii)及(iii))	—	(59,020)	(5,166)	—	—	(14)	(309)	(64,509)
Depreciation (Note 10)	折舊(附註10)	(372)	(11,030)	(2,075)	(3,457)	(3,041)	(1,351)	(647)	(21,973)
Other transfer (Note (iii))	其他轉讓(附註(iii))	—	(6,209)	—	—	—	—	—	(6,209)
Exchange differences	匯兌差額	1	(407)	426	62	(16)	9	6	81
Closing net carrying amount	年終賬面淨值	3,238	55,053	2,646	4,203	13,574	4,223	3,050	85,987
At 31 December 2019	於二零一九年十二月三十一日								
Cost	成本	5,535	104,739	18,719	16,924	21,927	12,373	5,609	185,826
Accumulated depreciation and impairment	累計折舊及減值	(2,297)	(49,686)	(16,073)	(12,721)	(8,353)	(8,150)	(2,559)	(99,839)
Net carrying amount	賬面淨值	3,238	55,053	2,646	4,203	13,574	4,223	3,050	85,987

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD-FOR-SALE (continued)

Notes:

- (i) Leased assets as at 31 December 2018

The Group leases various aircraft and trailers under non-cancellable finance lease arrangements. The lease terms are between 4 and 10 years and the ownership of the aircraft and trailers lies within the Group. The net carrying amount of the aircraft and trailers under finance leases at 31 December is as follows:

Cost – capitalised finance leases	成本 – 資本化融資租賃	—	136,405
Accumulated depreciation and impairment	累計折舊及減值	—	(38,939)
Net carrying amount	賬面淨值	—	97,466

From 1 January 2019, leased assets are presented as a separate line item in the consolidated statement of financial position (Notes 2.2 and 14).

- (ii) For the year ended 31 December 2019, provision for impairment losses was made against non-performing aircraft amounting to HK\$20,094,000 (2018: HK\$5,958,000). Such provision was charged against the carrying amount of one (2018: four) aircraft so as to reflect their recoverable amounts as at 31 December 2019. Other than this, an impairment loss of HK\$5,489,000 (2018: HK\$Nil) was made against certain machinery, office equipment and furniture and fixtures so as to reflect their recoverable amounts as at 31 December 2019. The recoverable amounts of these aircraft, machinery, office equipment and furniture and fixtures are determined by reference to prevailing available market values of these assets.
- (iii) Property, plant and equipment classified as assets held-for-sale
- During the year ended 31 December 2018, a provision for impairment of HK\$2,360,000 was charged to the carrying amount of the helicopter classified as held for sale to reflect its market value. On 31 December 2018, this helicopter was reclassified to property, plant and equipment with its fair value of HK\$17,238,000 due to the change in management's intention to lease out this helicopter following receipt of offers to lease.

13 物業、機器及設備和持作出售資產 (續)

附註：

- (i) 於二零一八年十二月三十一日之租賃資產

本集團根據不可撤銷融資租賃安排租賃多架飛機及多輛拖車。租期介乎4年至10年，而飛機及拖車的擁有權歸本集團所有。於十二月三十一日，融資租賃下飛機及拖車之賬面淨值如下：

Aircraft and trailers		飛機及拖車	
2019	2018	2019	2018
二零一九年	二零一八年	二零一九年	二零一八年
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
—	136,405	—	136,405
—	(38,939)	—	(38,939)
—	97,466	—	97,466

自二零一九年一月一日起，租賃資產於綜合財務狀況表中以單獨條目呈列(附註2.2及14)。

- (ii) 截至二零一九年十二月三十一日止年度，就不良飛機所作之減值虧損撥備金額為20,094,000港元(二零一八年：5,958,000港元)。該撥備自一架(二零一八年：四架)飛機之賬面值中扣除，以反映其於二零一九年十二月三十一日之可收回金額。除此之外，就若干機器、辦公室設備以及傢俬及裝置所作之減值虧損金額為5,489,000港元(二零一八年：零港元)，以反映其於二零一九年十二月三十一日之可收回金額。該等飛機、機械、辦公室設備以及傢俬及裝置乃經參考該等資產之現行市值後釐定。
- (iii) 分類為持作出售資產之物業、機器及設備
- 截至二零一八年十二月三十一日止年度，減值撥備2,360,000港元指就分類為持作出售之直升機之賬面值作出之撥備，以反映其市值。於二零一八年十二月三十一日，由於管理層改變意圖，擬在收到租賃提議後出租此直升機，此直升機被重新分類至物業、機器及設備，公允價值為17,238,000港元。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

13 PROPERTY, PLANT AND EQUIPMENT AND ASSETS HELD-FOR-SALE (continued)

Notes: (continued)

- (iii) Property, plant and equipment classified as assets held-for-sale (continued)

As at 31 December 2019, the Group has reclassified three helicopters from property, plant and equipment to assets held-for-sale.

In January 2020, the Group entered into a disposal agreement with an independent third party to dispose of three helicopters at a net consideration of US\$797,000 (equivalent to HK\$6,209,000) (the "Disposal"). The carrying amounts of the three helicopters were impaired by HK\$38,926,000 to HK\$6,209,000, such that they were measured at lower of their carrying amounts and fair value less costs to sell. The recoverable amount of these three helicopters of HK\$6,209,000 was reclassified from non-current assets to assets held-for-sale as at 31 December 2019. The Disposal was completed in February 2020.

14 LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

		31 December 2019 二零一九年 十二月三十一日	1 January 2019 (Note) 二零一九年 一月一日 (附註)
		HK\$'000 千港元	HK\$'000 千港元
Right-of-use assets	使用權資產		
Aircraft	飛機	85,744	94,562
Properties	物業	56,149	58,808
Equipment	設備	1,105	—
Trailers	拖車	14,207	2,904
		157,205	156,274
Lease liabilities	租賃負債		
Current lease liabilities	流動租賃負債	63,397	27,776
Non-current lease liabilities	非流動租賃負債	48,267	88,482
		111,664	116,258

13 物業、機器及設備和持作出售資產 (續)

附註：(續)

- (iii) 分類為持作出售資產之物業、機器及設備 (續)

於二零一九年十二月三十一日，本集團已將三架直升機由物業、機器及設備重新分類至持作出售資產。

於二零二零年一月，本集團與獨立第三方訂立出售協議，以出售三架直升機，淨代價為797,000美元(相等於6,209,000港元) (「出售事項」)。三架直升機之賬面值已減值38,926,000港元至6,209,000港元，而彼等按其賬面值及公允價值(以較低者為準)減銷售成本計量。該等三架直升機之可收回金額6,209,000港元由二零一九年十二月三十一日之非流動資產重新分類至持作出售資產。出售事項於二零二零年二月完成。

14 租賃

本附註提供本集團為承租人之租賃之資料。

(i) 於綜合財務狀況表確認之款項

綜合財務狀況表顯示以下有關租賃之款項：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 LEASES (continued)

(i) Amounts recognised in the consolidated statement of financial position (continued)

Note:

In the previous year, the Group only recognised lease assets and lease liabilities in relation to leases that were classified as "finance leases" under HKAS 17 *Leases*. The assets were presented in property, plant and equipment and the liabilities as part of the Group's borrowings. For adjustments recognised on adoption of HKFRS 16 on 1 January 2019, please refer to Note 2.2.

Additions to the right-of-use assets during the 2019 financial year were HK\$33,899,000.

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

Depreciation charge of right-of-use assets	使用權資產折舊支出
Aircraft	飛機
Properties	物業
Equipment	設備
Trailers	拖車

Interest expense (included in finance costs) (Note 8)	利息開支(計入融資成本) (附註 8)	7,566
Expense relating to short-term leases (included in rental expenses) (Note 10)	有關短期租賃之費用 (計入租金開支)(附註 10)	14,429
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in rental expenses)	有關上文並無列示為短期租賃之 低價值資產租賃之開支 (計入租金費用)	3,177

Note:

As permitted under the specific transition provisions in the standard, the Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period.

The total cash outflow for leases in 2019 was HK\$62,329,000.

14 租賃(續)

(i) 於綜合財務狀況表確認之款項(續)

附註：

去年，本集團就根據香港會計準則第17號租賃分類為「融資租賃」之租賃僅確認租賃資產及租賃負債。資產呈列為物業、機器及設備，而負債則呈列為本集團貸款之一部份。有關於二零一九年一月一日就採納香港財務報告準則第16條確認之調整，請參閱附註2.2。

於二零一九財政年度添置使用權資產之金額為33,899,000港元。

(ii) 於綜合收益表確認之款項

綜合收益表顯示以下有關租賃之款項：

31 December
2019
二零一九年
十二月三十一日

HK\$'000
千港元

8,630
21,337
432
2,469

32,868

7,566

14,429

3,177

附註：

根據該準則特定過渡條文所批准，本集團已自二零一九年一月一日起追溯採納香港財務報告準則第16號，惟並無重列二零一八年報告期間之比較數字。

於二零一九年之租賃現金流出總額為62,329,000港元。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

14 LEASES (continued)

(iii) The Group's leasing activities and how these are accounted for

The Group leases various offices, warehouses, equipment, aircraft and trailers. Rental contracts are typically made for fixed periods of 1 year to 6 years, while the lease terms for the rent of a hangar from Kenya Airports Authority was 45 years commencing from 1 June 2004.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and are not used as security for borrowing purposes.

(iv) Variable lease payments

Leases of the Group do not contain variable payment terms that are linked to an index or a rate.

(v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These options are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension and termination options held, if any, are exercisable only by the Group and not by the respective lessor.

(vi) Residual value guarantees

The Group did not provide residual value guarantees in relation to leases during the year ended 31 December 2019 (2018: same).

14 租賃(續)

(iii) 本集團之租賃活動及其入賬方式

本集團租賃各辦公室、倉庫、設備、飛機及拖車。租賃合約一般固定為期一年至六年，而向肯尼亞機場管理局租賃機庫之租期為自二零零四年六月一日起計45年。

租賃條款乃按個別基準進行商討，並包含廣泛不同條款及條件。租賃協議並不構成任何契諾，並不用作貸款之擔保。

(iv) 可變租賃付款

本集團之租賃並不包含與某一指數或比率有連繫之可變付款條款。

(v) 延長及終止選擇權

延長及終止選擇權納入本集團多項物業及設備租賃。該等選擇權用作提升管理本集團業務所用之資產之經營靈活性。所持延長及終止選擇權(如有)僅可由本集團行使，而相關出租人不可行使。

(vi) 剩餘價值擔保

截至二零一九年十二月三十一日止年度，本集團並無就租賃提供剩餘價值擔保(二零一八年：相同)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

15 商譽及其他無形資產

		2019 二零一九年 Other Goodwill intangibles Total 商譽 其他無形資產 總計			2018 二零一八年 Other Goodwill intangibles Total 商譽 其他無形資產 總計		
		HK\$'000 千港元 Note (i) 附註(i)	HK\$'000 千港元 Note (ii) 附註(ii)	HK\$'000 千港元	HK\$'000 千港元 Note (i) 附註(i)	HK\$'000 千港元 Note (ii) 附註(ii)	HK\$'000 千港元
At 1 January	於一月一日						
Cost	成本	107,047	46,473	153,520	107,047	46,457	153,504
Accumulated amortisation and impairment	累計攤銷及減值	(104,945)	(32,721)	(137,666)	(104,945)	(20,438)	(125,383)
Net carrying amount	賬面淨值	2,102	13,752	15,854	2,102	26,019	28,121
Year ended 31 December	截至十二月三十一日止年度						
Opening net carrying amount	年初賬面淨值	2,102	13,752	15,854	2,102	26,019	28,121
Additions	添置	—	171	171	—	—	—
Amortisation (Note 10)	攤銷(附註10)	—	(1,619)	(1,619)	—	(8,192)	(8,192)
Impairment (Note (ii))	減值(附註(ii))	—	—	—	—	(4,087)	(4,087)
Exchange differences	匯兌差額	—	1	1	—	12	12
Closing net carrying amount	年終賬面淨值	2,102	12,305	14,407	2,102	13,752	15,854
At 31 December	於十二月三十一日						
Cost	成本	107,047	46,601	153,648	107,047	46,473	153,520
Accumulated amortisation and impairment	累計攤銷及減值	(104,945)	(34,296)	(139,241)	(104,945)	(32,721)	(137,666)
Net carrying amount	賬面淨值	2,102	12,305	14,407	2,102	13,752	15,854

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

(continued)

Notes:

- (i) Goodwill is monitored by management at the CGU level within an operating segment level with reference to the business performance based on geography and type of business. A summary of the allocation of goodwill to the identified CGUs of the Group is as follows:

	2019 二零一九年			2018 二零一八年		
	Gross 總額	Accumulated impairment 累計減值	Net carrying amount 賬面淨值	Gross 總額	Accumulated impairment 累計減值	Net carrying amount 賬面淨值
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Frontier Services Limited ("FSL") Frontier Services Limited ("FSL")	94,975	(94,975)	—	94,975	(94,975)	—
Phoenix Aviation Limited ("PAL") Phoenix Aviation Limited ("鳳凰航空")	6,730	(6,730)	—	6,730	(6,730)	—
Cheetah Logistics SARL ("Cheetah") Cheetah Logistics SARL ("Cheetah")	1,772	(1,772)	—	1,772	(1,772)	—
Transit Freight Forwarding Proprietary Limited ("TFF") Transit Freight Forwarding Proprietary Limited ("TFF")	1,468	(1,468)	—	1,468	(1,468)	—
Maleth Aero Limited ("Maleth") Maleth Aero Limited ("Maleth")	2,102	—	2,102	2,102	—	2,102
	107,047	(104,945)	2,102	107,047	(104,945)	2,102

Based on the result of the impairment test of goodwill, no impairment provision is considered necessary for the goodwill arising from the acquisition of Maleth.

- (ii) Other intangibles represent operating certificates, trademark, customers' base and non-compete agreements derived from the acquisition of various subsidiaries.

The provision for impairment of other intangibles of HK\$4,087,000 for the year ended 31 December 2018 represented impairment of operating certificates and trademark arising from the acquisitions of PAL in 2014. The decision to set aside an impairment provision against the other intangibles was based on a careful internal operation review in the context of the respective CGUs' historical performances and market expectations by management. In recognition of this, the other intangibles were impaired and recorded in the Group's consolidated financial statements for the year ended 31 December 2018. No provision for impairment on other intangibles was considered necessary for the year ended 31 December 2019.

15 商譽及其他無形資產(續)

附註：

- (i) 商譽由管理層於經營分部層面按現金產生單位水平進行監控，並參考業務地域及類型所得出之業務表現。本集團將商譽分配至已識別現金產生單位之概要如下：

根據商譽減值評估之結果，管理層認為毋須就收購 Maleth 產生之商譽作出減值撥備。

- (ii) 其他無形資產主要指收購多家附屬公司產生的經營證書、商標、客戶群及不競爭協議。

截至二零一八年十二月三十一日止年度之其他無形資產減值撥備 4,087,000 港元指於二零一四年收購鳳凰航空所產生之經營證書及商標減值。鑑於各現金產生單位之過往表現及管理層之市場預期，本集團在作出審慎的內部營運檢討後，決定就其他無形資產作出減值撥備。有鑑於此，其他無形資產已作出減值，並計入本集團截至二零一八年十二月三十一日止年度之綜合財務報表內。截至二零一九年十二月三十一日止年度，管理層認為毋須就其他無形資產作出減值撥備。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

15 GOODWILL AND OTHER INTANGIBLES

(continued)

Notes: (continued)

- (iii) The recoverable amounts of the CGUs with operating losses are determined based on value-in-use calculation. This calculation is made with the use of discounted cash flow model, based on financial budget approved by management covering a 5-year period. Cash flow beyond the 5-year period is extrapolated using the key assumptions stated below:

	2019 二零一九年			2018 二零一八年		
	Annual growth rate	Terminal growth rate	Pre-tax discount rate	Annual growth rate	Terminal growth rate	Pre-tax discount rate
	年增長率	長期增長率	稅前折現率	年增長率	長期增長率	稅前折現率
Maleth	2%	2%	22.1%	2%	3%	22.1%

Other assumptions included estimated gross margin, applicable corporate income tax rate and capital expenditure for repair and maintenance. Management determines estimated growth rates and gross margin based on past performance and its expectation of market development. The discount rates are determined with reference to specific risks relating to the relevant segments and countries in which they operate.

No impairment indicator was identified for PAL as the remaining intangible assets relate to a favourable lease contract of the hangar for which the market rent was still higher than the contractual rent.

15 商譽及其他無形資產(續)

附註：(續)

- (iii) 產生營運虧損之現金產生單位之可收回金額以使用價值計算方法釐定。此計算乃運用以覆蓋五年期並獲得管理層批准之財務預算方案為基準的折現現金流量模式作出。五年期過後的現金流量使用下列之主要假設推算：

其他假設包括估計毛利率、適用的企業所得稅率以及維修及保養的資本開支。管理層基於過往表現及其對於市場發展的預期釐定估計增長率及毛利率。折現率乃參考與相關分部及其經營所在國家有關之特定風險後釐定。

由於有關飛機庫有利租賃合約之餘下無形資產之市場租金仍高於合約租金，故並無就鳳凰航空識別任何減值跡象。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES

The table below lists out the subsidiaries of the Company as at 31 December 2019 which, in the opinion of the directors, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Name	Place of incorporation or registration/ operation	Nominal value of issued ordinary shares/ preference shares/ paid-up capital/ registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本/註冊資本面值	本公司所持應佔股權百分比	直接 間接	主要業務
FSL	Bermuda	US\$1,000 common shares	100%	—	Investment holding and provision of aviation and logistics services
FSL	百慕達	1,000美元之普通股	100%	—	投資控股及提供航空及物流服務
FSG Aviation Limited	Bermuda	US\$1 common shares	100%	—	Aircraft holding and provision of aviation and logistics services
FSG Aviation Limited	百慕達	1美元之普通股	100%	—	飛機持控及提供航空及物流服務
PAL	Kenya	KES550,488,000 ordinary shares	—	100%	Provision of logistics services
鳳凰航空	肯尼亞	550,488,000肯尼亞先令之普通股	—	100%	提供物流服務
Frontier Logistics Consultancy DMCC	United Arab Emirates	Emirati Dirham 50,000 ordinary shares	100%	—	Provision of logistics services
Frontier Logistics Consultancy DMCC	阿拉伯聯合酋長國	50,000阿聯酋迪拉姆之普通股	100%	—	提供物流服務
Frontier Services Group East Africa Limited	Kenya	KES4,571,000 ordinary shares	—	100%	Provision of logistics services
Frontier Services Group East Africa Limited	肯尼亞	4,571,000肯尼亞先令之普通股	—	100%	提供物流服務
STE Frontier Services Group Congo SARLU	Democratic Republic of Congo	US\$100,000 ordinary shares	—	100%	Provision of logistics, security and infrastructure services
STE Frontier Services Group Congo SARLU	剛果民主共和國	100,000美元之普通股	—	100%	提供物流、安保及基建服務

16 附屬公司

董事認為，下表列出者均為於二零一九年十二月三十一日對本年度業績構成主要影響或佔本集團大部份資產淨值之本公司附屬公司。為避免資料過於冗長，董事認為毋須列出其他附屬公司之詳情。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES (continued)

16 附屬公司(續)

Name	Place of incorporation or registration/ operation	Nominal value of issued ordinary shares/ preference shares/ paid-up capital/ registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本/註冊資本面值	本公司所持應佔股權百分比 直接 間接		主要業務
Frontier Services Group SECURITE SARL	Democratic Republic of Congo	US\$10,000 ordinary shares	—	70%	Provision of security and consultancy services
Frontier Services Group SECURITE SARL	剛果民主共和國	10,000美元之普通股	—	70%	提供安保及諮詢服務
FSGC Security Service (Cambodia) Co., Ltd	Cambodia	US\$50,000 ordinary shares	—	60%	Provision of security and consultancy services
FSGC Security Service (Cambodia) Co., Ltd	柬埔寨	50,000美元之普通股	—	60%	提供安保及諮詢服務
FSSL (Cambodia) Logistics & Consultancy Services Co., Ltd	Cambodia	USD50,000 ordinary shares	—	100%	Provision of logistics and consultancy services
FSSL (Cambodia) Logistics & Consultancy Services Co., Ltd	柬埔寨	50,000美元之普通股	—	100%	提供物流及諮詢服務
Boten Frontier Services Limited	Laos	RMB1,000,000 ordinary shares	—	100%	Provision of security training services
Boten Frontier Services Limited	老撾	人民幣1,000,000元之普通股	—	100%	提供安保培訓服務
FSG (Myanmar) Security Services Co., Ltd	Myanmar	US\$150,000 ordinary shares	—	55%	Provision of security and consultancy services
FSG (Myanmar) Security Services Co., Ltd	緬甸	150,000美元之普通股	—	55%	提供安保及諮詢服務
FSG Tanzania Co., Ltd	Tanzania	TZS1,200,000,000 ordinary shares	—	100%	Provision of logistics related services
FSG Tanzania Co., Ltd	坦桑尼亞	1,200,000,000坦桑尼亞先令之普通股	—	100%	提供物流相關服務
Frontier Services Group Mozambique S.A.	Mozambique	MZN1,000,000 ordinary shares	—	100%	Provision of logistics related services
Frontier Services Group Mozambique S.A.	莫桑比克	1,000,000莫桑比克梅蒂卡爾之普通股	—	100%	提供物流相關服務

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES (continued)

Name	Place of incorporation or registration/ operation	Nominal value of issued ordinary shares/ preference shares/ paid-up capital/ registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本/註冊資本面值	本公司所持應佔股權百分比 直接 間接		主要業務
TFF	South Africa	ZAR70,521,780 ordinary shares	—	100%	Provision of freight forwarding services
TFF	南非	70,521,780 南非蘭特之普通股	—	100%	提供貨運代理服務
Transit Freight Co-ordinators Limited	Zambia	Zambian Kwacha 10,000 ordinary shares	—	50%	Provision of freight forwarding services
Transit Freight Co-ordinators Limited	贊比亞	10,000 贊比亞克瓦查之普通股	—	50%	提供貨運代理服務
Maleth	Malta	EUR1,030,613 ordinary shares	—	51%	Investment holding
Maleth	馬耳他	1,030,613 歐元之普通股	—	51%	投資控股
Maleth Aero AOC Limited	Malta	EUR545,200 ordinary shares	—	47%	Provision of aircraft management services
Maleth Aero AOC Limited	馬耳他	545,200 歐元之普通股	—	47%	提供飛機管理服務
Frontier Xinda Security Consulting (Beijing) Company Limited [#]	Mainland China*	RMB100,000,000 paid-up capital	—	100%	Investment holding and provision of aviation and logistics related consultancy services
先豐信達安全顧問(北京)有限公司 [#]	中國內地*	人民幣 100,000,000 元已繳足資本	—	100%	投資控股及提供航空及物流相關諮詢服務
Frontier Logistics (Shanghai) Company Limited [#]	Mainland China*	US\$10,000,000 registered capital	—	100%	Provision of logistics related services
先豐物流(上海)有限公司 [#]	中國內地*	10,000,000 美元之註冊資本	—	100%	提供物流相關服務
DVN (Group) Limited	British Virgin Islands	US\$10 ordinary shares US\$15,000,000 preference	100%	—	Investment holding and management
DVN (Group) Limited	英屬處女群島	10 美元之普通股及 15,000,000 美元之優先股	100%	—	投資控股及管理

16 附屬公司(續)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

16 SUBSIDIARIES (continued)

Name	Place of incorporation or registration/ operation	Nominal value of issued ordinary shares/ preference shares/ paid-up capital/ registered capital	Percentage of attributable equity interest held by the Company		Principal activities
			Directly	Indirectly	
名稱	註冊成立或登記/經營地點	已發行普通股/優先股/已繳足資本/註冊資本面值	本公司所持應佔股權百分比 直接 間接		主要業務
Data Source Technology Limited	Hong Kong	HK\$5,000,000 ordinary shares	—	100%	Provision of administrative and management services
中天數碼互動科技有限公司	香港	5,000,000 港元之普通股	—	100%	提供行政及管理服務
Dynamic Network Limited	British Virgin Islands	US\$1 ordinary shares	100%	—	Investment holding and management
Dynamic Network Limited	英屬處女群島	1 美元之普通股	100%	—	投資控股及管理
Telequote Data International Limited	Hong Kong	HK\$10,000 ordinary shares	—	100%	Provision of online financial market information services
電資訊國際有限公司	香港	10,000 港元之普通股	—	100%	提供線上金融市場資訊服務

* Registered as wholly foreign owned enterprise with limited liability under the PRC law

For identification purposes only

16 附屬公司(續)

Percentage of attributable equity interest held by the Company	Principal activities	
	Directly	Indirectly
本公司所持應佔股權百分比 直接 間接	主要業務	
— 100%	Provision of administrative and management services	
— 100%	提供行政及管理服務	
100% —	Investment holding and management	
100% —	投資控股及管理	
— 100%	Provision of online financial market information services	
— 100%	提供線上金融市場資訊服務	
* 根據中國法律註冊為外商獨資企業有限責任公司	*	
# 僅供識別	#	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES

At 1 January	於一月一日	
Acquisition of additional interests in an associate (Note i)	收購一家聯營公司之額外權益 (附註 i)	
Capital contribution to an associate (Note ii)	向一家聯營公司注資 (附註 ii)	
Share of losses of associates	應佔聯營公司虧損	
Exchange differences	匯兌差額	
At 31 December	於十二月三十一日	

Notes:

- (i) As at 31 December 2018, part of the loans to an associate, Xinyang Liliang Security Consulting Company Limited ("ISDC"), amounting to RMB9,216,746 (equivalent to HK\$10,289,000) (the "ISDC Loan") were secured by 22% equity interests in ISDC being held by five existing equity holders (the "Five Equity Holders"). On 11 November 2019, the Group entered into an agreement with the Five Equity Holders, pursuant to which the Group agreed to transfer such loan receivables of HK\$10,289,000 to the Five Equity Holders, in exchange for their 22% equity interests in ISDC. The transfer was completed on 20 December 2019, and since then, the Group's equity interest in ISDC was increased to 47%. This transaction did not result in any cash outflow to the Group in 2019.
- (ii) In July 2019, the Group, together with two independent third parties, agreed to incorporate a company in the Democratic Republic of Congo (the "DRC") named Global Pioneer Assurance S.A. ("GPA"). The Group made a capital contribution of US\$5,000,000 (equivalent to HK\$39,177,000) in return for 50% equity interest in GPA, and the Group accounts for GPA as an associate. The purpose of setting up GPA is to apply for an insurance license in the DRC. According to the publication issued by the local authority in the DRC dated 7 March 2020, such application has been successfully approved and the Group's associate has obtained the official insurance license as at the date of approval of these Financial Statements.

17 於聯營公司之權益

2019 二零一九年	2018 二零一八年
HK\$'000 千港元	HK\$'000 千港元
8,074	9,848
10,289	—
39,177	—
(3,760)	(1,517)
105	(257)
53,885	8,074

附註：

- (i) 於二零一八年十二月三十一日，其中部分向一家聯營公司馨陽力量(北京)安全顧問有限公司(「國際安全防衛學院」)提供之貸款人民幣9,216,746元(相等於10,289,000港元)(「國際安全防衛學院貸款」)以現有五名股權持有人(「五名股權持有人」)於國際安全防衛學院持有之22%股權作為抵押。於二零一九年十一月十一日，本集團與五名股權持有人訂立協議，據此，本集團同意將該等應收貸款10,289,000港元轉讓予五名股權持有人，以換取其於國際安全防衛學院之22%股權。轉讓於二零一九年十二月二十日完成，自此，本集團於國際安全防衛學院之股權增加至47%。該交易於二零一九年對本集團並無任何現金流出的影響。
- (ii) 於二零一九年七月，本集團連同兩名獨立第三方同意於剛果民主共和國(「剛果(金)」)註冊成立一家公司Global Pioneer Assurance S.A.(「GPA」)。本集團就於GPA之50%注資5,000,000美元(相等於39,177,000港元)，而本集團視GPA為一家聯營公司。成立GPA之目的為於剛果(金)申請保險牌照。根據剛果(金)當地政府所發出日期二零二零年三月七日之文件，該申請已獲成功批准，而本集團之聯營公司已於本財務報表批准日前取得官方保險牌照。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES (continued)

The following list contains only the particulars of principal associates as at 31 December 2019:

Name 名稱	Place of incorporation or registration/operation 註冊成立或登記/經營地點	Interest held 所持權益	Principal activities 主要業務
Xinyang Liliang Security Consulting Company Limited [#] 馨陽力量(北京)安全顧問有限公司 [#]	Mainland China 中國內地	47%	Provision of private security training courses 提供私人安保培訓課程
Global Pioneer Assurance S.A.	Democratic Republic of Congo 剛果民主共和國	50%	Provision of general insurance services 提供一般保險服務

[#] For identification purposes only

There were no contingent liabilities relating to the Group's interests in associates at 31 December 2019 (2018: Nil).

17 於聯營公司之權益(續)

下表載列於二零一九年十二月三十一日主要聯營公司之詳情：

[#] 僅供識別

於二零一九年十二月三十一日並無有關本集團於聯營公司之權益之或然負債(二零一八年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES (continued)

(a) Summarised financial information for a material associate

The tables below provide summarised financial information for GPA that is material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not the Company's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

		GPA	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Current assets	流動資產	80,324	—
Current liabilities	流動負債	(5,406)	—
Net assets	資產淨值	74,918	—
Loss after income tax for the year	年度除所得稅後虧損	(3,009)	—
Total comprehensive loss	全面虧損總額	(3,435)	—

Reconciliation to carrying amounts:

		賬面值之對賬：	
		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Net assets as at 1 January 2019	於二零一九年一月一日之 資產淨值	—	—
Capital Injection	注資	78,353	—
Loss for the year	年度虧損	(3,009)	—
Other comprehensive loss	其他虧損	(426)	—
Net assets as at 31 December 2019	於二零一九年十二月三十一 日之資產淨值	74,918	—
Group's share in %	本集團應佔(百分比)	50%	—
Group's share in HK\$'000	本集團應佔(千港元)	37,459	—

17 於聯營公司之權益(續)

(a) 一家重大聯營公司之財務資料概要

下表提供對本集團而言屬重大之 GPA 財務資料概要。所披露之資料反映相關聯營公司之財務報表所呈列之該等金額，而並非本公司應佔之該等金額。其已經調整以反映實體採用權益法時所作之調整，包括公允價值調整及就會計政策差異所作之修訂。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

17 INTERESTS IN ASSOCIATES (continued)

(b) Individually immaterial associates

In addition to the interest in an associate disclosed above, the Group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Loss after income tax	除所得稅後虧損	(6,318)	(6,410)
Group's share of losses for the year	本集團應佔年度虧損	(2,256)	(1,517)
Group's share of other comprehensive income/(loss)	本集團應佔其他全面收益/(虧損)	318	(257)
Group's share of total comprehensive loss	本集團應佔全面虧損總額	(1,938)	(1,774)

18 DEFERRED TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to the same tax authority. The deferred income tax assets and liabilities after offsetting are as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Deferred income tax assets	遞延所得稅資產	9,380	7,501
Deferred income tax liabilities	遞延所得稅負債	(32,442)	(46,265)
		(23,062)	(38,764)

17 於聯營公司之權益(續)

(b) 個別非重大聯營公司

除上文所披露於一家聯營公司之權益外，本集團亦於多家採用權益法入賬之個別非重大聯營公司擁有權益。

18 遞延稅項

倘有合法執行權利將即期稅項資產與即期稅項負債對銷及倘遞延所得稅資產及負債乃與同一稅務當局有關，則將遞延所得稅資產及負債對銷。經對銷後之遞延所得稅資產及負債如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION (continued)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax assets

	Tax losses		Non-current prepayments		Unrealised exchange differences		Other		Total		
	稅項虧損		非即期預付款		未變現匯兌差額		其他		總計		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January	於一月一日	12,230	7,148	1,558	2,278	—	204	—	—	13,788	9,630
Credited/(charged) to consolidated income statement	於綜合收益表扣除/(計入)	4,702	6,410	(1,558)	(722)	—	(208)	3,602	—	6,746	5,480
Exchange differences	匯兌差額	161	(1,328)	—	2	—	4	(11)	—	150	(1,322)
At 31 December	於十二月三十一日	17,093	12,230	—	1,558	—	—	3,591	—	20,684	13,788

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2019, the Group did not recognise deferred income tax assets of HK\$46,251,000 (2018: HK\$35,333,000) in respect of unrecognised tax losses of HK\$196,218,000 (2018: HK\$151,602,000) that can be carried forward to offset against future taxable income. The unrecognised tax losses include an amount of HK\$61,490,000 (2018: HK\$31,310,000) arising from Mainland China and HK\$884,000 (2018: HK\$1,048,000) arising from Zambia, which is due to expire within one to five years and HK\$49,850,000 (2018: HK\$51,339,000) arising from Kenya, which is due to expire within one to ten years, respectively for offsetting against future taxable profits of the companies in which the losses arise.

18 遞延稅項(續)

年內遞延所得稅資產及負債(未計及於相同稅務司法權區結餘對銷)之變動如下:

遞延所得稅資產

遞延所得稅資產可根據結轉稅項虧損確認，惟該等結轉稅項虧損以可透過未來應課稅溢利變現相關稅項利益為限。於二零一九年十二月三十一日，本集團可用以抵銷未來應課稅收入之未確認稅項虧損額為196,218,000港元(二零一八年：151,602,000港元)，而其相關之未確認遞延所得稅資產為46,251,000港元(二零一八年：35,333,000港元)。未確認稅項虧損包括中國內地及贊比亞產生之金額分別為61,490,000港元(二零一八年：31,310,000港元)及884,000港元(二零一八年：1,048,000港元)，其稅項虧損將於一至五年內屆滿，而肯尼亞所產生之未確認稅項虧損49,850,000港元(二零一八年：51,339,000港元)將於一至十年內屆滿，用以抵銷招致虧損之公司未來應課稅溢利。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION (continued)

Deferred income tax liabilities

	Accelerated tax depreciation		Withholding tax on unremitted profits		Other intangibles		Deferred income		Other		Total		
	加速稅項折舊		未分派溢利之預扣稅		其他無形資產		遞延收入		其他		總計		
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
At 1 January	於一月一日	18,157	18,444	3,212	5,942	7,771	8,747	22,833	22,023	579	—	52,552	55,156
Charged/(credited) to consolidated income statement	於綜合收益表計入/(扣除)	(4,014)	16	(3,190)	(2,558)	(498)	(976)	(1,769)	1,837	1,207	629	(8,264)	(1,052)
Exchange differences	匯兌差額	(20)	(303)	(22)	(172)	—	—	(519)	(1,027)	19	(50)	(542)	(1,552)
At 31 December	於十二月三十一日	14,123	18,157	—	3,212	7,273	7,771	20,545	22,833	1,805	579	43,746	52,552

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applied to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. At 31 December 2019, no deferred income tax liabilities was recognised in respect of temporary differences relating to the withholding tax (2018: HK\$3,212,000) as there was no unremitted profits of subsidiaries in Mainland China as at 31 December 2019 (2018: HK\$32,113,000).

18 遞延稅項(續)

遞延所得稅負債

根據中國企業所得稅法，於中國內地成立之外資企業向海外投資者宣派股息須按10%徵收預扣稅。此規定由二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後之盈利。倘中國內地與外國投資者之司法權區有簽訂相關稅務協議，則可運用較低之預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就於中國內地成立之該等附屬公司於二零零八年一月一日起產生之盈利所分派之股息繳付預扣稅。於二零一九年十二月三十一日，由於中國內地附屬公司並無未分派溢利(二零一八年：32,113,000港元)，故並無就有關預扣稅(二零一八年：3,212,000港元)之暫時差額確認遞延所得稅負債。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

18 DEFERRED TAXATION (continued)

Deferred income tax liabilities (continued)

Pursuant to the Kenyan Income Tax Act, a 10% withholding tax is levied on dividends declared to non-residents from the enterprises established in Kenya. A lower withholding tax rate may be applied if there is a tax treaty between Kenya and the jurisdiction of the non-residents. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding tax on dividends distributed by those subsidiaries established in Kenya. At 31 December 2019, the Group did not recognise deferred income tax liabilities in respect of temporary differences relating to the withholding tax of HK\$590,000 (2018: HK\$2,188,000) on the unremitted profits of subsidiaries in Kenya amounting to HK\$5,898,000 (2018: HK\$21,876,000), that would be payable on the distribution of these retained profits, as the Company controls the dividend policy of these subsidiaries and it is probable that these profits will not be distributed in the foreseeable future. Therefore, the related temporary difference will not be reversed and will not be taxable in the foreseeable future.

19 NON-CURRENT PREPAYMENTS

		2019 二零一九年			2018 二零一八年		
		Engine overhaul 引擎檢修	Other deposits 其他按金	Total 總計	Engine overhaul 引擎檢修	Other deposits 其他按金	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	27,690	24,853	52,543	25,752	1,923	27,675
Additions	添置	4,126	—	4,126	6,805	22,926	29,731
Charged to consolidated income statement	於綜合收益表扣除	—	—	—	(5,242)	—	(5,242)
Transfer to current prepayment	轉撥至即期預付款	—	(1,917)	(1,917)	—	—	—
Exchange differences	匯兌差額	(32)	(564)	(596)	375	4	379
At 31 December	於十二月三十一日	31,784	22,372	54,156	27,690	24,853	52,543

The non-current prepayments for engine overhaul represent the engine overhaul cost prepaid to aircraft manufacturers but the engines are not yet overhauled and are not expected to be utilised within twelve months from the financial position date.

As at 31 December 2019, HK\$22,372,000 was paid as deposit for purchase of land-use-rights (2018: HK\$22,926,000), which was located outside Hong Kong.

18 遞延稅項(續)

遞延所得稅負債(續)

根據肯尼亞所得稅法，於肯尼亞成立之企業向非居民宣派股息須按10%徵收預扣稅。倘肯尼亞與非居民之司法權區有簽訂相關稅務協議，則可運用較低之預扣稅率。就本集團而言，適用稅率為10%。因此，本集團有責任就於肯尼亞成立之該等附屬公司所分派之股息繳付預扣稅。於二零一九年十二月三十一日，本集團並無就於肯尼亞附屬公司未分派溢利5,898,000港元(二零一八年：21,876,000港元)之預扣稅590,000港元(二零一八年：2,188,000港元)有關之暫時差異確認遞延所得稅負債(該款項將於分派該等保留溢利時支付)，原因是本公司控制該等附屬公司之股息政策，且該等溢利在可預見將來可能不會進行分派。因此，相關暫時性差異將不會於可見將來撥回並不會課稅。

19 非即期預付款

引擎檢修之非即期預付款指預付予飛機製造商之引擎檢修成本，惟有關引擎尚未進行檢修且預期將不會於自財務狀況日起計十二個月內使用。

於二零一九年十二月三十一日，本集團支付22,372,000港元作為收購土地使用權之按金(二零一八年：22,926,000港元)，該土地位於香港境外。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

20 INVENTORIES

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Aircraft spare parts and consumables	飛機零部件及耗材	9,966	9,446
Packaging materials	包裝物料	703	1,052
		10,669	10,498
<i>Less: Provision for inventories</i>	減：存貨撥備	(5,486)	(4,030)
		5,183	6,468

During the year ended 31 December 2019, a provision for inventories amounting to HK\$1,456,000 (2018: HK\$4,030,000) on obsolete aircraft spare parts and consumables was recognised in other operating expenses in the consolidated income statement.

截至二零一九年十二月三十一日止年度，陳舊飛機零部件及耗材存貨撥備1,456,000港元(二零一八年：4,030,000港元)已於綜合收益表之其他營運費用內確認。

21 TRADE RECEIVABLES

		2019 二零一九年	2018 二零一八年
		<i>HK\$'000</i> 千港元	<i>HK\$'000</i> 千港元
Trade receivables from contracts with customers	來自客戶合約之貿易應收款項	265,469	192,956
<i>Less: loss allowance</i>	減：虧損撥備	(13,882)	(4,453)
		251,587	188,503

The fair value of trade receivables approximates its carrying amount.

Credit terms of one to three months from invoice date are generally granted to major customers. The Group seeks to maintain strict control over its outstanding receivables. The Group performs ongoing credit evaluation of its customers and makes frequent contact with its customers, if necessary.

21 貿易應收款項

貿易應收款項之公允價值與其賬面值相若。

本集團一般授予主要客戶自發票日起一至三個月之信貸期。本集團將繼續嚴格控制其尚未收取之應收款項。本集團對其客戶持續進行信用審查，並經常與客戶接觸(如需要)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 TRADE RECEIVABLES (continued)

An aging analysis, based on the invoice date, of the trade receivables as at the date of statement of financial position is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	73,576	93,295
1 – 2 months	一至兩個月	28,048	25,947
2 – 3 months	兩至三個月	11,934	17,803
Over 3 months	超過三個月	151,911	55,911
		265,469	192,956
Less: loss allowance	減：虧損撥備	(13,882)	(4,453)
		251,587	188,503

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
US\$	美元	84,666	67,859
ZAR	南非蘭特	59,963	59,097
EUR	歐元	85,441	53,321
KES	肯尼亞先令	1,602	1,758
Others	其他	19,915	6,468
		251,587	188,503

The maximum exposure to credit risk at the date of statement of financial position is the fair value of trade receivables mentioned above.

21 貿易應收款項(續)

於財務狀況表日，貿易應收款項之賬齡分析(基於發票日)如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	73,576	93,295
1 – 2 months	一至兩個月	28,048	25,947
2 – 3 months	兩至三個月	11,934	17,803
Over 3 months	超過三個月	151,911	55,911
		265,469	192,956
Less: loss allowance	減：虧損撥備	(13,882)	(4,453)
		251,587	188,503

本集團之貿易應收款項之賬面值以下列貨幣計值：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
US\$	美元	84,666	67,859
ZAR	南非蘭特	59,963	59,097
EUR	歐元	85,441	53,321
KES	肯尼亞先令	1,602	1,758
Others	其他	19,915	6,468
		251,587	188,503

於財務狀況表日，信貸風險之最高額度為上述貿易應收款項之公允價值。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

21 TRADE RECEIVABLES (continued)

Movements in the loss allowance of trade receivables are as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	4,453	1,721
Additions	添置	9,429	2,732
At 31 December	於十二月三十一日	13,882	4,453

During the year ended 31 December 2019, a loss allowance of HK\$9,429,000 (2018: HK\$2,732,000) on trade receivables which have been overdue for more than 90 days was made after considering the collectability, overdue aging analysis and past collection history of the trade receivables.

21 貿易應收款項(續)

貿易應收款項之虧損撥備變動如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	4,453	1,721
Additions	添置	9,429	2,732
At 31 December	於十二月三十一日	13,882	4,453

截至二零一九年十二月三十一日止年度，經考慮貿易應收款項之可回收程度、逾期賬齡分析及過往回款紀錄，已就逾期超過90天之貿易應收款項作出9,429,000港元(二零一八年：2,732,000港元)之虧損撥備。

22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Deposits and other receivables	按金及其他應收款項	70,611	54,659
Amounts due from associates	應收聯營公司款項	10,231	5,204
Loan to an associate	向一家聯營公司提供貸款	2,344	11,029
Purchase option in an associate	購買於一家聯營公司之購股權	—	4,004
Prepayments	預付款	50,055	62,858
Interest receivables	應收利息	9,296	7,415
Value-added tax receivables	應收增值稅	4,017	2,852

		146,554	148,021
Less: loss allowance	減：虧損撥備	(27,970)	(23,113)
		118,584	124,908

22 預付款、按金及其他應收款項

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Deposits and other receivables	按金及其他應收款項	70,611	54,659
Amounts due from associates	應收聯營公司款項	10,231	5,204
Loan to an associate	向一家聯營公司提供貸款	2,344	11,029
Purchase option in an associate	購買於一家聯營公司之購股權	—	4,004
Prepayments	預付款	50,055	62,858
Interest receivables	應收利息	9,296	7,415
Value-added tax receivables	應收增值稅	4,017	2,852
		146,554	148,021
Less: loss allowance	減：虧損撥備	(27,970)	(23,113)
		118,584	124,908

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

22 PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

As at 31 December 2018, the ISDC Loan was secured by 22% equity interests in ISDC being held by the Five Equity Holders and was repayable on demand. As further detailed in Note 17 of these financial statements, the Group had transferred the ISDC Loan to the Five Equity Holders, in exchange for the 22% equity interests in ISDC. After the completion of the transfer, the purchase option of further acquiring the remaining equity interests in ISDC of HK\$3,907,000 was written-off in the consolidated income statement in 2019.

The loan to an associate of HK\$2,344,000 (2018: HK\$11,029,000) and amounts due from associates of HK\$10,231,000 (2018: HK\$5,204,000) are non-interest-bearing and repayable on demand during the years ended 31 December 2019 and 2018.

The fair values of deposits and other receivables approximate their carrying amounts.

Movements in the loss allowance of certain deposits and other receivables, which were financial assets, are as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	23,113	23,113
Additions	添置	4,857	—
At 31 December	於十二月三十一日	27,970	23,113

22 預付款、按金及其他應收款項(續)

於二零一八年十二月三十一日，國際安全防衛學院貸款以五名股權持有人於國際安全防衛學院所持之22%股權作為抵押，及須應要求償還。誠如該等財務報表附註17所進一步詳述，本集團已將國際安全防衛學院貸款轉讓予五名權益持有人，以換取國際安全防衛學院貸款之22%股權。轉讓完成後，進一步收購國際安全防衛學院貸款餘下股權3,907,000港元購股權已於二零一九年在綜合收表中撤銷。

截至二零一九年及二零一八年十二月三十一日止年度，向一家聯營公司提供之貸款2,344,000港元(二零一八年：11,029,000港元)及應收聯營公司款項10,231,000港元(二零一八年：5,204,000港元)並無附帶利息及須按要求償還。

按金及其他應收款項之公允價值與其賬面值相若。

若干按金及其他應收款項(屬金融資產)之虧損撥備變動如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 CASH AND BANK BALANCES

23 現金及銀行結存

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Restricted cash (Note (i))	受限制現金(附註(i))	7,090	7,063
Pledged bank deposits (Note 26)	已抵押銀行存款(附註26)	104,936	153,635
Cash and cash equivalents	現金及現金等價物		
Cash at banks and on hand	銀行及手頭現金	107,469	136,270
Bank deposits with original maturities of three months or less	原到期日為三個月或以下之銀行存款	246,034	541,541
		353,503	677,811
Total cash and bank balances	現金及銀行結存總額	465,529	838,509
Maximum exposure to credit risk	信貸風險之最高額度	460,272	835,800

Notes:

- (i) As at 31 December 2019 and 2018, the restricted cash represented deposits placed at a bank in Malta ("Maltese Bank") by a subsidiary incorporated in Malta. All deposits kept by that Maltese Bank were frozen by the local financial authority after an investigation was carried out by that local financial authority on customer acceptance procedures. The entire amount of the deposits has been released and collected by that subsidiary in Malta subsequent to the date of the statement of financial position.
- (ii) Cash at banks earns interest at floating rates based on daily bank deposit rates. Pledged bank deposits and short-term bank deposits earn interest at the respective deposit rates.

附註：

- (i) 於二零一九年及二零一八年十二月三十一日，受限制現金指於馬耳他註冊成立之附屬公司存放於一家馬耳他銀行(「馬耳他銀行」)之存款。當地金融監管機構於檢查發現客戶驗收程序之缺陷後凍結客戶之全部銀行結存。該等按金之所有金額已解除凍結，並於財務狀況表日後由該馬耳他附屬公司收取。
- (ii) 銀行結存按每日銀行浮動存款利率賺取利息。已抵押銀行存款及短期銀行存款乃按各自之存款利率賺取利息。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

23 CASH AND BANK BALANCES (continued)

Notes: (continued)

- (iii) The carrying amounts of cash and bank balances are denominated in the following currencies:

RMB	人民幣
US\$	美元
HK\$	港元
EUR	歐元
ZAR	南非蘭特
KES	肯尼亞先令
Others	其他

- (iv) The cash and bank balances of the Group denominated in RMB are not freely convertible into other currencies. However, under 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 in the PRC.
- (v) The fair values of all bank balances approximate their carrying amounts.

23 現金及銀行結存(續)

附註：(續)

- (iii) 現金及銀行結存之賬面值以下列貨幣計值：

2019 二零一九年	2018 二零一八年
HK\$'000 千港元	HK\$'000 千港元
128,032	201,873
291,404	83,311
7,216	526,941
21,325	15,209
4,983	3,463
573	718
11,996	6,994
465,529	838,509

- (iv) 本集團以人民幣計值之現金及銀行結存不可與其他貨幣自由兌換。然而，根據中國外匯管制法規及結匯、售匯及付匯管理規定，本集團獲准在中國透過獲授權可進行外匯業務之銀行將人民幣兌換為其他貨幣。
- (v) 所有銀行結存之公允價值與其賬面值相若。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

24 TRADE PAYABLES

An aging analysis, based on the invoice date, of the trade payables as at the date of statement of financial position is as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	38,330	45,067
1 – 2 months	一至兩個月	10,967	12,846
2 – 3 months	兩至三個月	6,059	7,407
Over 3 months	超過三個月	25,949	22,321
		81,305	87,641

Notes:

- (i) The carrying amounts of trade payables are denominated in the following currencies:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
EUR	歐元	16,125	14,251
ZAR	南非蘭特	31,472	39,521
US\$	美元	21,986	24,929
KES	肯尼亞先令	415	499
HK\$	港元	43	190
Others	其他	11,264	8,251
		81,305	87,641

- (ii) The fair value of trade payables approximates its carrying amount.

24 貿易應付款項

於財務狀況表日，貿易應付款項之賬齡分析(基於發票日)如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 month	一個月內	38,330	45,067
1 – 2 months	一至兩個月	10,967	12,846
2 – 3 months	兩至三個月	6,059	7,407
Over 3 months	超過三個月	25,949	22,321
		81,305	87,641

附註：

- (i) 貿易應付款項之賬面值以下列貨幣計值：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
EUR	歐元	16,125	14,251
ZAR	南非蘭特	31,472	39,521
US\$	美元	21,986	24,929
KES	肯尼亞先令	415	499
HK\$	港元	43	190
Others	其他	11,264	8,251
		81,305	87,641

- (ii) 貿易應付款項之公允價值與其賬面值相若。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

25 OTHER PAYABLES AND ACCRUALS

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Accrued expenses for aircraft operations	飛機業務之應計費用	79,711	47,822
Other accrued expenses	其他應計費用	24,682	25,488
Investment payables (Note)	投資應付款項(附註)	7,012	7,051
Deposits received	已收按金	5,510	6,388
Others	其他	21,201	15,886
		138,116	102,635

Note:

At 31 December 2019, the investment payables include the consideration payable to Chinese Online Corporation Limited, an associate of the Group, of US\$900,000 (equivalent to approximately HK\$7,012,000) (2018: US\$900,000 (equivalent to approximately HK\$7,051,000)).

25 其他應付款項及應計費用

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Accrued expenses for aircraft operations	飛機業務之應計費用	79,711	47,822
Other accrued expenses	其他應計費用	24,682	25,488
Investment payables (Note)	投資應付款項(附註)	7,012	7,051
Deposits received	已收按金	5,510	6,388
Others	其他	21,201	15,886
		138,116	102,635

附註：

於二零一九年十二月三十一日，投資應付款項包括應付華文在綫有限公司(本集團之一家聯營公司)之代價900,000美元(相等於約7,012,000港元)(二零一八年：900,000美元(相等於約7,051,000港元))。

26 BORROWINGS

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Non-current portion	非即期部份		
Finance lease	融資租賃	—	45,970
Current portion	即期部份		
Bank loans	銀行貸款	4,172	—
Finance lease	融資租賃	—	15,868
Other loan	其他貸款	340	438
		4,512	16,306
Total borrowings	貸款總額	4,512	62,276

26 貸款

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 BORROWINGS (continued)

As at 31 December 2019, the facility arrangement fees of HK\$765,000 (2018: HK\$2,713,000) were included in other receivables and will be amortised into consolidated income statement over the term of the facility. As at 31 December 2019, a deposit of RMB94,000,000 (equivalent to HK\$104,936,000) was pledged for the facility (2018: RMB134,300,000 (equivalent to HK\$153,635,000)). No drawdown of the facility was made by the Group as at 31 December 2019 and 2018.

Upon adoption of HKFRS16, finance leases were included in the lease liabilities as disclosed in Note 14 of these financial statements. Adjustments recognised on adoption of HKFRS16 on 1 January 2019 are further set out in Note 2.2 of these financial statements.

The fair values of the borrowings approximate their carrying amounts. The fair value of the non-current borrowings are based on market quotes or estimates using discounted cash flow calculations based upon the Group's current incremental borrowing rates for similar types of borrowings.

(a) Bank Loans

The bank loans are repayable as follows:

Within 1 year	一年內
Bank loans denominated in: ZAR	銀行貸款以下列貨幣列值： 南非蘭特

The bank loans denominated in ZAR bear interests with reference to South African Prime Rate ranging from 10.25% to 10.5% per annum and are repayable within 3 months after the respective drawdown dates. At 31 December 2019, these bank loans are secured by certain trade receivables of ZAR65,991,000 (equivalent to approximately HK\$36,592,000) and are guaranteed by an indirect wholly-owned subsidiary of the Company to the maximum extent of ZAR14,000,000 (equivalent to approximately HK\$7,763,000).

26 貸款(續)

於二零一九年十二月三十一日，融資安排費用765,000港元(二零一八年：2,713,000港元)乃列入其他應收款項，並將按融資年期於綜合收益表內攤銷。於二零一九年十二月三十一日，按金人民幣94,000,000元(相等於104,936,000港元)(二零一八年：人民幣134,300,000元(相等於153,635,000港元))已作為融資之抵押。於二零一九年及二零一八年十二月三十一日，本集團並無提取融資。

誠如本財務報表的附註14所披露，於採納香港財務報告準則第16號後，融資租賃已計入租賃負債。有關就於二零一九年一月一日採納香港財務報告準則第16號確認調整之詳情已於本財務報表的附註2.2詳細披露。

貸款之公允價值與其賬面值相若。非即期貸款之公允價值乃根據市場報價或現金流量折現法進行估計，此折現法根據相若類型貸款之本集團現行遞增貸款利率作參考。

(a) 銀行貸款

銀行貸款償還如下：

2019 二零一九年	2018 二零一八年
HK\$'000 千港元	HK\$'000 千港元
4,172	—
4,172	—

以南非蘭特列值之銀行貸款按南非最優惠貸款年利率介乎10.25%至10.5%計息，須於各自提取日期後三個月內償還。於二零一九年十二月三十一日，該等銀行貸款均由若干貿易應收款項65,991,000南非蘭特(相等於約36,592,000港元)作抵押及由本公司之一家間接全資附屬公司提供最高14,000,000南非蘭特(相等於約7,763,000港元)之擔保。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 BORROWINGS (continued)

(b) Finance Leases — 2018

Finance lease liabilities were included in borrowings until 31 December 2018, but were reclassified to lease liabilities on 1 January 2019 in the process of adopting the new leasing standard (Note 2.2).

		2018 二零一八年 HK\$'000 千港元
Future payments	未來供款	69,304
Future finance charges on finance leases	融資租賃之未來融資費用	(7,466)
Present value of finance lease liabilities	融資租賃負債之現值	61,838
Less: Current portion	減：即期部份	(15,868)
Non-current portion	非即期部份	45,970

The present value of finance lease liabilities is repayable as follows:

		2018 二零一八年 HK\$'000 千港元
Within 1 year	一年內	15,868
After 1 year but within 2 years	一年後但於兩年內	40,578
After 2 years but within 5 years	兩年後但於五年內	5,392

61,838

The finance leases of aircraft are denominated in US\$ and interest rates underlying the obligations under finance leases are fixed at their respective rates ranging from 6.00% to 9.77% per annum.

The finance leases of trailers are denominated in ZAR and interest rates underlying the obligations under finance leases are fixed at their respective rates of 11% per annum.

Certain aircraft and trailers are pledged for the finance leases.

The net carrying amount of the aircraft and trailers under finance leases as at 31 December 2018 amounted to HK\$97,466,000.

26 貸款(續)

(b) 融資租賃 — 二零一八年

融資租賃負債計入借款，直至二零一八年十二月三十一日為止，惟於二零一九年一月一日採納新租賃準則之過程中重新分類至租賃負債(附註2.2)。

融資租賃負債之現值償還如下：

		2018 二零一八年 HK\$'000 千港元
Within 1 year	一年內	15,868
After 1 year but within 2 years	一年後但於兩年內	40,578
After 2 years but within 5 years	兩年後但於五年內	5,392

飛機之融資租賃以美元計值，而融資租賃項下相關責任之利率按彼等各自之利率釐定，介乎每年6.00%至9.77%。

拖車之融資租賃以南非蘭特計值，而融資租賃項下相關責任之利率按彼等各自之利率每年11%釐定。

若干飛機及拖車就融資租賃抵押。

於二零一八年十二月三十一日，融資租賃項下飛機及拖車之賬面淨值為97,466,000港元。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 BORROWINGS (continued)

(c) Other Loan

The other loan is repayable as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年內	340	438

The other loan is denominated in EUR, unsecured and bears interest at the rate of 10% per annum (2018: 10% per annum).

(d) Effective Interest Rates

The effective annual interest rates incurred on borrowings are as follows:

		2019 二零一九年	2018 二零一八年
Bank loans	銀行貸款	10.25%-10.50%	2.41%-12.00%
Finance leases	融資租賃	N/A 不適用	6.08%-11.00%
Other loan	其他貸款	10.00%	10.00%

26 貸款(續)

(c) 其他貸款

其他貸款償還如下：

	2019 二零一九年	2018 二零一八年
	HK\$'000 千港元	HK\$'000 千港元
Within 1 year	340	438

其他貸款以歐元計值、無抵押及按年利率10%(二零一八年：年利率10%)計息。

(d) 實際利率

貸款產生的實際年利率如下：

	2019 二零一九年	2018 二零一八年
Bank loans	10.25%-10.50%	2.41%-12.00%
Finance leases	N/A 不適用	6.08%-11.00%
Other loan	10.00%	10.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

26 BORROWINGS (continued)

(e) Liabilities arising from financing activities

The reconciliation of liabilities arising from financing activities is as follows:

		Bank loans 銀行貸款	Lease liabilities 租賃負債	Other loan 其他貸款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	180,028	73,074	457	253,559
Changes from financing cash flows:	融資現金流之變動：				
Drawdown of bank loans	提取銀行貸款	31,086	—	—	31,086
Repayment of bank loans	償還銀行貸款	(215,804)	—	—	(215,804)
Drawdown of finance leases	提取融資租賃	—	2,972	—	2,972
Repayment of capital element of finance leases	償還融資租賃之資本部份	—	(14,120)	—	(14,120)
Total changes from financing cash flows	融資現金流之總變動	(184,718)	(11,148)	—	(195,866)
Other changes	其他變動				
Facility arrangement fees	融資安排費用	4,788	—	—	4,788
Foreign exchange differences	外匯差額	(98)	(88)	(19)	(205)
Total other changes	其他變動總額	4,690	(88)	(19)	4,583
At 31 December 2018	於二零一八年十二月三十一日	—	61,838	438	62,276
At 1 January 2019	於二零一九年一月一日	—	61,838	438	62,276
Lease liabilities recognised as at 1 January 2019 (Note 2.2)	於二零一九年一月一日確認之租賃負債(附註2.2)	—	54,420	—	54,420
Restated opening balances	年初結餘(經重列)	—	116,258	438	116,696
Changes from financing cash flows:	融資現金流之變動：				
Drawdown of bank loans	提取銀行貸款	4,083	—	—	4,083
Repayment of other loans	償還其他貸款	—	—	(88)	(88)
Repayment of principal elements of lease liabilities	償還租賃負債之本金部份	—	(37,157)	—	(37,157)
Total changes from financing cash flows	融資現金流之總變動	4,083	(37,157)	(88)	(33,162)
Other changes	其他變動				
Addition — leases	新增 — 租賃	—	33,899	—	33,899
Foreign exchange differences	外匯差額	89	(1,336)	(10)	(1,257)
Total other changes	其他變動總額	89	32,563	(10)	32,642
At 31 December 2019	於二零一九年十二月三十一日	4,172	111,664	340	116,176

26 貸款(續)

(e) 融資活動產生之負債

融資活動產生之負債對賬如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

27 FINANCIAL INSTRUMENTS BY CATEGORY

27 按類別劃分之金融工具

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Financial assets at amortised cost	按攤銷成本列賬之金融資產		
Trade receivables (Note 21)	貿易應收款項(附註21)	251,587	188,503
Deposits and other receivables	按金及其他應收款項	64,512	59,198
Cash and bank balances (Note 23)	現金及銀行結存(附註23)	465,529	838,509
		781,628	1,086,210
FVOCI	按公允價值透過其他全面收益列賬	4	24
		781,632	1,086,234
Financial liabilities at amortised cost	按攤銷成本列賬之金融負債		
Trade payables (Note 24)	貿易應付款項(附註24)	81,305	87,641
Other payables and accruals	其他應付款項及應計費用	132,606	96,247
Borrowings (Note 26)	貸款(附註26)	4,512	62,276
Lease liabilities (Note 14)	租賃負債(附註14)	111,664	—
		330,087	246,164
Other long-term liabilities	其他長期負債	—	7,237
		330,087	253,401

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 SHARE CAPITAL

28 股本

		Ordinary shares of HK\$0.10 each 每股0.10港元普通股	
		Number of shares 股份數目	HK\$'000 千港元
Authorised	法定		
At 31 December 2018 and 2019	於二零一八年及二零一九年 十二月三十一日	3,000,000,000	300,000
Issued and fully paid	已發行及已繳足		
At 31 December 2018 and 2019	於二零一八年及二零一九年 十二月三十一日	2,344,818,660	234,482
Movements in ordinary shares during the years ended 31 December 2018 and 2019:		截至二零一八年及二零一九年十二月 三十一日止年度普通股之變動：	
		Number of shares 股份數目	HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	1,449,703,003	144,970
Issuance of shares upon exercise of share options on 9 January 2018 (Notes 29(a) and (i))	於二零一八年一月九日 因購股權獲行使發行股份 (附註29(a)及(i))	50,000,000	5,000
Issuance of shares on 23 May 2018 (Note (ii))	於二零一八年五月二十三日 發行股份(附註(ii))	640,000,000	64,000
Issuance of shares upon exercise of other options on 2 December 2018 (Notes 29(b) and (iv))	於二零一八年十二月二日 因其他期權獲行使發行股份 (附註29(b)及(iv))	205,115,657	20,512
At 31 December 2018, 1 January 2019 and 31 December 2019	於二零一八年十二月三十一日、 二零一九年一月一日及 二零一九年十二月三十一日	2,344,818,660	234,482

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

28 SHARE CAPITAL (continued)

Notes:

- (i) On 9 January 2018, Mr. Erik D. Prince, the executive director of the Company, exercised his right to subscribe 50,000,000 share options at an exercise price of HK\$1.50 per share, which were granted to him on 10 January 2014 under the share option scheme adopted by the Company on 28 March 2012. The total net proceeds of HK\$75,000,000 were utilised as additional working capital of the Group.
- (ii) On 23 May 2018, the Company issued 640,000,000 new shares to three subscribers, namely Easy Flow Investments Limited ("Easy Flow"), Taiping Trustees Limited and Trinity Gate Limited at an issue price of HK\$1.30 each. Easy Flow, a company that is ultimately controlled by a stated-owned enterprise in the PRC, was a substantial shareholder of the Company before the subscription of shares. The total net proceeds of HK\$830,567,000 were raised, which was used for the development and expansion of the Group's existing businesses, repayments of existing bank loans, and as general working capital of the Group.
- (iii) Upon the completion of the subscription of shares on 23 May 2018, the exchange price of the preference shares (the "Preference Shares") issued by DVN (Group) Limited (a wholly-owned subsidiary of the Company) are exchangeable into new ordinary shares of the Company shall be adjusted in accordance with their terms from HK\$3.72 per share to HK\$3.40 per share (the "Adjusted Exchange Price"). Following the Adjusted Exchange Price becoming effective, the number of new ordinary shares of the Company into which such outstanding Preference Shares are exchangeable shall be adjusted from 31,250,000 shares to 34,191,176 shares.
- (iv) On 2 December 2018, Mr. Erik D. Prince, the executive director of the Company, has exercised 205,115,657 other options at an exercise price of HK\$0.73 per share to subscribe for 205,115,657 new shares. The total net proceeds received from the exercise of options amounted to HK\$149,734,000 and were intended to use as additional working capital of the Group.

28 股本(續)

附註：

- (i) 於二零一八年一月九日，本公司執行董事 Erik D. Prince 先生行使其權利，按每股 1.50 港元之行使價認購 50,000,000 份購股權。該等購股權乃根據本公司於二零一二年三月二十八日採納之購股權計劃於二零一四年一月十日向其授出。所得款項淨額總計 75,000,000 港元乃用作本集團之額外營運資金。
- (ii) 於二零一八年五月二十三日，本公司以每股 1.30 港元之發行價向三名認購人(即盈動投資有限公司(「盈動」)、太平信託有限公司及 Trinity Gate Limited)發行 640,000,000 股新股份。盈動(由一家中國國有企業最終控股之公司)於認購股份前為本公司之主要股東。已籌集所得款項淨額總計 830,567,000 港元，乃用於發展及擴張本集團之現有業務、償還現有銀行貸款及用作本集團之一般營運資金。
- (iii) 於二零一八年五月二十三日完成股份認購後，由本公司全資附屬公司 DVN (Group) Limited 發行，可交換為本公司新普通股之優先股(「優先股」)之交換價根據其條款自每股 3.72 港元調整為每股 3.40 港元(「經調整交換價」)。於經調整交換價生效後，該等已發行優先股可交換的本公司新普通股數目自 31,250,000 股調整為 34,191,176 股。
- (iv) 於二零一八年十二月二日，本公司執行董事 Erik D. Prince 先生按每股 0.73 港元之行使價行使 205,115,657 份其他期權，以認購 205,115,657 股新股份。因該等期權獲行使而產生之所得款項淨額總計 149,734,000 港元，乃計劃用作本集團之額外營運資金。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS

(a) Share Option Schemes

The Company adopted a share option scheme (the “Scheme”) on 28 March 2012. The Scheme continues to recognise and acknowledge the contributions of the Eligible Participants (as defined in the Scheme) to the Group. The Scheme is also designed to provide incentives and help the Group in retaining its existing employees and recruiting additional employees.

The Scheme is valid and effective for a period of 10 years commencing from 28 March 2012, the date of the approval of the Scheme. Subscription price in relation to each option pursuant to the Scheme shall not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange’s daily quotation sheet on the date on which the option is offered to an Eligible Participant; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the date of offer; and (iii) the nominal value of the shares. The options are exercisable within the option period as determined by the Board of the Company.

Pursuant to the Scheme, the Company can grant options to Eligible Participants for a consideration of HK\$1 for each grant payable by the Eligible Participants to the Company. The total number of shares issued and to be issued upon exercise of options granted to each Eligible Participant (including exercised, cancelled and outstanding options) in any twelve-month period shall not exceed 1% of the shares then in issue.

Pursuant to a resolution passed at the Annual General Meeting of the Company held on 10 June 2019, a new scheme mandate limit was refreshed, which allowed the Company to grant 234,481,866 options, representing 10% of the Shares in issue as at 10 June 2019. During the year ended 31 December 2019, 23,448,186 share options were granted under the Scheme (2018: 21,397,030). At the date of the statement of financial position, the total number of options that can be granted was 211,033,680 (2018: 46,204,680).

29 購股權

(a) 購股權計劃

於二零一二年三月二十八日，本公司採納一項購股權計劃（「計劃」）。計劃繼續肯定及認可合資格參與者（定義見計劃）對本集團作出之貢獻。計劃亦旨在提供獎勵及協助本集團挽留其現有僱員及招聘更多僱員。

計劃自其獲批准之日二零一二年三月二十八日起計有效期為10年。有關根據計劃授出之各購股權之認購價不得低於下列較高者：(i)向合資格參與者授予購股權之日聯交所每日報價表載列之股份收市價；(ii)緊接授出日期前五個營業日聯交所每日報價表載列之股份平均收市價；及(iii)股份面值。購股權於本公司董事會釐定之購股權期間內可予行使。

根據計劃，本公司可向合資格參與者授出購股權，每份購股權之代價為1港元，由合資格參與者支付予本公司。於任何十二個月期間，在授予各合資格參與者之購股權（包括已行使、已註銷及尚未行使之購股權）獲行使時已發行及將予發行之股份總數不得超過當時已發行股份之1%。

根據於本公司在二零一九年六月十日舉行之股東週年大會上通過之決議案，新計劃授權限額已獲更新，容讓本公司授出234,481,866份購股權，相當於二零一九年六月十日已發行股份10%。於截至二零一九年十二月三十一日止年度，本公司根據計劃授出23,448,186份購股權（二零一八年：21,397,030份）。於財務狀況表日，可授出之購股權總數211,033,680份（二零一八年：46,204,680份）。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

Pursuant to the Board resolutions passed on 30 August 2019, the following share options were granted under the Scheme with fair value using the Binomial option pricing model with the following input variables:

Date of grant	Number of options	Exercise price per option	Exercise period of share options	Date of appraisal	Fair value per option	Risk-free interest rate	Expected dividend yield per share	Expected volatility	Closing price of shares before the date of grant	Expected life
授出日期	購股權數目	每份購股權之行使價	購股權行使期間	評值日期	每份購股權之公允價值	無風險利率	每股預期股息率	預期波幅	授出日期前之股份收市價	預期年期
		HK\$ 港元			HK\$ 港元				HK\$ 港元	
30/08/2019	23,448,186	0.800	30/08/2020 to 29/08/2024	30/08/2019	0.3932	1.15%	0.0%	70.15%	0.780	30/08/2019 to 29/08/2024
二零一九年八月三十日	23,448,186	0.800	二零二零年八月三十日至二零二四年八月二十九日	二零一九年八月三十日	0.3932	1.15%	0.0%	70.15%	0.780	二零一九年八月三十日至二零二四年八月二十九日

Movements in the number of outstanding share options and their related weighted average exercise prices were as follows:

The Scheme	計劃	2019 二零一九年		2018 二零一八年	
		Weighted average exercise price per share 加權平均每股行使價	Number of options 購股權數目	Weighted average exercise price per share 加權平均每股行使價	Number of options 購股權數目
		HK\$ 港元		HK\$ 港元	
At 1 January	於一月一日	1.272	64,886,120	1.427	146,046,918
Granted	已授出	0.800	23,448,186	1.310	21,397,030
Exercised	已行使	—	—	1.500	(50,000,000)
Lapsed	已失效	1.254	(12,295,030)	1.500	(52,557,828)
At 31 December	於十二月三十一日	1.130	76,039,276	1.272	64,886,120

29 購股權(續)

(a) 購股權計劃(續)

根據於二零一九年八月三十日通過之董事會決議案，下列購股權乃根據計劃授出，其公允價值按二項式期權定價模式以下列可變輸入值計量：

尚未行使購股權數目之變動及其相關加權平均行使價如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

Out of the 76,039,276 outstanding options as at 31 December 2019 (2018: 64,886,120), 52,591,090 options were exercisable (2018: 43,489,090). During the year ended 31 December 2019, no share options were exercised (2018: 50,000,000) and 12,295,030 share options were lapsed (2018: 52,557,828).

Share options outstanding at the date of the statement of financial position have the following expiry dates and exercise prices:

Expiry date	到期日	Exercise price per share 每股行使價 HK\$ 港元	Number of options 購股權數目	
			2019 二零一九年	2018 二零一八年
The Scheme	計劃			
28 April 2019	二零一九年四月二十八日	1.254	—	12,295,030
7 April 2020	二零二零年四月七日	0.970	2,800,000	2,800,000
17 September 2020	二零二零年九月十七日	1.530	1,560,000	1,560,000
21 August 2021	二零二一年八月二十一日	1.100	12,337,030	12,337,030
23 August 2022	二零二二年八月二十三日	1.410	14,497,030	14,497,030
26 August 2023	二零二三年八月二十六日	1.310	21,397,030	21,397,030
29 August 2024	二零二四年八月二十九日	0.800	23,448,186	—
			76,039,276	64,886,120

29 購股權(續)

(a) 購股權計劃(續)

於二零一九年十二月三十一日，76,039,276份(二零一八年：64,886,120份)尚未行使之購股權中，52,591,090份(二零一八年：43,489,090份)購股權可予行使。截至二零一九年十二月三十一日止年度，概無(二零一八年：50,000,000份)購股權獲行使及12,295,030份(二零一八年：52,557,828份)購股權已失效。

於財務狀況表日尚未行使購股權之到期日及行使價如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

The details of movements of the outstanding share options during the year are as follows:

The Scheme	計劃	Outstanding options at 1 January 2019 於二零一九年一月一日 尚未行使之購股權	Options granted during the year 年內授出之購股權	Options exercised during the year 年內行使之購股權	Options lapsed during the year 年內失效之購股權	Outstanding options at 31 December 2019 於二零一九年十二月三十一日 尚未行使之購股權	Weighted average closing price before dates of exercise 於行使日前之加權平均收市價 HK\$ 港元
Date of grant	授出日期	8 April 2014 二零一四年四月八日					
Exercise price per option	每份購股權行使價	HK\$0.970 0.970港元					
Exercise period	行使期	8 April 2015 - 7 April 2020 二零一五年四月八日至二零二零年四月七日					
Held by a director	由一名董事持有						
Mr. Yap Fat Suan, Henry	葉發旋先生	1,400,000	—	—	—	1,400,000	
Held by an employee	由一名僱員持有	1,400,000	—	—	—	1,400,000	
In aggregate	總額	2,800,000	—	—	—	2,800,000	—
Date of grant	授出日期	18 September 2014 二零一四年九月十八日					
Exercise price per option	每份購股權行使價	HK\$1.530 1.530港元					
Exercise period	行使期	18 September 2015 - 17 September 2020 二零一五年九月十八日至二零二零年九月十七日					
Held by a service provider	由一名服務供應商持有	780,000	—	—	—	780,000	—

29 購股權(續)

(a) 購股權計劃(續)

尚未行使之購股權於年內之變動詳情如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

		Outstanding options at 1 January 2019 於二零一九年 一月一日 尚未行使 之購股權	Options granted during the year 年內授出 之購股權	Options exercised during the year 年內行使 之購股權	Options lapsed during the year 年內失效 之購股權	Outstanding options at 31 December 2019 於二零一九年 十二月三十一日 尚未行使 之購股權	Weighted average closing price before dates of exercise 於行使日前 之加權平均 收市價 HK\$ 港元
Date of grant	授出日期	24 September 2014 二零一四年九月二十四日					
Exercise price per option	每份購股權行使價	HK\$1.530 1.530港元					
Exercise period	行使期	18 September 2015 – 17 September 2020 二零一五年九月十八日至 二零二零年九月十七日					
Held by a service provider	由一名服務供應商持有	780,000	—	—	—	780,000	—
Date of grant	授出日期	29 April 2016 二零一六年四月二十九日					
Exercise price per option	每份購股權行使價	HK\$1.254 1.254港元					
Exercise period	行使期	29 April 2016 – 28 April 2019 二零一六年四月二十九日至 二零一九年四月二十八日					
Held by a service provider	由一名服務供應商持有	12,295,030	—	—	(12,295,030)	—	—
Date of grant	授出日期	22 August 2016 二零一六年八月二十二日					
Exercise price per option	每份購股權行使價	HK\$1.100 1.100港元					
Exercise period	行使期	22 August 2017 – 21 August 2021 二零一七年八月二十二日至 二零二一年八月二十一日					
Held by a director	由一名董事持有						
Dr. Hua Dongyi	華東一博士	12,337,030	—	—	—	12,337,030	—

29 購股權(續)

(a) 購股權計劃(續)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS (continued)

(a) Share Option Schemes (continued)

		Outstanding options at 1 January 2019 於二零一九年 一月一日 尚未行使 之購股權	Options granted during the year 年內授出 之購股權	Options exercised during the year 年內行使 之購股權	Options lapsed during the year 年內失效 之購股權	Outstanding options at 31 December 2019 於二零一九年 十二月三十一日 尚未行使 之購股權	Weighted average closing price before dates of exercise 於行使日前 之加權平均 收市價 HK\$ 港元
Date of grant	授出日期	24 August 2017 二零一七年八月二十四日					
Exercise price per option	每份購股權行使價	HK\$1.410 1.410 港元					
Exercise period	行使期	24 August 2018 – 23 August 2022 二零一八年八月二十四日至 二零二二年八月二十三日					
Held by a director	由一名董事持有						
Dr. Hua Dongyi	華東一博士	14,497,030	—	—	—	14,497,030	—
Date of grant	授出日期	27 August 2018 二零一八年八月二十七日					
Exercise price per option	每份購股權行使價	HK\$1.310 1.310 港元					
Exercise period	行使期	27 August 2019 – 26 August 2023 二零一九年八月二十七日至 二零二三年八月二十六日					
Held by a director	由一名董事持有						
Dr. Hua Dongyi	華東一博士	21,397,030	—	—	—	21,397,030	—
Date of grant	授出日期	30 August 2019 二零一九年八月三十日					
Exercise price per option	每份購股權行使價	HK\$0.800 0.800 港元					
Exercise period	行使期	30 August 2020 – 29 August 2024 二零二零年八月三十日至 二零二四年八月二十九日					
Held by a director	由一名董事持有						
Dr. Hua Dongyi	華東一博士	—	23,448,186	—	—	23,448,186	—

Employee benefit expenses arising from options issued under employee option plan during the year were HK\$12,169,000 (2018: HK\$11,379,000) (Note 7).

年內根據僱員購股權計劃發行購股權產生之僱員福利開支為12,169,000港元(二零一八年: 11,379,000港元)(附註7)。

29 購股權(續)

(a) 購股權計劃(續)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

29 SHARE OPTIONS *(continued)*

(b) Other Options

205,115,657 other options were issued on 3 December 2013 and were exercisable for a five-year period from 3 December 2013 to 2 December 2018 at an exercise price of HK\$0.73 per share. On 2 December 2018, Mr. Erik D. Prince exercised his right to subscribe 205,115,657 new shares of the Company at an exercise price of HK\$0.73 per share.

30 SHARE AWARD SCHEME

The Company has adopted a share award scheme on 10 December 2015. The share award scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Listing Rules. The purposes and objectives of the share award scheme are to recognise the contributions by Eligible Persons (as defined in the share award scheme) and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract personnel for further development of the Group.

During the year ended 31 December 2019 and 2018, no share was granted to any Eligible Persons under the share award scheme.

During the year ended 31 December 2019 and 2018, no share of the Company was acquired by the trustee of the share award scheme. As at 31 December 2019 and 2018, no share was vested to any Eligible Person and no share of the Company was held in trust for the share award scheme by the trustee of the share award scheme.

No expenses arising from share award scheme was recognised during the year as part of employee benefit expenses (2018: Nil).

29 購股權(續)

(b) 其他購股權

該205,115,657份其他購股權乃於二零一三年十二月三日發行，於二零一三年十二月三日至二零一八年十二月二日期間可予行使，為期五年，行使價為每股0.73港元。於二零一八年十二月二日，Erik D. Prince先生行使其權利，按每股0.73港元之行使價認購本公司205,115,657股新股份。

30 股份獎勵計劃

本公司已於二零一五年十二月十日採納一項股份獎勵計劃。就上市規則第17章而言，股份獎勵計劃並不構成購股權計劃。股份獎勵計劃之目的及宗旨乃為表彰合資格人士(定義見股份獎勵計劃)所作之貢獻，並給予獎勵以挽留該等人士為本集團之持續營運及發展效力，亦為本集團之進一步發展吸引人才。

於截至二零一九年及二零一八年十二月三十一日止年度，並無根據股份獎勵計劃向任何合資格人士授出股份。

截至二零一九年及二零一八年十二月三十一日止年度，股份獎勵計劃之受託人並無購買本公司之股份。於二零一九年及二零一八年十二月三十一日，並無股份歸屬予任何合資格人士，股份獎勵計劃之受託人概無以為股份獎勵計劃設立之信託方式持有本公司股份。

年內並無股份獎勵計劃產生之開支被確認為僱員福利開支之一部份(二零一八年：無)。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RESERVES

31 儲備

		Share premium	Contributed surplus	Exchange reserve	General reserve	Equity instrument reserve	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	匯兌儲備	一般儲備	權益工具儲備	以股份支付之補償儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vi))	(Note (vi))
		(附註(i))	(附註(ii))	(附註(iii))	(附註(iv))	(附註(v))	(附註(vi))	(附註(vi))	(附註(vi))
At 1 January 2018	於二零一八年一月一日	297,436	628,235	(10,782)	13,088	125,137	74,915	(1,009,325)	118,704
Loss for the year	年度虧損	—	—	—	—	—	—	(258,846)	(258,846)
Other comprehensive loss	其他全面虧損								
Foreign exchange differences	匯兌差額	—	—	(6,900)	—	—	—	—	(6,900)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	—	—	(6,900)	—	—	—	—	(6,900)
Total comprehensive loss for the year	年度全面虧損總額	—	—	(6,900)	—	—	—	(258,846)	(265,746)
Transactions with equity holders	與權益持有人之交易								
Issue of shares	發行股份	766,567	—	—	—	—	—	—	766,567
Share-based compensation	以股份支付之補償	—	—	—	—	—	11,379	—	11,379
Exercise of share and other options	行使購股權及其他期權	359,765	—	—	—	(132,100)	(28,443)	—	199,222
Lapse of share options	購股權失效	—	—	—	—	—	(29,898)	29,898	—
		1,126,332	—	—	—	(132,100)	(46,962)	29,898	977,168
At 31 December 2018	於二零一八年十二月三十一日	1,423,768	628,235	(17,682)	13,088	(6,963)	27,953	(1,238,273)	830,126

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RESERVES (continued)

31 儲備(續)

		Share premium	Contributed surplus	Exchange reserve	General reserve	Equity instrument reserve	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	匯兌儲備	一般儲備	權益工具儲備	以股份支付之補償儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note (i))	(Note (ii))	(Note (iii))	(Note (iv))	(Note (v))	(Note (vi))	(Note (vii))	(Note (viii))
		(附註(i))	(附註(ii))	(附註(iii))	(附註(iv))	(附註(v))	(附註(vi))	(附註(vii))	(附註(viii))
At 1 January 2019	於二零一九年一月一日	1,423,768	628,235	(17,682)	13,088	(6,963)	27,953	(1,238,273)	830,126
Loss for the year	年度虧損	—	—	—	—	—	—	(354,793)	(354,793)
Other comprehensive loss	其他全面虧損								
Foreign exchange differences	匯兌差額	—	—	(3,246)	—	—	—	—	(3,246)
Other comprehensive loss for the year, net of tax	年度其他全面虧損(除稅後)	—	—	(3,246)	—	—	—	—	(3,246)
Total comprehensive loss for the year	年度全面虧損總額	—	—	(3,246)	—	—	—	(354,793)	(358,039)
Transactions with equity holders	與權益持有人之交易								
Share-based compensation	以股份支付之補償	—	—	—	—	—	12,169	—	12,169
Lapse of share options	購股權失效	—	—	—	—	—	(3,258)	3,258	—
		—	—	—	—	—	8,911	3,258	12,169
At 31 December 2019	於二零一九年十二月三十一日	1,423,768	628,235	(20,928)	13,088	(6,963)	36,864	(1,589,808)	484,256

Notes:

- (i) The application of the share premium account is governed by the Companies Act 1981 of Bermuda.
- (ii) The contributed surplus of the Group arose from a scheme of arrangement on 31 October 1989 and capital reorganisations on 2 November 2001 and 18 December 2007. Pursuant to the Companies Act 1981 of Bermuda, a company incorporated in Bermuda is not permitted to pay dividends or make a distribution out of the contributed surplus if there are reasonable grounds for believing that the company is, or would after the payment be, unable to pay its liabilities as they become due; or the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

附註:

- (i) 股份溢價賬之運用受百慕達一九八一年公司法之管限。
- (ii) 本集團之實繳盈餘乃因一項於一九八九年十月三十一日之安排計劃及於二零零一年十一月二日和二零零七年十二月十八日之資本重組而產生。根據百慕達一九八一年公司法，於百慕達註冊成立之公司在下述情況下不得派發股息或自實繳盈餘中作出分派：如有足夠理由相信有關公司於派發股息後將會或可能未能償還到期債務；或有關公司資產之可變現值會因此低於其負債、已發行股本及股份溢價賬之總額。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

31 RESERVES (continued)

Notes: (continued)

- (iii) The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in Note 2.7.
- (iv) In accordance with the PRC regulations, each of the Group's PRC subsidiaries is required to transfer not less than 10% of its profit after tax, as determined in accordance with PRC accounting standards and regulations, to the general reserve until such reserve reaches 50% of its registered capital. The quantum of the annual transfer is subject to the approval of the board of directors of the PRC subsidiaries in accordance with their articles of association.
- (v) The equity instrument reserve represents:
 - (a) the fair value of the other option rights granted to Mr. Erik D.Prince for the acquisition of FSL on 3 December 2013 to subscribe 205,115,657 new shares of the Company at an exercise price of HK\$0.73 per share. On 2 December 2018, Mr. Erik D.Prince exercised his right to subscribe 205,115,657 new shares of the Company at an exercise price of HK\$0.73 per share; and
 - (b) the fair value of the right derived from the symmetrical put and call option agreement amounted to HK\$6,963,000 (2018: HK\$6,963,000) signed by FSL on 3 February 2016 to purchase the remaining 49% equity interest in Maleth at an option price ranging between EUR1,000,000 (equivalent to approximately HK\$8,732,000) and EUR10,000,000 (equivalent to approximately HK\$87,315,000) from 6 July 2020 onward. The respective liability was recorded in other payables in the consolidated statement of financial position.
- (vi) The share-based compensation reserve represents the fair value of the unexercised share options granted under the Company's share option schemes and the fair value of the share award granted under the Company's share award scheme to the eligible participants recognised in accordance with the accounting policy set out in Note 2.22(b).

31 儲備(續)

附註：(續)

- (iii) 匯兌儲備包括因海外業務財務報表換算產生之所有匯兌差額。該儲備乃根據附註2.7所列會計政策處理。
- (iv) 根據中國法規，本集團各中國附屬公司須將不少於10%之除稅後溢利(按中國會計準則及法規釐定)撥往一般儲備，直至該儲備之款額達至註冊資本之50%為止。每年轉撥之款額須由有關之中國附屬公司之董事會根據其組織章程細則批准。
- (v) 權益工具儲備代表：
 - (a) 於二零一三年十二月三日就收購FSL向Erik D.Prince先生授出，可按每股0.73港元之行使價認購本公司205,115,657股新股份之其他期權之公允價值。於二零一八年十二月二日，Erik D.Prince先生行使其權利，按每股0.73港元之行使價認購本公司205,115,657股新股份；及
 - (b) FSL於二零一六年二月三日訂立對稱認沽及認購期權協議以按自二零二零年七月六日起介於1,000,000歐元(相等於約8,732,000港元)至10,000,000歐元(相等於約87,315,000港元)之期權價收購Maleth餘下49%股本權益產生之權利之公允價值6,963,000港元(二零一八年：6,963,000港元)。有關負債於綜合財務狀況表列為其他應付款項。
- (vi) 以股份支付之補償儲備指按照附註2.22(b)所列會計政策根據本公司的購股權計劃及本公司股份獎勵計劃授予獲認可之合資格參與者之未獲行使購股權及股份獎勵之公允價值。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

32 NON-CONTROLLING INTERESTS

	於一月一日
At 1 January	於一月一日
Capital injection from non-controlling interest of a subsidiary	一家附屬公司非控股權益之注資
Share of results	應佔業績
Exchange differences	匯兌差額
At 31 December	於十二月三十一日

Non-controlling interests include, inter alia, an amount of US\$15,000,000 (equivalent to HK\$116,250,000) preference shares issued by DVN (Group) Limited, a wholly-owned subsidiary of the Company, on 31 March 1999. The preference shareholder has the right at any time starting from 1 July 2000 to exchange all (but not part) of the preference shares into 34,191,176 ordinary shares of the Company at an exchange price which has been subsequently adjusted to HK\$3.40 per share, pursuant to the Company's announcement dated 22 June 2018. The Company has the right, at its discretion, to request the preference shareholder to exercise his exchange right to exchange all (but not part) of the preference shares into the Company's ordinary shares at the exchange price at any time from 1 July 2000, provided that the average of the closing prices of the Company's ordinary shares for the 20 consecutive trading days ending on the trading day immediately preceding the date of giving notice of such compulsory exchange is not less than HK\$10 per share.

32 非控股權益

2019 二零一九年	2018 二零一八年
HK\$'000 千港元	HK\$'000 千港元
126,913	124,267
—	528
(1,954)	2,223
(84)	(105)
124,875	126,913

非控股權益包括(其中包括)15,000,000美元(相等於116,250,000港元)之由本公司全資附屬公司DVN (Group) Limited於一九九九年三月三十一日所發行之優先股。於二零零零年七月一日後任何時間，優先股股東有權將全部(而非部份)優先股按交換價交換本公司34,191,176股普通股(根據本公司於二零一八年六月二十二日刊發之公佈，交換價已於其後調整至每股3.40港元)。於二零零零年七月一日後任何時間，如本公司之普通股之平均收市價於截至緊接發出強制交換通告之日前交易日止之20個連續交易日不低於每股10港元，本公司有權酌情要求優先股股東行使交換權，將全部(而非部份)優先股按交換價交換本公司之普通股。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 CASH USED IN OPERATIONS

The reconciliation of loss for the year to cash used in operations is as follows:

33 營運所用之現金

年度虧損與營運所用之現金之對賬如下：

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Loss for the year	年度虧損	(356,747)	(256,623)
Adjustments for	調整項目		
Income tax credit	所得稅抵免	(14,730)	(5,644)
Finance costs	融資成本	10,360	13,928
Depreciation	折舊	54,841	29,074
Engine overhaul cost	引擎檢修成本	—	5,242
Amortisation of other intangibles	其他無形資產攤銷	1,619	8,192
Amortisation of prepaid operating lease rentals	預付經營租賃租金攤銷	—	44
Share-based compensation	以股份支付之補償	12,169	11,379
Impairment losses on financial assets	金融資產之減值虧損	14,286	2,732
Provision for inventories	存貨撥備	1,456	4,030
Provision for impairment of other intangibles	其他無形資產之減值撥備	—	4,087
Provision for impairment of property, plant and equipment and assets held-for-sale	物業、機器及設備以及持作出售資產之減值撥備	64,509	8,318
Net (gain)/loss on disposal of property, plant and equipment (Note (i))	出售物業、機器及設備之淨(收益)/虧損(附註(i))	(1,048)	977
Write-off of purchase option in an associate	撤銷於一家聯營公司之購股權	3,907	—
Interest income	利息收入	(12,045)	(12,426)
Share of losses of associates	應佔聯營公司虧損	3,760	1,517
Exchange differences	匯兌差額	2,854	1,547
Changes in working capital	營運資金變動		
Inventories	存貨	(171)	789
Trade receivables, prepayments, deposits and other receivables	貿易應收款項、預付款、按金及其他應收款項	(76,227)	(115,403)
Trade payables, other payables, accruals and contract liabilities	貿易應付款項、其他應付款項、應計費用及合約負債	14,313	17,715
Cash used in operations	營運所用之現金	(276,894)	(280,525)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

33 CASH USED IN OPERATIONS (continued)

Note:

- (i) In the consolidated statement of cash flows, proceeds from disposal of property, plant and equipment comprise:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Net carrying amount (Note 13)	賬面淨值(附註 13)	5,394	7,139
Net gain/(loss) on disposal of property, plant and equipment (Note 10)	出售物業、機器及設備之淨收益 / (虧損)(附註 10)	1,048	(977)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	6,442	6,162

- (ii) On 11 November 2019, the Group entered into an agreement with the Five Equity Holders, pursuant to which the Group agreed to transfer the loan receivables amounted to HK\$10,289,000 to the Five Equity Holders, in exchange for an additional 22% equity interests in ISDC. The transfer was completed on 20 December 2019. Consequently, the Group's interests in ISDC increased from the original of 25% to the existing of 47% equity interests as at 31 December 2019. This transaction did not have any cash flow impact to the Group in 2019.

Except for the non-cash transaction as mentioned above, there were no other major non-cash transaction for the years ended 31 December 2019 and 2018.

33 營運所用之現金(續)

附註：

- (i) 於綜合現金流量表中，出售物業、機器及設備之所得款項為：

	2019 二零一九年	2018 二零一八年
	HK\$'000 千港元	HK\$'000 千港元
Net carrying amount (Note 13)	5,394	7,139
Net gain/(loss) on disposal of property, plant and equipment (Note 10)	1,048	(977)
Proceeds from disposal of property, plant and equipment	6,442	6,162

- (ii) 於二零一九年十一月十一日，本集團與五名股權持有人訂立協議，據此，本集團同意將該等應收貸款10,289,000港元轉讓予五名股權持有人，以換取其於國際安全防衛學院之22%股權。轉讓於二零一九年十二月二十日完成。因此，於二零一九年十二月三十一日，本集團於國際安全防衛學院之股權由原先25%增加至現有47%。該交易於二零一九年對本集團並無任何現金流影響。

除上述非現金交易外，截至二零一九年及二零一八年十二月三十一日止年度並無任何其他主要非現金交易。

34 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Expenditure Commitments

The Group's capital expenditure contracted for as at 31 December 2019 but not yet incurred were as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Investment in a fund (Note)	於基金之投資(附註)	194,775	—
Purchase of land-use-rights	購買土地使用權	11,163	11,440
		205,938	11,440

34 承擔及或然負債

(a) 資本開支承擔

本集團於二零一九年十二月三十一日已訂約但尚未產生之資本開支如下：

	2019 二零一九年	2018 二零一八年
	HK\$'000 千港元	HK\$'000 千港元
Investment in a fund (Note)	194,775	—
Purchase of land-use-rights	11,163	11,440
	205,938	11,440

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(a) Capital Expenditure Commitments (continued)

Note:

On 3 December 2019, the Group entered into a shareholders' agreement with Rainbow Sea Limited ("RSL"), an indirect wholly-owned subsidiary of CITIC Capital Holdings Limited in relation to the establishment of a joint venture company, Frontier Strategic Resources Holding Ltd. (the "JV Company"). On the same date, the Group entered into a limited partnership agreement and the subscription agreement pursuant to which the Group and RSL shall commit to a contribution of US\$25,000,000 each to the investment fund (the "Fund") managed by the JV Company and the JV Company's subsidiaries. Further details in relation to the Fund are set out in the Company's announcement dated 3 December 2019. As at 31 December 2019, the Group had capital expenditure commitments for investment in the fund of US\$25,000,000 (equivalent to HK\$194,775,000).

(b) Operating Lease Commitments as a Lessor

The Group leases its leasehold properties under non-cancellable operating lease agreements. The lease terms is 35 years, and the lease agreement is renewable at the end of the lease term at market rate.

At 31 December 2019, the Group had total minimum lease payments receivable on leases under the non-cancellable operating leases as follows:

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Not later than 1 year	少於一年	10	9
Later than 1 year but not later than 5 years	一年以後但五年以內	42	42
Later than 5 years	五年以後	308	312
		360	363

34 承擔及或然負債(續)

(a) 資本開支承擔(續)

附註：

於二零一九年十二月三日，本集團與彩海有限公司(「彩海」，中信資本控股有限公司之間接全資附屬公司)就建立合營公司Frontier Strategic Resources Holding Ltd.(「合營公司」)訂立股東協議。同日，本集團訂立有限合夥協議及認購協議，據此，本集團及彩海將對每項由合營公司及合營公司之附屬公司所管理之投資基金(「基金」)出資25,000,000美元。有關基金之進一步詳情載於本公司日期為二零一九年十二月三日之公告。於二零一九年十二月三十一日，本集團有關基金投資之資本開支承擔為25,000,000美元(相等於194,775,000港元)。

(b) 經營租約承擔(作為出租人)

本集團根據不可撤銷經營租約協議租賃其租賃物業。租期為35年，租約協議可於租期屆滿時按市價續訂。

於二零一九年十二月三十一日，本集團根據不可撤銷經營租約擁有之應收承擔總額如下：

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

34 COMMITMENTS AND CONTINGENT LIABILITIES (continued)

(c) Operating Lease Commitments as a Lessee

The Group leases certain of its offices, staff quarters and office equipment under operating lease arrangements.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 14 for further information.

		2018 二零一八年 HK\$'000 千港元
Land and buildings	土地及樓宇	
Not later than 1 year	少於一年	19,325
Later than 1 year but not later than 5 years	一年以後但五年以內	42,423
Later than 5 years	五年以後	21,398
		83,146
Office equipment	辦公設備	
Not later than 1 year	少於一年	663
Later than 1 year but not later than 5 years	一年以後但五年以內	681
		1,344
Total	總計	
Not later than 1 year	少於一年	19,988
Later than 1 year but not later than 5 years	一年以後但五年以內	43,104
Later than 5 years	五年以後	21,398
		84,490

(d) Financial Commitments

The Group did not have any significant financial commitments as at 31 December 2019 (2018: Nil).

(e) Contingent Liabilities

At 31 December 2019, an indirect wholly-owned subsidiary of the Company issued a fixed and floating debenture on all its assets to a bank as securities for a banking facility of US\$1,500,000 (equivalent to approximately HK\$11,687,000) (2018: US\$3,000,000 (equivalent to approximately HK\$23,502,000)).

34 承擔及或然負債(續)

(c) 經營租約承擔(作為承租人)

本集團根據經營租約安排租用其若干辦公室、員工宿舍及辦公設備。

自二零一九年一月一日起，除短期及低價值租賃外，本集團已就該等租賃確認使用權資產。進一步詳情見附註14。

(d) 財務承擔

本集團於二零一九年十二月三十一日並無任何重大財務承擔(二零一八年：無)。

(e) 或然負債

於二零一九年十二月三十一日，本公司之一家間接全資附屬公司亦就其所有資產發行固定及浮動債權證，作為一筆1,500,000美元(相等於約11,687,000港元)(二零一八年：3,000,000美元(相等於約23,502,000港元))之銀行融資之保證金。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with Related Parties

Transactions between the Company and its subsidiaries, which are related parties to the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group entered into the following material transactions with related parties during the year:

Receipt of consultancy services fee from a shareholder of the Company (Note (i))	自本公司一名股東收到之顧問服務費(附註(i))
Payment of consultancy services fee to a company owned by a director of certain subsidiaries (Note (ii))	向若干附屬公司一名董事擁有之公司支付之顧問服務費(附註(ii))
Provision of logistics services to companies owned by a director of certain subsidiaries (Note (iii))	向若干附屬公司之一名董事擁有之公司提供物流服務(附註(iii))

All the transactions were negotiated with related parties on normal commercial terms or in accordance with the agreements governing those transactions.

Notes:

- (i) This represents the consultancy fee of HK\$259,000 (2018: nil) received by the Group from a substantial shareholder of the Company for a security consultancy service provided by the Group during the year ended 31 December 2019.
- (ii) This represents consultancy fee of US\$10,000 (equivalent to approximately HK\$78,000) (2018: US\$60,000 (equivalent to approximately HK\$470,000)) paid by the Group to a company wholly owned by a director of certain subsidiaries for consultancy services provided to the Group in accordance with the terms of the related consultancy agreement.

35 重大關聯人士交易

(a) 關聯人士交易

本公司與其附屬公司(為本公司關聯人士)之間之交易已按綜合基準予以抵銷,且並無於本附註披露。除於該等綜合財務報表其他地方披露之交易及結餘外,年內,本集團曾進行以下重大關聯人士交易:

2019 二零一九年	2018 二零一八年
HK\$'000 千港元	HK\$'000 千港元
259	—
(78)	(470)
—	222

與關聯人士之所有交易,均按一般商業條款商討,或按照規管該等交易之協議進行。

附註:

- (i) 此代表本集團就本集團於截至二零一九年十二月三十一日止年度提供之安保顧問服務向本公司主要股東收取之顧問費259,000港元(二零一八年:無)。
- (ii) 此代表本集團就根據相關顧問協議之條款提供予本集團之顧問服務而向一家由若干附屬公司之一名董事全資擁有之公司支付之顧問費10,000美元(相等於約78,000港元)(二零一八年:60,000美元(相等於約470,000港元))。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(a) Transactions with Related Parties (continued)

Notes: (continued)

- (iii) It represents the provision of logistics services by TFF to certain companies owned by a director of TFF during the year ended 31 December 2018. The director resigned during the year ended 31 December 2018.

(b) Details of Key Management Compensation of the Group

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Short-term employee benefits	短期僱員福利	23,057	22,467
Post-employment benefits	離職後福利	217	246
Share-based compensation	以股份支付之補償	12,169	11,379
		35,443	34,092

The directors, the Chief Executive Officer and the Chief Financial Officer of the Company are regarded as the key management personnel of the Group.

(c) Other Year-End Balances

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
Prepayments, deposits and other receivables	預付款、按金及其他應收款項		
Associates	聯營公司	13,859	18,566
A shareholder of the Company	本公司一名股東	259	—
Other payables and accruals	其他應付款項及應計費用		
Associates	聯營公司	7,012	7,051

35 重大關聯人士交易(續)

(a) 關聯人士交易(續)

附註：(續)

- (iii) 此代表TFF於截至二零一八年十二月三十一日止年度向TFF一名董事擁有之若干公司提供物流服務。該董事已於截至二零一八年十二月三十一日止年度辭任。

(b) 本集團主要管理人員酬金詳情

本公司董事、行政總裁及財務總裁被視為本集團之主要管理人員。

(c) 其他年終結餘

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

35 MATERIAL RELATED PARTY TRANSACTIONS

(continued)

(d) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of notes (a)(i) and (a)(iii) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. However, those transactions are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as they are below the de minimis threshold under Rule 14A.76(1).

36 SUBSEQUENT EVENTS

The outbreak of novel coronavirus since January 2020 is affecting the global usual business environment of the Mainland China and other locations where the Group has operations such as Malta and some Southeast Asian countries. If such situation continues in the long term, the Group's business operations and financial results are likely to be affected. Management is of the view that the ultimate impact to the Group's businesses due to the virus is uncertain and beyond prediction as it is highly dependent on the future development. Management will closely and continuously monitor the situation and assess the financial impact to the Group.

Except for as disclosed above, there are no material subsequent events undertaken by the Company or by the Group after 31 December 2019 and up to the date of the annual report.

35 重大關聯人士交易(續)

(d) 關連交易之上市規則適用性

上文附註(a)(i)及(a)(iii)之關聯人士交易構成關連交易或持續關連交易(定義見上市規則第14A章)。然而，該等交易因低於第14A.76(1)條項下之最低豁免水平而獲豁免遵守上市規則第14A章所載之披露規定。

36 期後事項

新型冠狀病毒疫情自二零二零年一月起爆發，正在對中國內地及其他本集團營運所在地區(如馬爾他及若干東南亞國家)之全球一般業務環境造成影響。倘該情況長期持續，本集團之業務營運及財務業績或受影響。管理層認為，病毒疫情最終對本集團業務造成之影響充滿未知之數且難以預測，因為有關影響於很大程度上取決於未來事態發展。管理層將持續密切監察有關情況，並評估對本集團造成之財務影響。

除上文所披露者外，於二零一九年十二月三十一日後及直至本年報日期，本公司或本集團並無重大其後事項。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

37 本公司財務狀況表

		2019 二零一九年	2018 二零一八年
		HK\$'000 千港元	HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、機器及設備	815	—
Intangibles	無形資產	1,350	1,350
Interests in subsidiaries	於附屬公司之權益	552,880	591,131
Total non-current assets	非流動資產總值	555,045	592,481
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款、按金及其他應收款項	3,265	2,615
Cash and cash equivalents	現金及現金等價物	236,494	555,770
Total current assets	流動資產總值	239,759	558,385
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	13,126	13,048
Total current liabilities	流動負債總額	13,126	13,048
Net current assets	流動資產淨值	226,633	545,337
Net assets	資產淨值	781,678	1,137,818
EQUITY	權益		
Equity attributable to the Company's equity holders	本公司股權持有人應佔權益		
Share capital	股本	234,482	234,482
Reserves (Note)	儲備(附註)	547,196	903,336
Total equity	總權益	781,678	1,137,818

Signed on behalf of the Board on 24 March 2020 by

代表董事會於二零二零年三月二十四日簽署

Ko Chun Shun, Johnson
高振順
Director
董事

Hua Dongyi
華東一
Director
董事

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

37 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

Reserve Movements of the Company

		Share premium	Contributed surplus	Equity instrument reserve	Share-based compensation reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	權益工具儲備	以股份支付之補償儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2018	於二零一八年一月一日	297,436	558,899	132,100	74,915	(887,476)	175,874
Loss for the year	年度虧損	—	—	—	—	(249,706)	(249,706)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(249,706)	(249,706)
Transactions with equity holders	與權益持有人之交易						
Issue of shares	發行股份	766,567	—	—	—	—	766,567
Share-based compensation	以股份支付之補償	—	—	—	11,379	—	11,379
Lapse of share options	購股權失效	—	—	—	(29,898)	29,898	—
Exercise of share and other options	行使購股權及其他期權	359,765	—	(132,100)	(28,443)	—	199,222
		1,126,332	—	(132,100)	(46,962)	29,898	977,168
At 31 December 2018	於二零一八年十二月三十一日	1,423,768	558,899	—	27,953	(1,107,284)	903,336
At 1 January 2019	於二零一九年一月一日	1,423,768	558,899	—	27,953	(1,107,284)	903,336
Loss for the year	年度虧損	—	—	—	—	(368,309)	(368,309)
Total comprehensive loss for the year	年度全面虧損總額	—	—	—	—	(368,309)	(368,309)
Transactions with equity holders	與權益持有人之交易						
Share-based compensation	以股份支付之補償	—	—	—	12,169	—	12,169
Lapse of share options	購股權失效	—	—	—	(3,258)	3,258	—
		—	—	—	8,911	3,258	12,169
At 31 December 2019	於二零一九年十二月三十一日	1,423,768	558,899	—	36,864	(1,472,335)	547,196

37 本公司財務狀況表(續)

附註：

本公司儲備變動

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

The consolidated results, and assets and liabilities of the Group for the last five financial years are summarised below.

本集團過去五個財政年度之綜合業績、資產及負債概述如下。

		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Results	業績					
Loss attributable to:	以下人士應佔虧損：					
Equity holders of the Company	本公司權益持有人	354,793	258,846	223,760	209,816	142,920
Non-controlling interests	非控股權益	1,954	(2,223)	(658)	(330)	—
		356,747	256,623	223,102	209,486	142,920
Assets and liabilities	資產及負債					
Total assets	資產總值	1,223,423	1,505,983	884,177	912,467	1,349,713
Total liabilities	負債總額	(379,810)	(314,462)	(496,236)	(513,536)	(706,718)
Non-controlling interests	非控股權益	(124,875)	(126,913)	(124,267)	(123,528)	(116,250)
Equity attributable to the Company's equity holders	本公司權益持有人應佔權益	718,738	1,064,608	263,674	275,403	526,745

