



大同機械企業有限公司

**COSMOS MACHINERY ENTERPRISES LIMITED**

Stock Code 股份代號: 118

# 2019

ANNUAL REPORT

年報



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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Tang To (*Chairman*)  
Wong Yiu Ming (*Executive Vice Chairman*)  
Tang Yu, Freeman (*Chief Executive Officer*)  
Mei Zheqi

#### Non-Executive Directors

Kan Wai Wah  
Qu Jinping

#### Independent Non-Executive Directors

Yeung Shuk Fan  
Cheng Tak Yin  
Ho Wei Sem  
Huang Zhi Wei

#### Audit Committee

Yeung Shuk Fan (*Chairman*)  
Cheng Tak Yin  
Ho Wei Sem

#### Remuneration Committee

Cheng Tak Yin (*Chairman*)  
Ho Wei Sem  
Tang To  
Yeung Shuk Fan

#### Nomination Committee

Tang To (*Chairman*)  
Cheng Tak Yin  
Ho Wei Sem  
Tang Yu, Freeman  
Yeung Shuk Fan

#### Committee of Executive Directors

Tang To (*Chairman*)  
Wong Yiu Ming  
Tang Yu, Freeman  
Mei Zheqi

### AUTHORISED REPRESENTATIVES

Tang To  
Tang Yu, Freeman

### 董事會

#### 執行董事

鄧 燾 (*主席*)  
黃耀明 (*執行副主席*)  
鄧 愚 (*行政總裁*)  
梅哲騏

#### 非執行董事

簡衛華  
瞿金平

#### 獨立非執行董事

楊淑芬  
鄭達賢  
何偉森  
黃志煒

#### 審核委員會

楊淑芬 (*主席*)  
鄭達賢  
何偉森

#### 薪酬委員會

鄭達賢 (*主席*)  
何偉森  
鄧 燾  
楊淑芬

#### 提名委員會

鄧 燾 (*主席*)  
鄭達賢  
何偉森  
鄧 愚  
楊淑芬

#### 執行董事委員會

鄧 燾 (*主席*)  
黃耀明  
鄧 愚  
梅哲騏

#### 授權代表

鄧 燾  
鄧 愚

**COMPANY SECRETARY**

Yeung Yuk Lun (*resigned on 17 May 2019*)  
Man Wing Yan

**AUDITOR**

Ting Ho Kwan & Chan

**PRINCIPAL BANKERS**

Bank of China (Hong Kong) Limited  
BNP Paribas Hong Kong Branch  
Nanyang Commercial Bank, Limited  
The Hongkong & Shanghai Banking Corporation Limited

**REGISTERED OFFICE**

10/F., Billion Plaza 2  
No. 10 Cheung Yue Street  
Cheung Sha Wan  
Kowloon, Hong Kong

**SHARE REGISTRAR**

Tricor Secretaries Limited  
Level 54, Hopewell Centre  
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Wanchai, Hong Kong

**COMPANY'S WEBSITE**

<http://www.cosmel.com>

**INVESTOR RELATIONS CONTACT**

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Telephone: (852) 2376 6188  
Fax: (852) 2375 9626

**STOCK CODE**

118

**公司秘書**

楊毓麟 (於二零一九年五月十七日辭任)  
文穎茵

**核數師**

丁何關陳會計師行

**主要往來銀行**

中國銀行(香港)有限公司  
法國巴黎銀行香港分行  
南洋商業銀行有限公司  
香港上海滙豐銀行有限公司

**註冊辦事處**

香港九龍  
長沙灣長裕街10號  
億京廣場2期10樓

**股份過戶登記處**

卓佳秘書商務有限公司  
香港灣仔皇后大道東183號  
合和中心54樓

**公司網址**

<http://www.cosmel.com>

**投資者關係聯絡**

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**股份代號**

118

# MAIN OPERATIONAL STRUCTURE

## 主要業務架構

As at 30 March 2020 於二零二零年三月三十日

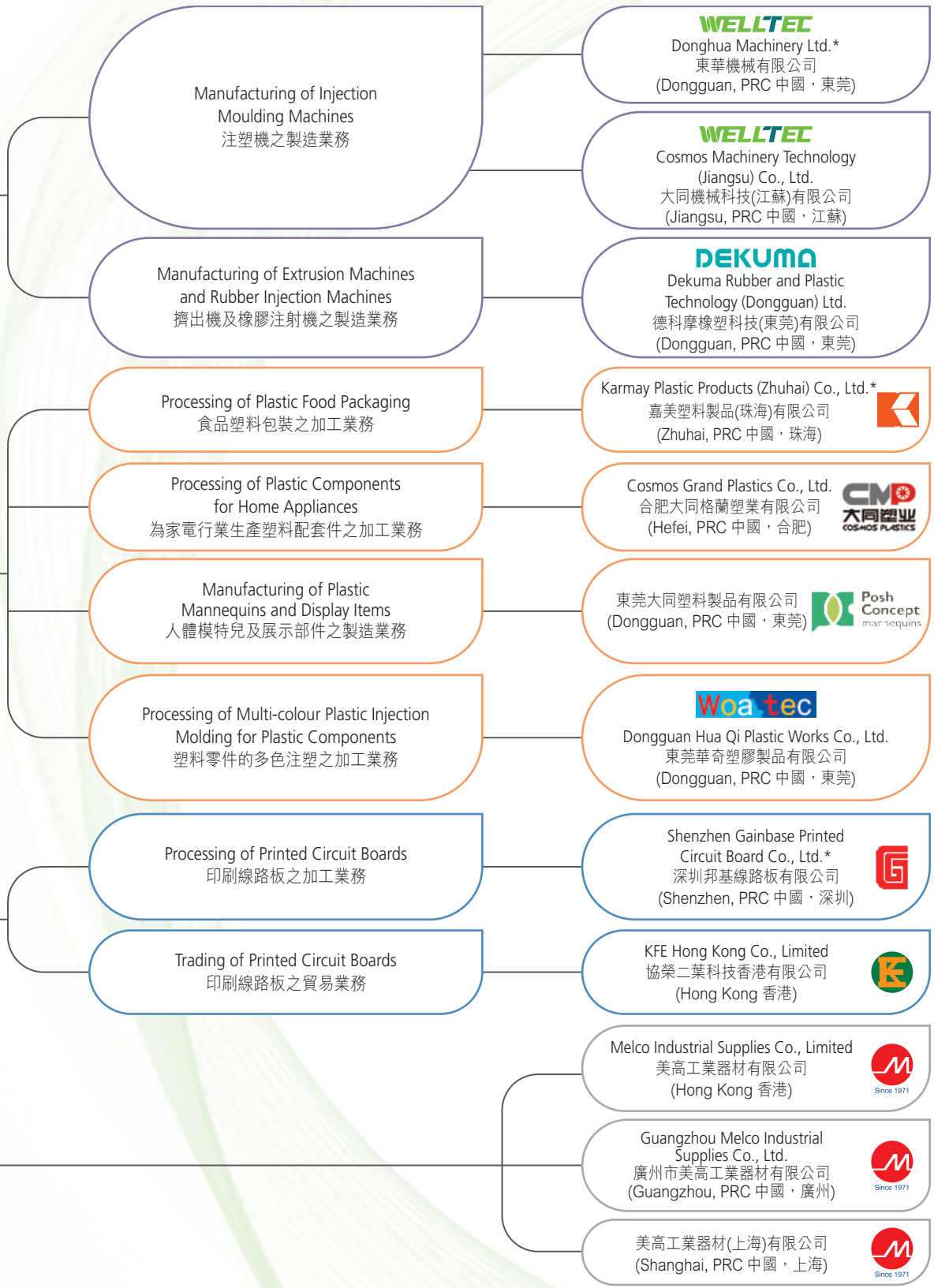


**Machinery Manufacturing  
Business**  
機械製造業務

**Plastic Products Processing  
and Manufacturing Businesses**  
注塑製品之加工及製造業務

**Printed Circuit Board Processing  
and Trading Businesses**  
印刷線路板之加工及貿易業務

**Industrial Consumables  
Trading Business**  
工業消耗品之貿易業務



\* For identification purposes only.

**Note:** The details of the shareholding of each subsidiary held by the Company or its subsidiaries, please refer to the note 45 of the consolidated financial statements of this annual report.

\* 僅供識別。

**註:** 由本公司或其附屬公司持有各附屬公司的股權，請參閱本年報合併財務報表附註45。

# CHAIRMAN'S STATEMENT

## 主席報告

In retrospect, we've been through a tough year of 2019. The global macro economy was filled with challenges, the extension effect of the ongoing US-China trade war gradually surfaced, coupled with the relatively weak overall market demand in the Mainland China and the difficulty in financing for small and medium-sized enterprises, enterprises were subjected to variables such as order price reductions and risks of non-compliance of contracts. Most industries were facing unprecedented challenges. Members of the Group were also affected to varying degrees. However, we are convinced that, in spite of the even severer difficulties than before, market opportunities still exist.

### ADDING IMPETUS TO INTERNAL IMPROVEMENTS

As a multi-business company, we are always optimizing our business structure in response to market demands and changes, conducting internal improvements at different levels and investing resources in certain areas such as talent cultivation, technology research and development, production equipment and product manufacturing, with a view to adding new impetus to the Company and providing the market and customers with the suitable products and services.

Although various sectors are currently facing severe challenges, we believe that providing customers with innovative solutions and applications is going to be a future development trend in the injection molding machine manufacturing industry. Automotive sector is one of our key markets among various industries. In response to the increasing demand for lightweight products in the automotive market, the Company co-operated with domestic institutions with cutting-edge technologies, developed chemical micro-foaming special injection molding machine (化學微發泡專用注塑機). Meanwhile, we also launched special injection molding machines catering to different industries.

回顧過去，二零一九年是艱辛的一年。環球宏觀經濟充滿挑戰、持續的中美貿易對抗造成的延伸效應逐步顯現、加上中國內地整體市場需求相對疲弱、中小企業融資困難、企業同時面對訂單價格下調和合約履行風險等變數。大部份行業正面對着前所未有的挑戰。集團的成員公司同樣受到不同程度的影響，但我們深信市場機遇仍然存在，僅是困難比過往較甚而已。

### 注入動力、內部提升

作為一家涉足多業務的企業，我們時刻因應市場的需求和變化，優化業務結構，進行不同層面的內部提升，在人材培養、技術研發、生產設備及產品製造等方面投入資源，務求為企業添注新動力，向市場和客戶提供適切的產品和服務。

在注塑機製造行業，儘管目前各行業正面臨嚴峻的挑戰，我們相信為客戶提供創新的解決和應用方案是未來發展的走向。面向多個行業，汽車是我們其中一個關鍵市場。針對汽車市場對產品輕量化的需求日益增加，公司與國內擁有前沿技術的機構聯手，研發出化學微發泡專用注塑機；同時，我們也推出了迎合不同行業的專用注塑機。

In respect of extrusion machines and rubber injection machines manufacturing business, we've invested proper resources into the niche markets, aiming at improving the stability and quality of our products. Encouragingly, we achieved growth in this business and also recorded significant increase in export sales during the year.

As for plastic food packaging business, we are committed to maintaining strict control over the hygiene standards at our production plant and providing our food and healthcare product customers with products of high hygiene standard and quality. Long-term support was received from many well-known brands. In addition, we will continue to invest resources in various areas such as smart automation and production, so as to get fully prepared for future market demands with development of technology foresight.

Facing the turbulent market environment, the Group will continue to focus on internal improvements, so as to keep itself evergreen. The Group implemented streamlined structures and production processes, and implemented lean management across various businesses during the year. While striving to improve production efficiency, we also actively improved cost structure and cash flow to maintain a prudence financial management. Furthermore, we will focus on strengthening our internal audit works and optimizing various risk management for the coming year.

關於擠出機和橡膠機製造業務，我們針對利基市場恰當投放資源，致力提升產品的穩定性和質量。本年度我們在此業務取得了增長，出口銷售也錄得明顯上升，讓人鼓舞。

至於塑料食品包裝業務方面，我們一如既往致力為生產場地的衛生規格嚴格把關，為食品和保健品客戶提供符合高衛生規格和高質量的產品，獲得不少知名品牌的長期支持。此外，我們也將繼續投放資源在智能化管理和生產等方面，務求以前瞻的眼光和技術儲備，為未來市場的需求作充分準備。

面對動盪的市場環境，集團將聚焦於持續內部提升讓企業長青。集團本年度在不同的業務實施精簡架構、優化生產流程和實行精益管理；努力提高生產效率的同時，我們也積極改善成本結構和現金流，秉持穩健的財務管理。此外，我們會加強內審工作，優化各項風險管理也將會是來年工作的重點。



### **RISING TO CHALLENGES FOR A BETTER FUTURE**

Looking back to 2019, the Sino-US trade war has made impacts on the manufacturing industry in the Mainland China and there were still uncertainties in the negotiation of the phase 2 trade deal, which discouraged investments in the industry. Increasingly complex operating environments around the globe and the weak demand across the Mainland China have indeed brought threats to enterprises' business operations. Besides, due to the outbreak of the novel coronavirus (COVID-19) epidemic in 2020, more challenges and pressures were on supply chains and the overall economy. Many enterprises in the Mainland China extended on the resumption date of work since the mid-February 2020, which affects the normal operation of supply chains. The epidemic and economic slowdown in the Mainland China will put more pressures on the revenues and working capitals of enterprises. The Group expects that the overall economic situation in the coming year is not optimistic.

In spite of this, the PRC government has introduced a series of measures to reduce fees and taxes to support enterprises, and the Sino-US trade war also give an opportunity for the Mainland China to promote transformation and upgrading. Facing a tough external economic environment, the Board members, the management and all staff of the Group, with persistent spirits, continue to formulate appropriate business strategies in a practical, flexible and vigilant way, optimize business structures and introduce innovative products and services for achieving a better performance.

Last but not least, I would like to express my greatest appreciation to all staff for their hard work. I believe that our products with strategies and all-around internal improvements will definitely bring a better business performance to the Group.

### **迎難而上·成就未來**

回顧本年，中美貿易戰對中國內地製造業帶來多方衝擊，第二階段的貿易談判仍然存在不少變數，打擊業界的投資信心；環球經營日益錯綜複雜，中國內地需求普遍疲弱，實在對企業經營帶來不少的威脅。步入新年度，社區更爆發了新型冠狀病毒(COVID-19)疫情，對供應鏈和整體經濟的衝擊不容小覷，自二零二零年二月中起，受疫情影響，國內企業復工進度不一，衝擊供應鏈的正常運行，加上區內經濟減速，企業業務收入和營運資金更形緊張，集團估計未來一年整體經濟不容樂觀。

儘管如此，國家及時推出了一系列降費減稅措施，扶助企業；中美貿易戰也正好是推動國家轉型升級的契機。面臨外圍嚴峻的經濟環境，董事會成員和管理層將以堅持不懈的精神和全體員工迎難而上，以務實、靈活和警惕的態度制定恰當的業務措施，持續優化業務結構，繼續推出創新產品和服務，爭取佳績。

最後，我衷心感謝全體員工辛勤努力的付出。本人深信，通過注入策略產品和各方面內部提升必將為集團帶來更好的業務成績。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層論述及分析

### RESULTS SUMMARY

- Revenue decreased by 12.6% to approximately HK\$2,344,923,000 (2018: approximately HK\$2,682,452,000)
- Gross profit margin decreased to 16.1% (2018: 16.3%)
- Operating profit decreased to approximately HK\$53,894,000 (2018: approximately HK\$76,987,000)
- Profit for the year was approximately HK\$24,884,000 (2018: approximately HK\$88,752,000)
- Net debt to equity ratio increased to 8.9% as at 31 December 2019 (31 December 2019: 3.8%)

### FINANCIAL RESULTS

Sales revenue of the Group decreased by 12.6% to approximately HK\$2,344,923,000 (31 December 2018: approximately HK\$2,682,452,000). It was mainly attributable to drop of sales turnover in manufacturing of injection moulding machines business, plastic products manufacturing and processing businesses, trading of industrial consumables business and printed circuit board ("PCB") processing and trading businesses during the year of 2019 amidst global economic uncertainties and deteriorating market sentiments caused by the ongoing trade friction between the United States and the PRC.

Gross profit for the year amounted to approximately HK\$377,540,000, with gross profit margin decreased from 16.3% for the corresponding year of 2018 to 16.1% for the year. The slight drop in gross profit margin was resulted from intensive market competition.

### 業績摘要

- 收入下跌12.6%至約2,344,923,000港元 (二零一八年: 約2,682,452,000港元)
- 毛利率下降至16.1% (二零一八年: 16.3%)
- 經營溢利下跌至約53,894,000港元 (二零一八年: 約76,987,000港元)
- 本年度溢利約為24,884,000港元 (二零一八年: 約88,752,000港元)
- 於二零一九年十二月三十一日之借貸淨額對權益百分比上升至8.9% (二零一八年十二月三十一日: 3.8%)

### 財務業績

本集團的銷售收入下跌12.6%至約2,344,923,000港元(二零一八年十二月三十一日: 約2,682,452,000港元), 此乃主要由於在全球經濟不明朗及受中美貿易磨擦持續令市況轉差下, 於二零一九年注塑機製造業務、注塑製品之製造及加工業務、工業消耗品貿易業務及印刷線路板加工及貿易業務的銷售收入下跌。

本年度毛利約為377,540,000港元, 毛利率由二零一八年的16.3%減少至本年度的16.1%。激烈的市場競爭導致毛利率於本年度輕微下跌。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析(續)

As stated in the 2018 annual report of the Company, the Group had made a provision for indemnity pursuant to the terms of sale and purchase agreement in relation to the disposal of entire issued share capital of an indirect wholly-owned subsidiary, MS Plasticorp, on 20 March 2018. As the indemnity period had expired during 2019 without any claims, a gain on reversal of unused provision for indemnity amounted to approximately HK\$25,780,000 was recorded in current year.

As stated in the announcement of the Company dated 23 December 2016, the Group restructured its plastic products processing business and machinery manufacturing business, including the cessation of operation of certain manufacturing businesses and optimization of the production capacities in plants located at Dongguan and Wuxi. The restructuring projects including assets relocation, organizational restructuring and production efficiency enhancement had been completed by the end of the 2019. The remaining amount of unused provision for restructuring amounted to approximately HK\$20,290,000 had been reversed in current year.

The Group reported a net profit of approximately HK\$24,884,000 for the year, including two non-recurring gain items of approximately HK\$46,070,000 from the reversals of unused provisions for indemnity and restructuring aforementioned.

The net debt to equity ratio increased to 8.9% as at 31 December 2019. The overall cash flow position and debt maturity profile of the Group maintained at a healthy level.

誠如本公司於二零一八年年報所述，有關本集團於二零一八年三月二十日完成出售一間間接全資附屬公司群力實業有限公司全部已發行股本的買賣合約條款需作出的賠償撥備，由於本年度內追索賠償期限已過，亦沒有作出任何賠償，因此，未動用的賠償撥備金額約為25,780,000港元於本年度內全數回撥。

誠如本公司於二零一六年十二月二十三日的公告所述，本集團重組注塑製品及加工業務以及機械製造業務，包括終止若干製造業務，以及優化設立於東莞及無錫廠房的產能，包括資產重新配置、架構重組及提升生產效率在內的重組項目，於二零一九年底已經完成。餘下未動用的重組撥備需於本年度內全數回撥，金額約為20,290,000港元。

本集團於本年度錄得溢利淨額約24,884,000港元，包括上述回撥未動用的賠償撥備及重組撥備的兩項非經常性收益約46,070,000港元。

於二零一九年十二月三十一日，借貸淨額對權益比率上升至8.9%。本集團整體的現金流及債務到期狀況仍維持於健康水平。

## BUSINESS REVIEW

### Machinery Manufacturing Business

During the year under review, the machinery manufacturing business recorded mixed results across various product lines. Macro-economic forces were challenging and unfavourable, as the trade war between the US and China negatively impacted capital expenditure sentiments broadly across manufacturing industries in the Mainland China for the year. Injection molding machine manufacturing business was vastly affected under this challenging backdrop. The automotive industry in the Mainland China was a key growth driver for this business in recent years. However, this industry in experienced prolonged weak overall demands, thus machinery orders from this business were low compared to same period last year. As such, deliveries for our J-series two-platen injection molding machines experienced a noticeable drop this year. We also experienced weak demands in other industries such as household appliances, infrastructures and electronics industries. However, our focus and commitment to the automotive industry remain strong. New innovative solutions and applications, namely J series chemical micro-foaming special injection molding machines (化學微發泡專用注塑機), continue to attract customer interests in future development projects. In addition, new industry specific machine models were successfully launched in the market, such as large sized electric/hydraulic hybrid machines. For our self-developed "iSee" smart industry 4.0 platform, active users adoption rate continues to grow significantly. User satisfaction was desirable, and we will continue to deploy resources on smart digital platforms in this business to enhance human machine interface experience and production transparency and efficiency.

### 業務回顧

#### 機械製造業務

於回顧年度內，受到中美貿易戰廣泛地對中國內地製造業的資本支出帶來負面影響，宏觀經濟充滿挑戰且不利造成機械製造業務各生產線業績表現參差。在這個充滿挑戰的市場環境下，注塑機製造業務受到最大程度的影響。近年來，中國內地汽車行業為我集團機械製造業務增長的主要動力，但此行業整體需求長期疲弱，導致汽車行業的機械訂單量較去年同期相比減少，因此，今年J系列兩板注塑機的交貨量也顯著下跌。我們同時面對其他行業如：家電、基礎設施和電子需求疲軟。然而，我們對於汽車行業的承諾仍然堅定。創新解決方案和應用，如J系列化學微發泡專用注塑機繼續在未來開發項目吸引客戶的興趣。此外，新特定行業專用的機型，例如：大型電動／液壓混合注塑機亦成功推出市場。至於我們自行開發之「iSee」數碼智慧工業4.0平台，活躍用戶使用率持續大幅上升，用戶滿意度理想，我們會繼續在數碼智慧平台投放資源，以增加人機交互介面的體驗及生產的透明度和效率。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析 (續)

During the year, the production bases situated in Dongguan and Wuxi implemented various streamlining of organization structure and production processes in order to achieve lower unit production costs and overhead costs. Looking ahead to the upcoming fiscal year, while we believe our product quality and innovative applications are competitive, however the market conditions are certain to be extremely challenging. Stakeholders in certain industries such as automotive, consumer electronics, household appliances, were hopeful to see a rebound in market demands for the upcoming year. We will continue to perform stringent cash flow and cost controls as prudent measures.

For the extrusion machines and rubber injection machines business, growth rate in sales turnover and profitability were encouraging during the year. Amid challenging overall market conditions, this business recorded strong growth in niche market applications especially five-layer co-extrusion machines for automotive fuel pipes and rubber injection machines for automotive door seals connection. After years of significant efforts to refine management structure, diverting resources into niche market applications, and overall effort to raise quality and reliability of our machines, customer support in key markets were encouraging. Export sales also recorded strong growth compared to same time last year, such as the Middle East, South Korea, Europe, and India markets. Equipped with our competitive offerings in unique machine features and reliability, we are cautiously optimistic for this business to sustain organic growth in the future.

本年度，為降低單位生產成本和開支，位於東莞和無錫生產基地實施了多項精簡架構和生產流程。展望新的財政年度，儘管我們相信產品質量和創新應用均具備競爭力，但市場環境極具挑戰，希望來年看到持份者在數個行業如汽車、消費電子產品、家電等市場需求復甦。來年我們繼續執行嚴格的現金流和成本控制的審慎措施。

至於擠出機及橡膠注射機業務，本年度的銷售收入和溢利有可喜增長。在挑戰充斥著整體市場環境下，此業務在利基市場的應用錄得強勁增長，特別是用於汽車油管的五層共擠擠出機和用於汽車門密封條接角的橡膠注射機。經過多年來努力精簡管理結構、投放資源至利基市場的應用，以及提高了總體機器的質量和可靠性，獲得關鍵市場的客戶支持，成績令人鼓舞。出口銷售如：在中東、南韓、歐洲和印度市場與去年同期相比亦錄得強勁增長。憑藉我們競爭產品具有獨特機械功能和可靠性，我們對此業務未來保持有機增長持謹慎樂觀的態度。

### Plastic Products Manufacturing and Processing Business

During this past year, the plastic food packaging production plant in Zhuhai province recorded a slight drop in sales revenue mainly attributed by customers' product launch cycles in first half of the year. Sales growth and profit drivers continued to be in-mold labelled folding cap seals and scoops for dairy products. On the production front, we continued dedicated improvements in hygiene, quality control, customized automation and production processes. Deployment of smart digital platform with real-time data exchange connected with our machineries, helped reduce scrap rates and production downtime. Our focus to invest in smart and customized automation equipment will continue in coming years, to further enhance quality, production efficiency and cost savings. Furthermore, we directed efforts to develop new customers and new innovative products, such as multi-colour seal caps and newer sleek designs for existing products. Demands from customers in dairy and consumer packaged foods industries are forecast to be stable despite challenging macro-economic conditions. For the upcoming year, efforts and resources will continue to deploy in digital systems and smart automation, as well as new customer and product development. Our existing high standards of practice of hygienic production will serve our customers well and fit into new market trends of high quality, sanitary, innovative health supplements and foods packaging products.

The production plant in Hefei that specializes in plastic component manufacturing for home appliances recorded comparable sales as compared to same period last year, as we executed the plan to focus on quality of sales orders rather than continuous ramp up on sales volume. At the same time, we continued to streamline management structure and production processes to achieve lower direct labour unit cost. While striving for improved production efficiencies, we also focused on cash flow management and balance sheet items to strengthen overall financial health of the business.

### 注塑製品之製造及加工業務

在過去的一年，於珠海之食品塑料包裝的生產廠房的銷售收入錄得輕微下跌，主要是由於二零一九年上半年客戶產品發佈週期。用於奶類產品之高端模內貼折疊式密封蓋與勺的產品仍是帶動本業務的銷售及溢利增長。在生產方面，我們致力繼續在衛生、質量控制、定制自動化和生產流程等方面進行改善。載有實時數據交換的數碼智慧平台連接我們的機器可有助降低報廢率和生產停機時間。在未來幾年，我們會繼續投放資源更新或添置智能定制自動化設備，以進一步提升產品質量和生產效率，以及節省成本。再者，我們努力開發新客戶和創新產品，例如：多色密封蓋和為當前的產品設計時尚款式。儘管面臨宏觀經濟形勢的挑戰，但預計奶類製品和消費品食品包裝需求仍保持穩定。來年，我們繼續投放資源在數碼系統和智能自動化，以及開發新客戶和產品上，相信我們目前高衛生標準的生產規程定可為客戶提供優質服務，並可進入高質量、衛生、創新保健品和食品包裝產品市場的新趨勢。

在本年度，主力為家電行業生產塑料配套件之於合肥的工廠銷售與去年同期相比錄得相約的銷售量，乃由於我們把業務側重於高端和價值較高的訂單。同時，我們持續精簡該工廠管理架構及生產流程以降低勞工成本。在努力提高生產效率的同時，亦會專注於現金流管理和資產負債表項目，以增強此業務的整體財務狀況。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析(續)

Investments in specialized innovative plastic injection technologies and applications, namely blow molded plastic mannequins and multi-colour injection molding provided mixed results for the year. The blow molded plastic mannequins business achieved preliminary success on adoption from key customers to replace traditional glass fibre retail display items. After years of development, we are optimistic sales volume should ramp up in the coming year. For the multi-colour injection molding business that specializes in high volume gift and premium plastic components, sales volume increased compared to same period last year. We expect this business to deliver sales growth while investments in production automation should deliver improved results in the upcoming year.

#### PCB Processing and Trading Business

During the year sales turnover for the PCB processing business decreased slightly compared to same period last year due to a number of factors. Overall adverse effects of the US-China trade disputes caused a number of project delays for our customers. Market sentiments and demands from Electronics Manufacturing Services “EMS” factories in the PRC were weak. In addition, reduced overall demands caused fierce competition within the PCB processing industry. PCB deliveries to European automotive customers were also lower than expected. Orders from the gaming industry rebounded in the second half of year after a relatively weak sales volume in the first half. Production equipment customized for higher end high density interconnect (HDI) PCBs were online in the third quarter. Orders for HDI PCBs were obtained as forecasted. Meanwhile, we focused on raising productivity rate for HDI production and achieved satisfactory fixed cost controls. For the upcoming year, while competition within the PCB processing industry is expected to remain fierce, we expect its major customers’ orders to at least remain stable. We will strive to provide additional PCB design services, increase in-depth marketing development, and to apply for certification for medical device standards, and will also take financial prudence and strict cost control measures.

於本年度，投資於注塑的創新專門技術及應用，即人體模特兒吹塑以及多色注塑今年業績表現參差。人體模特兒吹塑業務採用替代傳統玻璃纖維製造的人體模特兒展示架取得了初步成功，獲得主要客戶認同，此業務經過多年來的發展，我們相信來年銷量將會增加。而專注於大批量禮品和優質塑料零件的多色注塑業務的銷量與去年同期相比有所增長，預計投資於自動化生產可為集團獲取更好的業績。

#### 印刷線路板之加工及貿易業務

本年度印刷線路板加工業務之銷售收入較去年同期略有下降，其因素包括受中美貿易糾紛下整體不利的影響，導致客戶推遲了多個項目，以及中國內地電子製造服務工廠的市場氣氛低迷和需求疲軟。此外，整體需求疲弱導致印刷線路板加工行業競爭激烈。歐洲汽車用的印刷線路板出貨量遜預期。繼在二零一九年上半年遊戲行業的銷量低於預期後，訂單量於下半年出現反彈。為生產高端高密度互連印刷線路板的設備已於今年第三季度上線，產品訂單亦如期接獲。與此同時，我們致力提升高密度互連產品的生產率，並有效控制固定成本，成績令人滿意。來年，雖然預計印刷線路板加工行業的競爭仍然激烈，但我們預計主要客戶的訂單量至少會保持穩定。我們致力提供更多的印刷線路板的設計服務、增加深入的市場開發，以及申請醫療器材標準認證，亦會持續實施審慎的財務策劃和嚴格的成本控制措施。

Regarding the PCB trading business, sales turnover and gross profit dropped slightly compared to last year. Due to adverse market sentiments in the electronics industries, we observed delayed order placement and a portion of orders shifted outside of the PRC. We were proactive to broaden customer and product portfolio, as well as refining management structure and costs control. Efforts in new business development broadened our product portfolio such as trading of PCB raw materials and electronics components. Our PCB testing centre was successfully launched in second half of the year, and began providing PCB testing services to several major customers. We shall focus on global business development, serving customers in high end telecommunications markets, and grow the scale of PCB raw materials trading business for the coming year.

#### Industrial Consumables Trading Business

Operating results for the industrial consumables trading business experienced a significant drop mainly attributed to the adverse impacts of the US-China trade disputes. A number of industry sectors where we serve our key customers displayed weakness in demands, such as automotive, machinery, electronics, semi-conductors, elevators, etc. Although overall performance was improved in the second half, it was not adequate to cover the lagging results earlier in the year. We are deepening key customer relationships, reshuffling product portfolio, costs control, and inventory management. Amid a bleak operating environment, the business saw encouraging opportunities in providing special metals for the medical industry, servo solutions for lithium batteries, and automation solutions for various manufacturing sectors. For the upcoming year, while we are confident business performance should improve after certain restructuring and management reorganization, this business is sensitive to overall market sentiments in the broad manufacturing sectors in the PRC which are likely to inflict negative financial impact to this business.

至於印刷線路板貿易業務的銷售收入及毛利較去年相比錄得微跌，由於電子行業市場不景氣氣氛，我們觀察到客戶延遲下達訂單，以及把部分訂單轉往中國以外地方。我們積極擴大客戶和產品組合，以及理順相關的組織架構和成本控制。下半年亦開展了印刷線路板電子原材料和零件貿易業務，以及開設了印刷線路板專業測試認證服務中心，開始為幾個主要客戶提供印刷線路板測試服務。我們來年會專注於全球業務發展，為高端電信市場的客戶提供服務，並會擴大印刷線路板電子原材料和零件貿易業務的規模。

#### 工業消耗品之貿易業務

工業消耗品貿易業務的經營業績大幅下跌，主要歸因於中美貿易爭端的不利影響。我們的貿易業務服務的幾個行業如：汽車、機器、電子、半導體、電梯等的主要客戶在需求方面表現不力。儘管下半年的整體業績有所改善，但無法修復今年初遭受的負面衝擊。我們積極鞏固與關鍵客戶關係、調整產品的組合、控制成本和庫存管理。面對嚴峻的經營環境，我們留意著為醫療行業提供特殊金屬、鋰電池之伺服解決方案以及各個製造業自動化解決方案的機會。雖然來年我們有信心進行了多個重組和管理重組後，業務表現將有所改善，但此業務容易受國內製造業的整體市場氣氛波動，可能對財務狀況造成負面影響。



## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析 (續)

#### Subsequent Events

In early 2020, due to the outbreak of the novel coronavirus (COVID-19) epidemic across the PRC, implications created unprecedented stress in manufacturing sectors and will continue to disrupt supply chains, logistics, and consumer demands that are likely to inflict negative financial impact to each business of the Group. We will take appropriate measures as necessary on each business and continue to assess the impact of the epidemic on the Group's business operations and financial performance. Given the serious and rapidly changing nature of the COVID-19 outbreak, it is not practicable to provide a reasonable estimate of its impacts on the Group's financial position, cash flows and operating results as at the date of this report. Other than disclosed above, there is no subsequent event after the reporting period which has material impact to the consolidated financial statements of the Group.

#### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group's total outstanding bank borrowings amounted to approximately HK\$353,219,000 (31 December 2018: approximately HK\$377,163,000) which comprised mainly bank loans and trade finance facilities. The bank borrowings repayable within one year and in the second to the fifth year amounted to approximately HK\$299,843,000 and HK\$53,376,000 respectively (31 December 2018: approximately HK\$357,052,000 and HK\$20,111,000 respectively).

After including lease liabilities and obligations under finance leases of approximately HK\$63,302,000 (31 December 2018: approximately HK\$7,075,000) and deducting cash and bank balances of approximately HK\$312,633,000 (31 December 2018: approximately HK\$339,702,000), the Group's net borrowings amounted to approximately HK\$103,888,000 (31 December 2018: approximately HK\$44,536,000). Total equity attributable to equity shareholders as at 31 December 2019 was approximately HK\$1,171,669,000 (31 December 2018: approximately HK\$1,183,569,000).

#### 結算日後事項

二零二零年初，由於在中國爆發新型冠狀病毒(COVID-19)疫情產生的影響為製造業帶來了前所未有的壓力，並將繼續沖擊供應鏈、物流和消費者的需求，導致可能對本集團各業務造成不利的財務影響。我們將針對每個業務必要時將採取適當措施，並繼續評估該疫情對本集團業務營運和財務表現的影響。鑑於新型冠狀病毒疾病爆發嚴重和快速變化的性質，於本報告日期，並無法合理估計其對本集團財務狀況、現金流量和營運業績的影響。除上述披露外，於申報期後，並無發生任何對本集團之綜合財務報表造成重大影響之結算日後事項。

#### 流動資金及財務資源

於二零一九年十二月三十一日，本集團之未償還銀行借款總額約為353,219,000港元（二零一八年十二月三十一日：約為377,163,000港元），主要包括銀行貸款及貿易融資信貸。將於一年內到期以及於第二至第五年到期償還之銀行借款金額分別約為299,843,000港元及約為53,376,000港元（二零一八年十二月三十一日：分別約為357,052,000港元及20,111,000港元）。

連同融資租賃負債及責任約為63,302,000港元（二零一八年十二月三十一日：約為7,075,000港元）並扣除現金及銀行結餘約為312,633,000港元（二零一八年十二月三十一日：約為339,702,000港元）後，本集團之借貸淨額約為103,888,000港元（二零一八年十二月三十一日：約為44,536,000港元）。於二零一九年十二月三十一日之股東應佔權益總額約為1,171,669,000港元（二零一八年十二月三十一日：約為1,183,569,000港元）。

The net debt to equity ratio (calculated as net borrowings divided by total equity attributable to equity shareholders) increased to 8.9% as at 31 December 2019, attributable by an increase of lease liabilities to approximately HK\$63,302,000 when the Group had first adopted Hong Kong Financial Reporting Standard 16 Leases during the year. The overall cash flow position and debt maturity profile of the Group maintained at a healthy level.

The Group's financial statements are presented in Hong Kong dollars. The Group carried out its business transactions mainly in Hong Kong dollars, Renminbi, United States dollars and Japanese Yen. As the Hong Kong dollar remained pegged to the United States dollar, there was no material exchange risk in this respect. The Group continues to monitor its foreign exchange exposure in Japanese Yen and Renminbi and enter into forward contracts when necessary. The Group's long-term bank loans were denominated mainly in Hong Kong dollars and carried interest at floating rates. Credit risk was hedged mainly through credit insurance.

### CAPITAL STRUCTURE

There was no change in the total number of issued shares of the Company for the year ended 31 December 2019. The total number of issued shares of the Company remained at 861,930,692 shares at 31 December 2019.

#### Subscription of New Shares

On 30 April 2018, the Company entered into a subscription agreement with Cosmos Holdings and Saniwell, pursuant to which the Company has allotted and issued, and Cosmos Holdings and Saniwell subscribed for 108,750,000 Shares and 36,250,000 Shares respectively at a subscription price of HK\$0.55 per subscription share (the "Subscription"). All conditions precedent in respect of the subscription agreement have been fulfilled and the Subscription took place on 27 June 2018. Upon completion, an aggregate of 145,000,000 new Shares have been duly allotted and issued to Cosmos Holdings and Saniwell. Accordingly, immediately after completion, the Company had 861,930,692 Shares in issue.

於二零一九年十二月三十一日，借貸淨額對權益比率（以淨借貸除以股東應佔權益總額計算）上升至8.9%，歸因於本年度本集團首次採納香港財務報告準則第16號「租賃」，而導致租賃負債增加至約為63,302,000港元。本集團整體之現金流及債務到期狀況仍維持於健康水平。

本集團之財務報表以港元呈列。本集團主要以港元、人民幣、美元及日圓進行業務交易。由於港元與美元掛鈎，故此方面並無重大外匯風險。本集團繼續監察來自日圓及人民幣之外匯風險，並於需要時透過訂立遠期合約加以調控。本集團之長期銀行貸款融資均主要以港元計值及以浮動利率計息。信貸風險主要透過信用保險對沖。

### 資本結構

截至二零一九年十二月三十一日止年度，本公司已發行股份總數保持不變。截至二零一九年十二月三十一日，本公司已發行股份總數仍為861,930,692股。

#### 認購新股份

於二零一八年四月三十日，本公司與大同控股及Saniwell訂立認購協議，據此，本公司配發及發行，而大同控股及Saniwell按每股認購股份0.55港元之認購價分別認購108,750,000股股份及36,250,000股股份（「認購事項」）。認購協議所載的全部先決條件已獲達成，而認購事項已於二零一八年六月二十七日完成。於完成後，合共145,000,000新股份已妥為配發及發行予大同控股及Saniwell。因此，緊接完成後，本公司已發行股份為861,930,692股。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析(續)

#### Use of Net Proceeds from Subscription of New Shares

The total gross proceeds from the Subscription amounted to HK\$79,750,000. Pursuant to Company's announcement dated 30 April 2018 and Company's circular dated 19 May 2018, the net proceeds raised from the Subscription was approximately HK\$76,800,000 after deducting related professional fees and expenses and the net subscription price was approximately HK\$0.52 per subscription share. However, the amount of related professional fees and expenses increased by approximately HK\$676,000 thereafter. As such, the actual net proceeds raised from the Subscription was approximately HK\$76,124,000 (the "Actual Net Proceeds") and the net subscription price was approximately HK\$0.52 per subscription share.

The Company used the Actual Net Proceeds as set out in the heading "Reasons for the Subscription and Use of Proceeds" of the Company's circular dated 19 May 2018. There was no material delay or change in the use of Actual Net Proceeds during the year ended 31 December 2019.

Details of the Subscription, please refer to the announcements of the Company dated 30 April 2018, 27 June 2018 and 29 October 2019, circular of the Company dated 19 May 2018, supplemental circular of the Company dated 2 June 2018, and annual report of the Company for the year ended 31 December 2018 published by the Company on 16 April 2019.

#### 新股份認購所得款項淨額用途

認購事項之所得款項總額為79,750,000港元。根據本公司日期為二零一八年四月三十日之公告及本公司日期為二零一八年五月十九日之通函，扣除相關專業費用及開支後，認購事項之所得款項淨額約為76,800,000港元及每股認購股份之淨認購價約為0.52港元。但相關專業費用及開支其後增加約676,000港元，因此實際認購事項之所得款項淨額約為76,124,000港元（「實際所得款項淨額」）及每股認購股份之淨認購價約為0.52港元。

本公司按本公司日期為二零一八年五月十九日之通函之「進行認購事項之理由及所得款項用途」標題所述使用實際所得款項淨額。截至二零一九年十二月三十一日止年度，實際所得款項淨額用途並無重大延誤或變動。

認購事項的詳情，請參閱本公司日期為二零一八年四月三十日、二零一八年六月二十七日及二零一九年十月二十九日之公告，本公司日期為二零一八年五月十九日之通函、本公司日期為二零一八年六月二日之補充通函，以及本公司於二零一九年四月十六日刊發之截至二零一八年十二月三十一日止年度之年報。

**MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)**  
管理層論述及分析(續)

An analysis of the utilization of the Actual Net Proceeds from the date of completion of the Subscription, 27 June 2018 to 31 December 2019 is set out below:

由認購事項完成日期為二零一八年六月二十七日至二零一九年十二月三十一日實際所得款項淨額之用途分析如下：

Intended use	Planned use of Actual Net Proceeds	Utilized Actual Net Proceeds for the year ended 31 December 2018	Utilized Actual Net Proceeds for the year ended 31 December 2019	Unutilized Actual Net Proceeds as at 31 December 2019
擬定用途	實際所得款項 淨額計劃用途	截至二零一八年 十二月三十一日止 已動用實際所得 款項淨額	截至二零一九年 十二月三十一日止 已動用實際所得 款項淨額	於二零一九年 十二月三十一日 未動用實際 所得款項淨額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Funding and working capital in machinery manufacturing business, plastic products processing business and industrial supplies trading business 用作機械製造業務、注塑製品加工業務以及工業消耗品貿易業務之資本及流動資金	22,800	5,500	17,300 <sup>(1)</sup>	-
Research and development in machinery manufacturing business 機械製造業務之研發工作	15,200	1,950	13,250 <sup>(2)</sup>	-
Investment in plants and machineries in machinery manufacturing business, plastic products processing business and industrial supplies trading business 投資於機械製造業務、注塑製品加工業務以及工業消耗品貿易業務之廠房及機械	19,000	2,250	16,750 <sup>(3)</sup>	-
Restructuring in machinery manufacturing business 機械製造業務的重組	7,600	1,300	6,300 <sup>(4)</sup>	-
Repayment of bank loans 償還銀行貸款	11,400	4,200	7,200 <sup>(5)</sup>	-
<b>Total</b> 合計	<b>76,000</b>	<b>15,200</b>	<b>60,800</b>	<b>-</b>

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析 (續)

#### Notes:

- (1) Approximately HK\$17,300,000 was utilized for funding and working capital in machinery manufacturing business, plastic products processing business and industrial supplies trading business, including settlement of general overheads and other operating expenses.
- (2) Approximately HK\$13,250,000 was utilised for development of injection molding machines and rubber injection machines, including upgrading existing products with new features, employment of engineering and technical staff and purchases of raw materials.
- (3) Approximately HK\$16,750,000 was utilised for purchase of machineries, furniture, fixtures and equipment and tools.
- (4) Approximately HK\$6,300,000 was utilised for employees lay-off expenses.
- (5) Approximately HK\$7,200,000 was utilised for further repayment of bank loans of the Company.

During the year ended 31 December 2019, all the Actual Net Proceeds have been fully utilized and applied for these intended uses as stipulated in the Company's circular dated 19 May 2019.

### MATERIAL ACQUISITION AND DISPOSAL

There were no material acquisitions and disposals by the Group during this year.

### EMPLOYEES, REMUNERATION POLICY AND TRAINING SCHEME

As at 31 December 2019, the Group had 2,993 employees located in Hong Kong and Mainland China (31 December 2018: approximately 3,320). The remuneration policy regarding the employees of the Group is based on qualifications, competence and the performance of the employees as well as the prevailing market condition of the industry. Employees' benefits include retirement benefits and medical insurance coverage.

#### 註:

- (1) 約17,300,000港元已用於機械製造業務、注塑製品及加工業務以及工業消耗品貿易業務之資本及流動資金，包括支付一般經常性開支及其他營運費用。
- (2) 約13,250,000港元已用於研發注塑機和橡膠注射機，包括提升現有產品具新功能、僱用工程和技術人員，以及購買原材料。
- (3) 約16,750,000港元已用於購買機械、傢俱、裝置和設備，以及工具。
- (4) 約6,300,000港元已用於支付給僱員的補償。
- (5) 約7,200,000港元已用於本公司進一步償還銀行貸款。

截至二零一九年十二月三十一日止年度，所有實際所得款項淨額已全部動用並按本公司日期為二零一九年五月十九日之通函規定用於預期之用途。

### 重大收購與處置出售

在本年度，本集團沒有任何重大收購與出售。

### 僱員、薪酬政策及培訓計劃

於二零一九年十二月三十一日，本集團於香港及中國內地共有2,993名僱員（二零一八年十二月三十一日：約3,320名）。本集團僱員的薪酬政策乃按僱員的資歷、能力及表現，亦以業界當時市場環境而釐定。僱員福利包括退休福利及醫療保險。

The Group had also provided training programmes or courses for the mainland staff at all levels from different departments, and also for Directors and employees of the Company so as to further enhance their technical skills in production operation and management, professional skills and knowledge, respectively.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to individual performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

## OUTLOOK AND PROSPECTS

Looking ahead to upcoming fiscal year, the macro economic outlook is certain to be extremely challenging. Although the US-China trade disputes temporarily paused tensions and concerns after the two countries reached a phase one trade deal in January 2020, we forecast more economic risks and uncertainties ahead, as the leading global powers clash on a number of fronts other than trade tensions. Trade tariffs are still in place, while new ones and counter tariffs can be swiftly implemented with short notice. Market sentiments especially in the manufacturing sectors in Mainland China, where the Group mainly conducts its business, are expected to remain weak and uncertain. Prospects for key markets such as automotive, machinery, electric appliances, consumer electronics, and infrastructures are not optimistic for sizable rebounds. Performance in these markets segments, and others, highly impact our Group's business in machinery manufacturing, plastic processing, industrial consumables trading and PCB businesses. As the PRC manufacturing capabilities and supply chain is highly integrated to global economic activities, low forecasted economic growth in the US, Europe, Japan, South Korea, and dozens of emerging economies, will further impede China's manufacturing sectors.

本集團亦分別向國內各部門各級員工及亦向董事及本公司僱員提供培訓計劃或課程，用以提升他們在生產營運上的技術和管理，專業技巧和知識。

董事之酬金由本公司薪酬委員會按照個人表現、本集團之業績及盈利狀況，亦以業界指標及當時市場環境而釐訂。

## 展望及前景

展望新的財政年度，宏觀經濟前景肯定會更具挑戰性。雖然中美兩國於二零二零年一月簽訂第一階段貿易協議，兩國貿易紛爭的緊張局勢和令人擔憂情緒得到暫時緩和，除貿易緊張局勢外，還有全球主要大國在其他領域的交鋒，我們預計這會帶來更大的經濟風險和不確定性。原來的貿易關稅未已，新的和隨之而來的抗衡關稅稅項或會在轉瞬之間付諸實行。預計本集團主要在中國內地從事製造業務的市場氣氛仍然疲軟且不明朗。汽車、機械、電器、消費電子產品和基礎設施等關鍵行業，期望市場前景大幅度反彈並不見樂觀，該等市場以及至其他行業的不景氣，嚴重影響本集團的機械製造、塑料加工、工業消耗品貿易和印刷線路板等業務的表現。由於中國製造能力和供應鏈已和環球經濟活動緊扣互聯，因此美國、歐洲、日本、南韓和數十個新興經濟體預測增長放緩亦會同時進一步拖慢中國製造業的增長步伐。

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 管理層論述及分析 (續)

Further to the aforementioned highlighting the impact of the novel coronavirus (COVID-19) epidemic, we believe disruptions to supply chains, loss or delay of customer orders and logistics, can be short term and limited, if the epidemic subsides quickly. However, at the time of writing, the spread of the Epidemic is far from being limited to the PRC. The risk of a global near-pandemic is real and concerning. Economic, social, and political impact on such a grim scenario is devastating and far reaching. In order to stimulate growth and assist companies' path back to normal activities, the Chinese government will implement a broad spectrum of stimulus measures. We are hopeful such measures can partially alleviate the sudden and severe impact on our business, and to all Chinese people.

Amid the challenges we are certain to confront, we will rise to the occasion. We are aware of and have been positioning our business to expand our reach in high potential market segments such as 5G telecommunications, new energy vehicles, semi-conductors, food and health products packaging, medical devices and smart automation solutions. Our machinery manufacturing business will continue to invest and develop innovative machinery solutions for specialized application and smart digital platforms. The plastic processing business will further deploy smart digital software and tools to drive production efficiencies while expanding and deepening customer relationships. As for industrial and consumables trading business will strive to safeguard our existing market share while focusing on providing new products and solutions to high potential markets. The PCB processing and trading businesses will proceed to serve sophisticated customers' needs, invest in new technologies, and expand our high-end customer portfolio.

The top priority of the Group for the coming year is to manage financial resources and risks. Cash flow management and deployment within the Group are crucial during these trying times. Capital expenditures and operating expenditures will be scrutinized for their value. In addition, the Group will devote increased efforts on internal audit and overall corporate governance.

根據上文引述新型冠狀病毒疫情帶來的影響，如果疫情在短時間內迅速消退，我們相信對供應鏈的破壞、客戶訂單和物流所帶來的損失或延誤可能是短期且有限的。然而在編制本報告時，疫情傳播卻非僅限於中國，疫情大規模廣泛蔓延的風險很高，情況令人擔憂。在這個嚴峻的形勢下，料會對經濟、社會和政治帶來了毀滅性的打擊，而且影響深遠。為了刺激增長並協助企業恢復正常活動，中國政府將實施不同層面振興經濟的措施。希望這些措施在不同程度上能夠舒緩我們的業務以至全體中國人民在這次疫情所遇到既突然且嚴峻的衝擊。

面對挑戰，我們等定當積極面對，迎難而上。按我們的認知將業務的定位擴大至5G電信、新能源汽車、半導體、食品和保健產品包裝、醫療設備及智能自動化解決方案等潛在市場。集團機械製造業務將繼續投資和開發針對專用行業的應用和數碼智慧平台的創新機械解決方案。而塑料加工業務會進一步採用數碼智慧軟件和工具，以提高生產效率，同時擴大和深化與客戶的關係。至於工業消耗品貿易業務會努力維持我們現有的市場份額，同時致力為高潛力市場提供新產品和解決方案。印刷線路板加工和貿易業務也繼續滿足客戶多變的需求、投資於新技術及擴大我們的高端客戶組合。

本集團來年首要任務是管好財務資源和風險。在艱難的時期，現金流管理和部署至關重要，本集團當衡量工值，審慎批覆各項資本性支出和營運開支。此外，本集團將在內部審核和整體企業管治等方面，投入更大的精力。

# DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES

## 董事及高級管理人員簡歷

### EXECUTIVE DIRECTOR

**Mr. Tang To**, aged 71, was appointed as the chairman of the Board (the "Chairman") and executive Director on 18 September 1997. Mr. Tang also acts as a director of certain subsidiaries of the Company. He is the chairman of each of the nomination committee and committee of executive Directors of the Company. On 28 May 2010, he was appointed as the director of Suzhou Sanguang Science and Technology Co., Ltd., a company listed on the National Equities Exchange and Quotations and is an associated company of the Company. Mr. Tang has over 40 years of experience in manufacturing and trading businesses. Mr. Tang is the father of Mr. Tang Yu, Freeman. As at the date of this annual report, Mr. Tang is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

**Mr. Wong Yiu Ming**, aged 66, joined the Group in 1978 and was appointed as an executive Director on 23 June 1997. He was subsequently appointed as the general manager of the Company on 1 February 1999 and acted as a chief executive officer of the Company from 12 September 2005 to 30 June 2013, and was appointed as an executive vice chairman of the Company on 15 January 2015. He is a member of committee of executive Directors of the Company. Mr. Wong also acts as a director of certain subsidiaries of the Company. He is currently a general manager of various subsidiaries of the Company which are engaged in the manufacturing of machinery. He holds a Bachelor of Science degree in Engineering and a Master degree in Business Administration. Mr. Wong has over 40 years of experience in sales, marketing and corporate management. On 16 November 2007, he was appointed as the director of Suzhou Sanguang Science and Technology Co., Ltd., a company listed on the National Equities Exchange and Quotations and is an associated company of the Company.

### 執行董事

**鄧燾先生**，年71歲，於一九九七年九月十八日獲委任為董事會主席（「主席」）兼執行董事。鄧先生亦出任本公司若干附屬公司之董事職位。彼為本公司提名委員會及執行董事委員會之主席。彼於二零一零年五月二十八日獲委任為蘇州三光科技股份有限公司之董事，一間於全國中小企業股份轉讓系統上市之公司及其為本公司之聯營公司。鄧先生擁有逾四十年製造及貿易業務之經驗。鄧先生是鄧愚先生的父親。於本年報日期，鄧先生為若干按《證券及期貨條例》第XV部所述屬本公司主要股東之董事。

**黃耀明先生**，年66歲，於一九七八年加入本集團及於一九九七年六月二十三日獲委任為執行董事，彼隨後於一九九九年二月一日獲委任為本公司總經理及由二零零五年九月十二日至二零一三年六月三十日出任為本公司行政總裁，以及於二零一五年一月十五日獲委任為本公司執行副主席。彼為本公司執行董事委員會之成員。黃先生亦出任本公司若干附屬公司之董事職位。彼現為本公司從事機械製造業務的附屬公司之總經理。彼持有工程學理學士學位及工商管理碩士學位。黃先生擁有逾四十年之銷售、市場推廣及企業行政管理之經驗。彼於二零零七年十一月十六日獲委任為蘇州三光科技股份有限公司之董事，一間於全國中小企業股份轉讓系統上市之公司及其為本公司之聯營公司。



## DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED)

### 董事及高級管理人員簡歷(續)

**Mr. Tang Yu, Freeman**, aged 42, joined the Group in 2006 and was appointed as an executive Director and chief executive officer of the Company (the "Chief Executive Officer") on 18 March 2011 and 1 July 2013 respectively. Mr. Tang is a member of each of nomination committee and committee of executive Directors of the Company. He also acts as a director of certain subsidiaries of the Company. Prior to joining the Group, he had worked in various commercial banks. Mr. Tang graduated from The University of Western Ontario in Canada and holds a Bachelor of Arts degree in Economics and a Diploma in Financial Planning. He is the son of Mr. Tang To. As at the date of this annual report, Mr. Tang is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

**Mr. Mei Zheqi**, aged 42, joined the Group in 2000 and was appointed as an executive Director on 28 August 2018. He is a member of the committee of executive Directors of the Company. Mr. Mei graduated from the School of Accounting of Zhongnan University of Economics and Law with a Master degree in Management. He is a non-practising member of The Chinese Institute of Certified Public Accountants and a member of The Association of Chartered Certified Accountants. He is currently a general manager of two subsidiaries of the Company, which are engaged in the leasing and factoring businesses respectively, and a supervisor of a subsidiary of the Company, which is engaged in the plastic products processing business.

### NON-EXECUTIVE DIRECTOR

**Mr. Kan Wai Wah**, aged 62, was appointed as a non-executive Director on 22 May 1998. He holds a High Diploma in Accountancy. He has over 30 years of experience in corporate strategy and corporate management. Mr. Kan is the son of Ms. Law Kit Fong, a substantial Shareholder. As at the date of this annual report, Mr. Kan is a director of certain substantial shareholders of the Company within the meaning of Part XV of the SFO.

**鄧愚先生**，年42歲，於二零零六年加入本集團，分別於二零一一年三月十八日及二零一三年七月一日獲委任為執行董事及本公司行政總裁（「行政總裁」）。鄧先生為本公司提名委員會及執行董事委員會之成員。彼亦出任本公司若干附屬公司之董事職位。加入本集團前，彼曾任職於數間商業銀行。鄧先生畢業於加拿大西安大略大學，持有經濟學士學位及財務策劃文憑。彼為鄧熹先生的兒子。於本年報日期，鄧先生為若干按《證券及期貨條例》第XV部所述屬本公司主要股東之董事。

**梅哲騏先生**，年42歲，於二零零零年加入本集團及於二零一八年八月二十八日獲委任為執行董事。彼為本公司執行董事委員會之成員。梅先生於中南財經政法大學會計學院畢業，取得管理學碩士學位。彼為中國註冊會計師協會非執業會員及英國特許公認會計師公會會員。彼現為兩間本公司分別從事租賃和保理業務的附屬公司之總經理及一間本公司從事注塑製品及加工業務的附屬公司之監事。

### 非執行董事

**簡衛華先生**，年62歲，於一九九八年五月二十二日獲委任為非執行董事。簡先生持有高級會計文憑。彼擁有逾三十年企業策劃及企業管理之經驗。簡先生為羅潔芳女士（本公司主要股東之一）之兒子。於本年報日期，簡先生為若干按《證券及期貨條例》第XV部所述屬本公司主要股東之董事。

## DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED) 董事及高級管理人員簡歷(續)

**Mr. Qu Jinping**, aged 62, was appointed as a non-executive Director on 8 September 2006. He is currently the professor and doctoral supervisor in the School of Mechanical and Automotive Engineering of The South China University of Technology. Mr. Qu acted as vice president of The South China University of Technology and elected as an academician of The Chinese Academy of Engineering in 2011. He holds a Bachelor degree and a Master degree in Engineering from The South China University of Technology in 1982 and 1987 respectively, and a Doctorate degree in Engineering from The Sichuan University in 1999. He has been engaged in scientific research and teaching in polymer dynamic plasticizing processing technology and equipment for over 30 years and achieved a number of world-first scientific and technology achievements.

### INDEPENDENT NON-EXECUTIVE DIRECTOR

**Ms. Yeung Shuk Fan**, aged 54, was appointed as an independent non-executive Director on 18 June 2004. She is the chairman of audit committee of the Company and a member of each of nomination committee and remuneration committee of the Company. Ms. Yeung holds a Master degree in Business Administration. She is a member of the American Institute of Certified Public Accountants (AICPA), and an associate member of each of The Institute of Chartered Secretaries and Administrators (ICSA) and The Hong Kong Institute of Chartered Secretaries (HKICS). Ms. Yeung held senior financial positions in several companies. She has over 20 years of experience in the finance sector.

**Mr. Cheng Tak Yin**, aged 81, was appointed as an independent non-executive Director on 30 January 2007. He is the chairman of the remuneration committee of the Company and a member of each of audit committee and nomination committee of the Company. Currently, he is the life honorary chairman, deputy secretary general and standing committee member of Hong Kong and Kowloon Machinery and Instrument Merchants Association Limited. Mr. Cheng has over 40 years of experience in business management.

**瞿金平先生**，年62歲，於二零零六年九月八日獲委任為非執行董事。彼現為華南理工大學機械與汽車工程學院教授及博士生導師。瞿先生曾任華南理工大學副校長及於二零一一年當選中國工程院院士。彼分別於一九八二年及於一九八七年持有華南理工大學工學學士及碩士學位，隨後於一九九九年持有四川大學工學博士學位。彼從事高分子材料加工成型技術及裝備的科學研究與教學超過三十年，取得了多項世界首創的科技成果。

### 獨立非執行董事

**楊淑芬女士**，年54歲，於二零零四年六月十八日獲委任為獨立非執行董事。彼為本公司審核委員會之主席以及本公司提名委員會和薪酬委員會之成員。楊女士持有工商管理碩士學位。彼為美國註冊會計師協會(AICPA)之會員，以及英國特許秘書及行政人員公會(ICSA)及香港特許秘書公會(HKICS)之會士。楊女士曾於數家公司擔任高級財務職位。彼擁有逾二十年於財務範疇之經驗。

**鄭達賢先生**，年81歲，於二零零七年一月三十日獲委任為獨立非執行董事。彼為本公司薪酬委員會之主席以及本公司審核委員會和提名委員會之成員。彼現為港九機械電器儀器業商會有限公司永遠榮譽會長、副秘書長及常務會董。鄭先生擁有逾四十年業務管理之經驗。

## DIRECTORS AND SENIOR MANAGEMENT'S BIOGRAPHIES (CONTINUED)

### 董事及高級管理人員簡歷(續)

**Mr. Ho Wei Sem**, aged 72, was appointed as an independent non-executive Director on 21 December 2010. He is a member of each of nomination committee, remuneration committee and audit committee of the Company. Mr. Ho had been working in various government authorities in Dongguan for over 40 years. He was the director general of Dongguan Municipal and Public Utilities Management Bureau and Dongguan Urban Integrated Management Bureau from 2000 to 2007. From 1996 to 2000, he was the officer of Dongguan Management Committee. From 1990 to 1996, he was the deputy director general of The Urban and Rural Planning Bureau of Dongguan Municipal, and he was the deputy supervisor of the Preparation Committee of Dongguan City Government from 1988 to 1990. Mr. Ho has extensive experience in management.

**Mr. Huang Zhi Wei**, aged 81, was appointed as an independent non-executive Director on 2 November 2012. Mr. Huang graduated from The Huazhong University of Science & Technology, majoring in electrical engineering. Mr. Huang worked in the PRC government authorities for over 10 years. He served as the deputy director general of Guangdong Commission of Foreign Trade & Economic Cooperation and the director of General of Guangdong Board of Investment from 1993 to 2000. From 1984 to 1992, he served as the executive officer of Foshan Economic Committee. Mr. Huang worked as the engineer at power plant in Foshan for almost 10 years. From 1981 to 1984, he served as the chief engineer and deputy general manager of a household electrical appliances corporation in Foshan.

何偉森先生，年72歲，於二零一零年十二月二十一日獲委任為獨立非執行董事。彼為本公司提名委員會、薪酬委員會及審核委員會之成員。何先生曾在東莞市多個政府機關任職超過四十年。由二零零零年至二零零七年期間，彼出任東莞市市政公用事業管理局及東莞市城市綜合管理局之局長；由一九九六年至二零零零年期間，彼出任東莞市城市管理委員會辦公室主任；由一九九零年至一九九六年期間，彼出任東莞市城鄉建設規劃局副局長，以及由一九八八年至一九九零年期間，彼出任東莞市城區政府籌備組副組長。何先生擁有豐富的管理經驗。

黃志煒先生，年81歲，於二零一二年十一月二日獲委任為獨立非執行董事。黃先生畢業於華中科技大學，主修電機工程系。黃先生曾在中國政府機關任職超過十年，由一九九三年至二零零零年期間，彼出任廣東省外經貿委副主任及廣東省外商投資局局長；由一九八四年至一九九二年期間，彼擔任佛山市經濟委員會主任。黃先生曾於中國廣東省佛山市發電廠任職工程師近十年。由一九八一年至一九八四年期間，彼出任佛山市家電公司總工程師兼副總經理。

## SENIOR MANAGEMENT

**Mr. Man Chi Fai, Bruno**, aged 58, joined the Group in 2013. He holds a Bachelor of Science (Mechanical Engineering) in The University of London and a Master Science in Engineering (Industrial Management and Manufacturing) in The University of Hong Kong. Mr. Man is a member of each of The Hong Kong Institution of Engineers (HKIE) and The Institution of Electrical Engineers in the United Kingdom (IEE). He had worked in various sizeable corporations. Mr. Man is currently the general manager of various subsidiaries of the Company which are engaged in the plastic food packaging processing business. He also holds directorship in certain subsidiaries of the Company. Mr. Man has over 20 years of experience in plastic injection molding, metals manufacturing, molds design and manufacturing, manufacturing assembly process management and project management.

**Mr. Ye Yueran**, aged 46, joined the Group in 2002. He has over 10 years of experience in manufacturing of machinery. Mr. Yip is currently the general manager of various subsidiaries of the Company which are engaged in the manufacturing of rubber injection machines, extrusion lines and hydraulic presses. He also holds directorship in certain subsidiaries of the Company.

**Mr. Yip Kar Shun**, aged 72, joined the Group in 1994. He has over 30 years of experience in electronic production and management. Mr. Yip is the managing director of various subsidiaries of the Company which are engaged in the PCB processing and trading businesses. He also holds directorship in certain subsidiaries of the Company.

## 高級管理人員

**萬志輝先生**，年58歲，於二零一三年加入本集團。彼持有英國倫敦大學機械工程學士學位及香港大學工程學(工業管理與製造)碩士學位。萬先生為香港工程師學會(HKIE)及英國特許工程師學會(IEE)之會員。彼曾任職多間大型企業。萬先生現為本公司從事塑料食品包裝加工業務的附屬公司之總經理。彼亦擔任本公司若干附屬公司之董事職位。萬先生在塑料注塑、五金製造、模具設計與製造、流水線生產製程管理及項目管理有逾二十年經驗。

**葉月然先生**，年46歲，於二零零二年加入本集團。彼擁有逾十年機械製造之經驗。葉先生現為本公司從事橡膠注射成型機、擠出生產線及油壓機製造業務的附屬公司之總經理。彼亦擔任本公司若干附屬公司之董事職位。

**葉嘉信先生**，年72歲，於一九九四年加入本集團。彼擁有逾三十年電子生產及管理之經驗。葉先生現為本公司從事印刷線路板加工及貿易業務的附屬公司之董事總經理。彼亦擔任本公司若干附屬公司之董事職位。

# REPORT OF THE DIRECTORS

## 董事會報告書

The Board has pleasure in submitting their report together with the audited consolidated financial statements for the year ended 31 December 2019.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Further details of the principal activities of the principal subsidiaries are set out in note 45 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

### RESULTS

The results of the Group for the year ended 31 December 2019 and the state of affairs of the Group at that date are set out in the audited consolidated financial statements on pages 106 to 284 of this annual report.

### FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2019 (31 December 2018: HK\$0.02 per share).

### BUSINESS REVIEW

#### Review of operations

The Group recorded net profit of approximately HK\$24,884,000 for the year as compared with net profit of approximately HK\$88,752,000 from the previous year. Further details in respect of the fair review of the Group's businesses, please refer to the sections "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" of this annual report.

董事會欣然提呈其報告連同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

本公司之主要業務為投資控股。旗下主要附屬公司之主要業務的進一步詳情載列於綜合財務報表附註45。本集團主要業務的性質於本年度內並無重大改變。

### 業績

本集團截至二零一九年十二月三十一日止年度之業績及本集團於該日之財務狀況載列於本年報第106至第284頁之經審核綜合財務報表。

### 末期股息

董事會不建議派發截至二零一九年十二月三十一日止年度末期股息（二零一八年十二月三十一日：每股0.02港元）。

### 業務回顧

#### 經營回顧

於本年度本集團錄得溢利淨額約24,884,000港元，去年溢利淨額約88,752,000港元。就本集團業務的中肯審視的進一步詳情，請參閱本年報「主席報告」及「管理層論述及分析」章節。

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial position and results and business operations may be affected by a number of risks and uncertainties relating to the Group's businesses. The Group believes that the internal control and risk management systems are in place to mitigate risks present in our business operations and secure the Group's financial position as efficient and effective as possible, and hence maintain a sustainable business growth.

Through the Group's internal control and risk management processes, including identify, assess and monitor risks with proactive oversight and robust business management system. Certain risks may be beyond the Group's control, the Group will take necessary measures to mitigate its impact. The risks and uncertainties set out below are known to the Group during the year under review:

### Market risks

#### *Macroeconomic changes and concentration risk*

The Group's businesses are sensitive to the global economic environment. In 2019, the global economy trade flows were clouded by uncertainties prevailing in the external environment. The US-Sino trade war has weighed on global economic sentiment and activities. The prevailing political and economic uncertainties should continue to affect manufacturing industries, particularly in Mainland China, where the Group conducts its business. The Group has implemented various diversification and penetration strategies on customer and product portfolios through product development and tuning the business model to mitigate the adverse impact due from economic downturn and to reduce the dependency on specific customer segments.

## 主要風險及不明朗因素

本集團的財務狀況和業績以及業務營運可能受到本集團業務相關風險和不明朗因素所影響。本集團相信內部監控和風險管理系統可有助減低業務營運中的風險，並確保本集團的財務狀況有效地及具效率地維持可持續的業務增長。

通過本集團的內部監控和風險管理流程，包括：透過主動監察和穩健的業務管理制度進行識別、評估及監控風險。有些風險可能超出本集團的控制範圍，本集團會採取必要的措施盡量減輕其對本集團的影響。於本年度回顧本集團已知的風險和不明朗因素載列如下：

### 市場風險

#### *宏觀經濟變化和風險集中*

本集團的業務容易受全球經濟環境波動。於二零一九年，外在環境存在的不確定性給全球經貿蒙上陰影。中美貿易戰影響全球經濟情緒和活動，政治和經濟不明朗將持續影響製造業，尤其是本集團在中國內地的業務市場。本集團通過新產品開發和調整業務模式，對客戶採取滲透戰略和進行產品組合多樣化，以減輕經濟衰退帶來的負面影響及減低對特定客戶群的依賴。

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事會報告書(續)

#### **Keen market competition market and pricing pressure**

The Group must compete on both price and product know-how as multinational, regional or niche competitors attempt to increase its market share. There is intensive competitive pressure to reduce selling price thus deteriorating the Group's profitability. Additionally, sales volumes may fluctuate as the Group's customers are also subject to competitive pressure. The Group has continuously sought productivity and efficiency improvements through development of cost-effective solutions and implementation of key performance indicators.

#### **Operation risks**

The risk of loss resulting from the Group's operations due to supply chain instability which may result in an unfavorable impact on business. The Group may experience a periodic or sudden shortage of materials while temporarily unable to procure substitutes at reasonable prices, that could lead to unable to fulfill customers' expectations and missed sales opportunities. The Group manages this risk by ensuring supply chain resilience including strictly selecting suppliers with quality assurance, good reputation, high credibility and suppliers who are honest in co-operation, and continuously extending sourcing channels and strengthening inventory control management. The Group has been effectively monitoring material price by staying abreast of the latest material price movements, frequently communicating with the suppliers.

#### **Outbreak of highly contagious diseases**

Outbreak of highly contagious diseases, like severe acute respiratory syndrome and Middle East respiratory syndrome etc. may have significant effects on economies of the affected countries. An outbreak of such kind of diseases in the territories the Group operates could disrupt the Group's business operations and cause a material adverse effect on the financial results. In the first quarter of 2020, the widespread epidemic of the novel coronavirus disease (COVID-2019) around the world has caused a far-reaching adverse impact on global economic activities, which would negatively affect the Group's operations.

#### **激烈的市場競爭和定價壓力**

由於跨國企業、地區或利基競爭對手謀求增加市場份額，本集團要在銷售價格和在產品專有技術上進行競爭，激烈的競爭壓力而降低售價導致削弱本集團的盈利。另外，由於本集團客戶也受到競爭壓力，其銷量較易受到波動。本集團繼續通過成本效益的解決方案和實施關鍵績效指標，不斷提高生產力和效率。

#### **經營風險**

由於供應鏈不穩而令業務造成損失的風險，可能對本集團營運造成不利影響。本集團可能會遇到週期或突發原材料短缺，同時暫時無法以合理價格採購替代原材料，可能導致無法滿足客戶的期望及錯失銷售機會。本集團通過供應鏈的彈性管理，包括：嚴選有品質保證、具有良好信譽、信用能力高的原材料供應商及以誠合作的供應商合作，持續拓寬採購渠道和加強庫存管控來處理此風險。本集團一直有效地監控材料價格，對材料最新價格變動有充份瞭解，並經常與供應商溝通。

#### **高傳染性疾病的爆發**

高傳染性疾病的爆發，例如：嚴重急性呼吸系統綜合症和中東呼吸系統綜合症等，可能對受影響國家的經濟產生重大影響。如果該等疾病在本集團業務經營地區爆發，有可能導致破壞本集團的業務經營，並對財務業績造成重大不利影響。於二零二零年第一季度，新型冠狀病毒疾病(COVID-2019)在全球廣泛傳播，對全球經濟活動造成了深遠的不利影響，亦將對本集團的經營帶來負面影響。

### Legal and regulatory compliance risks

The Group has various production plants and offices across Hong Kong and the PRC. Any failure to comply with the regulatory changes in the territories in which it operates may result in non-compliance of laws, rules and regulations. Non-compliance may result in fines, litigation or other consequences that may have potential risks affected the operations and profitability of the Group. The Group would monitor new ordinance(s) or the changes in legislation with legal consultation service providers from time to time and have internal control procedures in place under different departments to ensure the compliance of regulatory requirements and internal policies performed.

### Financial risks

The Group is exposed to financial risks, including foreign currency risk, interest rate risk, price risk, credit risk and liquidity risk arising in the normal course of its business and from financial instruments. The details of such risks are set out in note 43 to the consolidated financial statements from pages 260 to 277.

Certain measures to manage the impact on these potential risks and uncertainties are described in the heading "BUSINESS REVIEW" of the section of the "MANAGEMENT DISCUSSION AND ANALYSIS" of this annual report.

### 法律、規管及法規的風險

本集團在香港和中國內地有多個生產廠房和辦公室。如未能遵守其經營地區的監管法規，則可能導致不遵守法律、法規和條例。不合規會引致罰款、法律訴訟或其他後果，這些後果可能會對本集團的營運和盈利產生潛在風險。本集團不時就新法例或法例規定變更聘任法律諮詢服務公司，以及在不同部門設立內部監控流程，以確保遵守監管規定和執行內部政策。

### 財務風險

本集團在日常業務過程中和運用金融產品而產生的財務風險，包括：外匯風險、利率風險、價格風險、信貸風險和流動資金風險。該等風險詳情載列於綜合財務報表附註43第260至第277頁。

管理該等潛在的風險和不明朗因素帶來的影響之若干措施已在本年報「管理層論述及分析」一節中「業務回顧」標題中描述。



**REPORT OF THE DIRECTORS (CONTINUED)**  
**董事會報告書 (續)**

**FINANCIAL KEY PERFORMANCE INDICATORS**

The financial key performance indicators of the Group for the years ended 31 December 2019 and 2018 are summarized as follows:

**財務關鍵表現指標**

本集團於截至二零一九年和二零一八年十二月三十一日止年度的財務關鍵表現指標綜合如下：

		2019 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元	Change 變動
<b>OPERATING PERFORMANCE</b>				
<b>經營表現</b>				
Revenue	收入	<b>2,344,923</b>	2,682,452	-12.6%
Operating Profit	經營溢利	<b>53,894</b>	76,987	-30.0%
Profit before tax	稅前溢利	<b>39,075</b>	108,219	-63.9%
Profit for the year	本年度溢利	<b>24,884</b>	88,752	-72.0%
Basic earnings per share (HK cents)	每股基本盈利 (港仙)	<b>1.83</b>	9.36	-80.4%
<b>KEY FINANCIAL INFORMATION</b>				
<b>關鍵財務資料</b>				
Cash and bank balances	現金及銀行結餘	<b>312,633</b>	339,702	-8.0%
Total assets	資產總值	<b>2,603,889</b>	2,731,693	-4.7%
Total liabilities	負債總值	<b>1,217,448</b>	1,331,408	-8.6%
Total equity attributable to equity shareholders	股東應佔權益總額	<b>1,171,669</b>	1,183,569	-1.0%
<b>Financial Ratios</b>				
<b>財務比率</b>				
Current ratio	流動比率	<b>1.6</b>	1.5	N/A 不適用
Gross Profit margin	毛利率	<b>16.1%</b>	16.3%	-0.2%
EBITDA margin ( <i>note</i> )	未計利息、稅項、折舊及攤銷前的盈利率 ( <i>附註</i> )	<b>4.4%</b>	6.8%	-2.4%
Net profit margin	淨盈利率	<b>1.1%</b>	3.3%	-2.2%
Net debt to equity ratio	負債資本比率	<b>8.9%</b>	3.8%	N/A 不適用

Note:

EBITDA margin is calculated as EBITDA divided by revenue. The following table sets forth the calculation of EBITDA:

附註:

未計利息、稅項、折舊及攤銷前的盈利率以未計利息、稅項、折舊及攤銷前的盈利除以收入計算。下表載列未計利息、稅項、折舊及攤銷前的盈利之計算:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	39,075	108,219
Add/(less):	加/(減):		
Unused provision for restructuring reversed	回撥未動用的重組撥備	(20,290)	(19,612)
Reversal of provision of indemnity	回撥賠償撥備	(25,780)	-
Finance costs	財務費用	24,958	21,856
Depreciation and amortisation on:	折舊及攤銷:		
– Ownership interest in leasehold land and buildings held for own use	– 自用租賃土地及樓宇的所有權權益	14,292	14,559
– Other owned assets	– 其他自置資產	55,225	53,861
– Assets held under finance lease	– 融資租賃資產	-	976
– Leasehold land and land use rights	– 租賃土地及土地使用權	-	1,350
– Intangible assets	– 無形資產	1,383	1,384
– Right-of-use assets	– 使用權資產	14,967	-
EBITDA	未計利息、稅項、折舊及攤銷前的盈利	103,830	182,593

## FUTURE DEVELOPMENT OF THE GROUP'S BUSINESS

In the view that uncertainty is one of the main challenges facing by the PRC economy, the performance of various businesses of the Group might be affected unless cost saving and risk mitigation measures are implemented properly. Details of future development of the Group's businesses, please refer to the sections "CHAIRMAN'S STATEMENT" and "MANAGEMENT DISCUSSION AND ANALYSIS" of this annual report.

## 本集團業務未來發展

由於不確定性是中國經濟面臨的主要挑戰之一，本集團各業務的表現可能會受到影響，除非適當地實施成本節約和降低風險的措施。就本集團業務未來發展的詳情，請參閱本年報「主席報告」及「管理層論述及分析」章節。

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group complies with the applicable environmental laws, rules and regulations on the prevention and control of wastage, waste gases emissions and sewage discharges in Hong Kong and the PRC during the production process. Various measures have been implemented within the Group, such as measures on effective energy conservation to reduce the use of energy and water, and measures on managing the reduction of waste and reduction of greenhouse gas emissions. Detailed discussion on the environmental policies and performance of the Group is set out in the section "Environmental, Social and Governance Report".

## **COMPLIANCE WITH LAWS AND REGULATIONS**

During the year under review, there was no material breach of or non-compliance with the laws and regulations applicable to the Group. Apart from complying with Hong Kong laws such as the Companies Ordinance, Listing Rules, SFO and Employment Ordinance, we have also complied with laws of the PRC, including the Company Law of the PRC (《中國公司法》), Labour Law of the PRC (《中國勞動法》), Labour Contract Law of the PRC (《中國勞動合同法》), Measures for Enterprise Annuities (《企業年金辦法》), relevant laws, rules and regulations in relation to child and forced labour including the Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》) and the laws of the PRC on the Protection of Minors (《中國未成年人保護法》), as well as other environmental laws, relevant rules, ordinances and regulations on the prevention and control of wastage, waste gases and sewage emission. These laws, ordinances and regulations include but not limited to the Environmental Protection Law of the PRC (《中國環境保護法》), the Environmental Protection Tax Law of the PRC (《中國環境保護稅法》), the Prevention and Control of Atmospheric Pollution of the PRC (《中國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC (《中國水污染防治法》), the Waste Disposal Ordinance, Environmental Quality Standard for Surface Water (《地表水環境品質標準》), Wastewater Quality Standards for Discharge to Municipal Sewers (《污水排入城鎮下水道水質標準》), and Solid Wastes of Prevention and Control Law of the PRC (《中國固體廢物污染環境防治法》) etc.

## **環境政策及表現**

本集團遵守香港及中國於生產過程中防止及控制產生的廢物、廢氣排出和廢水排出的適用環保法律、規則及規定。本集團已實施多項措施，例如：實行有效的節能措施以減少能源和水，以及實行減廢管理及減少溫室氣體排放的措施。有關本集團環境政策及表現的詳細討論已載列於「環境、社會及管治報告」章節內。

## **遵守法律及規定**

於回顧年度內，本集團並無重大違反或不遵守適用於本集團的法律及規定。除了遵守香港法例，如《公司條例》、《上市規則》、《證券及期貨條例》、《僱傭條例》，我們亦遵守中國的法例，包括《中國公司法》、《中國勞動法》、《中國勞動合同法》、《企業年金辦法》、有關童工和強制勞工的法律、規則及規定，包括《禁止使用童工規定》及《中國未成年人保護法》，以及其他與廢物、廢氣和廢水排放有關的防治及控制的法例及規定和其他環保法律及相關規則。該等法例及規定包括但不限於：《中國環境保護法》、《中國環境保護稅法》、《中國大氣污染防治法》、《中國水污染防治法》、《廢物處置條例》、《地表水環境品質標準》、《污水排入城鎮下水道水質標準》及《中國固體廢物污染環境防治法》等。

## RELATIONSHIPS WITH KEY STAKEHOLDERS

The Group's success also depends on the support from key stakeholders which comprise employees, customers, suppliers, Shareholders, government and regulators, as well as banks.

### Employees

Employees are regarded as the most important and valuable assets of the Group. Most of the management have been serving the Group for a long period of time. The Group offers competitive salaries and benefits and also provides training programmes or courses for the Mainland China employees at all levels from different departments, as well as Directors and employees of the Company in order to further enhance their management skills, expertise and knowledge, and at the same time, make continual contribution to the Group. Different activities such as annual dinners, celebration of staff's birthday and ball games had been organized by various business units of the Group for general staffs together with the management to participate in order to strengthening their partnership and communication.

### Customers

The major customers of injection molding machines manufacturing business are the automotive components and plastic components for home appliances manufacturers. Most of them have been customers for more than 3 years and in return of their loyalty, we provide them with good quality products and after-sale services.

### Suppliers

The major suppliers of injection molding machines manufacturing business are the injection molding machine castings suppliers. Most of the have been suppliers for more than 5 years and have maintained good relationship with them in order to achieve cost-effectiveness and obtain long-term commercial benefits.

### Shareholders

The major Shareholders are Cosmos Holdings and its controlled corporations, China Resources (Holdings) Company Limited and minority Shareholders. It is grateful to have Shareholders who are being supportive to the Group for a long period of time.

## 與主要持份者的關係

本集團的成功亦依賴主要持份者，包括：僱員、客戶、供應商、股東、政府及監管機構，以及銀行的支持。

### 僱員

僱員被視為本集團最重要及具價值的資產。大部分管理層一直為本集團服務了很長時間。本集團提供具競爭力的薪酬及福利，亦分別向國內各部門所有級別僱員及董事及本公司僱員提供培訓計劃或課程，用以提升他們的管理技巧、專業技能和知識，並同時向本集團作出持續貢獻。本集團不同業務單位不時組織活動，例如：周年晚宴、僱員生日慶祝及球類比賽等活動予一般僱員連同管理層一起參與，從而加強彼此的合作關係及溝通。

### 客戶

注塑機製造業務的主要客戶為汽車零件以及家電塑料配套件製造商。我們大部分的客戶已是超過3年的客戶，為了回報他們的忠誠，我們向他們提供優質的產品和售後服務。

### 供應商

注塑機製造業務的主要供應商為注塑機鑄件供應商。我們與大部分供應商已合作了超過5年，並與他們保持良好關係，以達致成本效益及促進長遠商業利益。

### 股東

本集團的主要股東為大同控股與其受控法團、華潤(集團)有限公司及小股東。我們非常感激各股東長時間支持本集團。

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事會報告書(續)

#### Government and Regulators

It is important for us to maintain good relationships with local officials to anticipate legal or regulatory changes or community developments that may affect our business. In view of the need to maintain good relationship, we have arranged occasional visits and face-to-face meetings whenever necessary.

#### Banks

Banks serve as the lenders of our Group in providing finance in our businesses operation and development, include trade finance and fixed assets purchasing. We maintain stable relationship with banks through regular meetings and visits.

#### FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 285 of this annual report.

#### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

#### SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 33 to the consolidated financial statements.

#### RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the "Consolidated Statement of Changes in Equity" on page 111 of this annual report and in note 34 to the consolidated financial statements.

#### DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution, as calculated in accordance with the sections 291, 297 and 299 of the Companies Ordinance, amounted to approximately HK\$490,810,000.

#### 政府及監管機構

我們必須與當地官員保持良好關係，以預計可能會影響我們業務的法律或監管變更或社區發展。因需要保持良好的關係，我們必要時會偶爾安排與他們拜訪和會面。

#### 銀行

銀行作為本集團的貸款人，提供資金幫助集團業務營運，包括貿易融資及購買固定資產。我們透過定期會面和拜訪保持雙方穩定的關係。

#### 五年財務摘要

本集團過去五個財政年度之業績及資產與負債摘要載列於本年報第285頁。

#### 物業、廠房及設備

本集團之物業、廠房及設備於本年度之變動詳情分別載列於綜合財務報表附註15。

#### 股本

本年度內，本公司股本變動之詳情載列於綜合財務報表附註33。

#### 儲備

本集團及本公司之儲備於本年度之變動詳情載列於本年報第111頁之「綜合權益變動表」及綜合財務報表附註34。

#### 可供分派儲備

於二零一九年十二月三十一日，按《公司條例》第291、297及299條之規定計算，本公司可供分派之儲備約為490,810,000港元。

## DONATIONS

During the year, the Group made around HK\$30,000 of donation.

## BIOGRAPHICAL DETAILS OF DIRECTORS

The biographical details of the Directors are set out in the section "Directors and Senior Management's Biographies" on pages 23 to 27 of this annual report.

## DIRECTORS' EMOLUMENTS

Mr. Qu Jinping, Mr. Huang Zhi Wei and Mr. Ho Wei Sem were agreed to waive their Directors' fees under their letters of appointment. No payment shall be made by the Company to such Directors during the year ended 31 December 2019. Further details of the Directors' emoluments are set out in note 10A to the consolidated financial statements.

## DIRECTORS

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

### Executive Directors

Mr. Tang To (*Chairman*)  
Mr. Wong Yiu Ming (*Executive Vice Chairman*)  
Mr. Tang Yu, Freeman (*Chief Executive Officer*)  
Mr. Mei Zheqi

### Non-executive Directors

Mr. Kan Wai Wah  
Mr. Qu Jinping

### Independent Non-executive Directors

Ms. Yeung Shuk Fan  
Mr. Cheng Tak Yin  
Mr. Ho Wei Sem  
Mr. Huang Zhi Wei

The Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with article 102 of the Articles. Messrs. Wong Yiu Ming, Tang Yu, Freeman, Yeung Shuk Fan and Ho Wei Sem will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

## 捐款

於本年度，本集團已作出約30,000港元捐款。

## 董事簡歷

董事簡歷載於本年報第23至27頁之「董事及高級管理人員簡歷」內。

## 董事酬金

根據瞿金平先生、黃志煒先生及何偉森先生的委任書，彼等同意放棄收取董事酬金，故截止二零一九年十二月三十一日止年度本公司毋須向彼等支付董事酬金。進一步董事酬金之詳情載於綜合財務報表附註10A。

## 董事

於本年度內及截至本年報日期之董事如下：

### 執行董事

鄧燾先生(主席)  
黃耀明先生(執行副主席)  
鄧愚先生(行政總裁)  
梅哲騏先生

### 非執行董事

簡衛華先生  
瞿金平先生

### 獨立非執行董事

楊淑芬女士  
鄭達賢先生  
何偉森先生  
黃志煒先生

根據章程細則第102條之規定，董事須於本公司股東周年大會上輪值卸任，惟可膺選連任。黃耀明先生、鄧愚先生、楊淑芬女士及何偉森先生均將在即將舉行之股東周年大會上輪值告退及願膺選連任。

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事會報告書(續)

#### DIRECTORS OF SUBSIDIARIES

During the year and up to the date of this report, the persons who served as directors of the subsidiaries of the Company include Messrs. Cao Xiaowei, Chen Leiming, Ching Shuk Kwan, Diao Junde, Du Jiang, Fang Xirong, Ho Kwong Sang, Hu Ping, Hui Oi Chun, Hui Wai Kee, Jiang Nan\*, Jiang Shufeng, Kwok Chi Kin, Law Moon Wah\*, Lu Hank, Man Chi Fai, Bruno, Man Wai Hong, Bernard\*, Miao Hongliang, Tang To, Tang Yu, Freeman, Tsutsumi Keiji, Wan Ming\*, Wong Yiu Ming, Xie Jie, Yatsugi Atsushi, Yan Dong\*, Ye Qingzhong, Ye Yueran, Yeung Yuk Lun\*, Yip Kar Shun, Yip Kin Keung, Zhang Xiaochen, Zhao Weirong and Zhu Wenguang.

*The persons marked with an asterisk\* are no longer to be the directors of the subsidiaries of the Company as at the date of this report.*

#### DIRECTORS' SERVICE CONTRACTS

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

#### DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Save as disclosed in the headings "Directors' Interests and Short Positions in Shares, Debentures or Underlying Shares under the SFO" and "Related Party Transactions" of this report, at no time during the year or at the end of the year has been/was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

#### 附屬公司董事

於本年度內及截至本報告日期擔任本公司附屬公司董事的人士包括：曹小偉先生、陳雷銘先生、程淑群女士、刁俊德先生、杜江先生、方熙榮先生、何廣生先生、胡平先生、許凱駿先生、許韋奇先生、姜南先生\*、姜樹峰先生、郭志堅先生、羅滿華先生\*、盧熯先生、萬志輝先生、萬偉康先生\*、繆虹亮先生、鄧燾先生、鄧愚先生、堤惠司先生、溫明女士\*、黃耀明先生、謝杰先生、八木篤先生、嚴冬女士\*、葉慶忠先生、葉月然先生、楊毓麟先生\*、葉嘉信先生、葉建強先生、張笑塵先生、趙偉榮先生及朱文光先生。

*註有\*的人士於本報告日期已不再為本公司附屬公司之董事。*

#### 董事之服務合約

在即將舉行之股東周年大會上候選連任之董事概無與本公司訂立不可由本公司於一年內終止而毋須支付賠償(法定賠償除外)之服務合約。

#### 董事購買股份及債券權利

除於本報告「根據《證券及期貨條例》董事於股份、債權證或相關股份之權益及淡倉」及「有關關連人士交易」標題披露者外，於本年度任何時間內或年終時，本公司、其控股公司或其任何附屬公司未曾／概無參與任何安排，致使董事或彼等各自之配偶或十八歲以下子女可藉購買本公司或任何其他法人團體的股份或債券而獲得利益。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the non-executive Directors (including independent non-executive Directors) has entered into a letter of appointment setting out the key terms and conditions of his/her appointment as Director with the Company for a term of three years. They are all subject to retirement by rotation and re-election at least every three years at annual general meeting in accordance with the Articles.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules. Although three of the independent non-executive Directors, Messrs. Yeung Shuk Fan, Cheng Tak Yin and Ho Wei Sem have been serving the Board for more than nine years, they have not engaged in any executive management of the Group. Their familiarity and extensive experience with the Group's businesses place them in a better position to contribute independent views to the Company. Taking into consideration of their independent scope of works when performing duties as independent non-executive directors over the past years, there is no evidence that length of tenure is having an adverse impact on their independence. Therefore, the Company considers all independent non-executive Directors are independent throughout the year under review.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENT OR CONTRACTS

Saved as the related party transactions as disclosed in note 44 to the consolidated financial statements and in the heading "Related Party Transactions" below, no Director and his/her entity connected had a material interest, directly or indirectly, in a transaction, arrangement or contract or a proposed transaction, arrangement or contract that is significant in relation to the Group's businesses to which the Company or any of its subsidiaries was a party during the year.

### 獨立非執行董事

每位非執行董事(包括獨立非執行董事)已與本公司訂立委任書,訂明有關其委任為董事的主要條款及條件,任期為三年。所有董事均須根據章程細則規定至少每三年一次在股東周年大會上輪席告退及膺選連任。

根據上市規則第3.13條規定,本公司已收到每名獨立非執行董事有關其獨立性之年度確認書。雖然其中三位獨立非執行董事楊淑芬女士、鄭達賢先生及何偉森先生服務董事會至今已超過九年,但彼等概無參與本集團任何行政管理工作,而對本集團業務之熟悉及資深經驗有助其向本公司提供較佳之獨立意見。考慮到彼等過往年度工作之獨立範疇及彼等履行獨立非執行董事職責,並無任何證據顯示服務年資對彼等獨立性產生負面影響。因此,本公司認為所有獨立非執行董事於回顧年度內為獨立人士。

### 董事在交易、安排或合約中之權益

除於綜合財務報表附註44及以下「有關關連人士交易」標題內一節披露的關聯交易外,於本年度內各董事及其關連的實體於本公司或其任何附屬公司所訂立的任何對本集團業務可屬重大之交易、安排或合約中,不論直接或間接,概無擁有重大權益。



## REPORT OF THE DIRECTORS (CONTINUED) 董事會報告書(續)

### INDEMNITIES AND INSURANCE

The Company has arranged appropriate Directors' and officers' liability insurance coverage in respect of legal actions brought for committed or alleged wrongful acts against the Directors and officers of the Group throughout the year, but exclude any criminal, dishonest or fraudulent acts or omission.

The Articles provide that every Director or other officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability, loss or expenditure incurred by him in defending any proceedings, whether civil or criminal, which relate to anything done or omitted to be done by him as Director, officer or auditor of the Company and in which judgment is given in his favour or in which he is acquitted, or incurred in connection with any application in which relief is granted to him by the court from liability in respect of any such act or omission or from liability to pay any amount in respect of shares acquired by a nominee of the Company.

The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance when the report of the directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

### 獲准許彌償條文

於年內，本公司已就其董事及高級管理人員因實施或涉嫌過失行為（但不包括任何刑事、不誠實或欺詐行為或疏忽）而面對的法律行動，安排適當的董事及高級管理人員責任保險。

章程細則規定，每名董事或本公司其他行政人員或核數師就作為董事、秘書或本公司其他行政人員或核數師於任何民事或刑事法律程序中關於與其作為董事或本公司其他行政人員或核數師作出或遺漏作出之行為，而彼在判決中就有關作出或遺漏作出之行為之責任或就本公司代名人收購股份而應付款項之責任獲勝訴、獲裁定無罪或獲法院免除法律責任時所產生之任何責任、損失或開支，可從本公司資產中獲得彌償。

基於董事利益的獲准許彌償條文根據《公司條例》第470條的規定於董事編製之董事會報告書根據《公司條例》第391(1)(a)條獲通過時生效。

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, DEBENTURES OR UNDERLYING SHARES UNDER THE SFO

As at 31 December 2019, save for the interests of the Directors in the Shares set out as below, none of the Directors had any interests and short positions in the Shares, debentures or underlying Shares or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register referred therein or which were required to be disclosed herein pursuant to the Model Code.

### 根據《證券及期貨條例》董事於股份、債權證或相關股份之權益及淡倉

於二零一九年十二月三十一日，除董事所持有股份之權益（有關詳情載於下文）外，各董事於本公司或其任何相聯法團（按《證券及期貨條例》第XV部之涵義）之股份、債權證或相關股份中，概無擁有須《證券及期貨條例》第XV部第7及8分部知會本公司及聯交所之任何權益及淡倉（包括根據《證券及期貨條例》規定被視作或當作擁有之權益及淡倉），亦無擁有須根據《證券及期貨條例》第352條登記於根據該條例存置或根據標準守則須於本文披露之任何權益及淡倉。

#### Long position in Shares or underlying Shares:

於股份或相關股份之好倉：

Name of Directors	Number of Shares Held 持有股份數目				Total number of Shares held	Approximate % of the total number of issued Shares 約佔已發行股份 總數目之 概約百分比
	Personal Interests	Family Interests	Corporate Interests	Other Interests		
董事姓名	個人權益	家族權益	企業權益	其他權益	持有股份總數目	
Tang To 鄧燾	4,970,005	226,000 <sup>(1)</sup>	445,617,458 <sup>(2)</sup>	-	450,813,463	52.30
Wong Yiu Ming 黃耀明	9,468,000	-	-	-	9,468,000	1.10
Tang Yu, Freeman 鄧愚	-	-	442,157,052 <sup>(3)</sup>	-	442,157,052	51.30
Kan Wai Wah 簡衛華	136,400	-	-	-	136,400	0.02
Cheng Tak Yin 鄭達賢	1,406,000	-	-	-	1,406,000	0.16

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事會報告書(續)

#### Notes:

- (1) The 2,000 Shares held by the spouse of Mr. Tang To and 224,000 Shares held by Mr. Tang To and his spouse jointly.
- (2) The 445,617,458 Shares in which Mr. Tang To was deemed to hold interests under the SFO, comprised (i) 3,460,406 Shares held by Ginta Company Limited (incorporated in Hong Kong) which is wholly-owned by Fullwin Limited (incorporated in Republic of Liberia), which in turn is owned as to 50% by Mr. Tang To and 50% by his spouse respectively; (ii) 405,907,052 Shares held by Codo through its wholly-owned subsidiaries, Tai Shing, Hung Cheong and Cosmos Holdings; and (iii) 36,250,000 Shares held by Saniwell (as the trustee of The Saniwell Trust, the beneficiaries of which include Mr. Tang To and certain of his family members) which in turn is owned as to 57.14% by Mr. Tang To.
- (3) The 442,157,052 Shares in which Mr. Tang Yu, Freeman was deemed to hold interests under the SFO, comprised (i) 405,907,052 Shares held by Codo through its wholly-owned subsidiaries, Tai Shing, Hung Cheong and Cosmos Holdings; and (ii) 36,250,000 Shares held by Saniwell which in turn is owned as to 42.86% by Mr. Tang Yu, Freeman.

Other than the holdings disclosed above, none of the Directors, chief executives and their associates had any interests or short positions in any Shares, debentures or underlying Shares or any of the Company's associated corporations at 31 December 2019.

#### 附註:

- (1) 該2,000股股份由鄧熹先生之配偶持有，而該224,000股股份由鄧熹先生及其配偶共同持有。
- (2) 根據《證券及期貨條例》，鄧熹先生被視為擁有445,617,458股股份之權益，包括：  
(i) 3,460,406股股份由堅達有限公司（於香港註冊成立）持有，其為由Fullwin Limited（於利比里亞共和國註冊成立）全資持有，而Fullwin Limited由鄧熹先生及其配偶各擁有50%權益；  
(ii) 405,907,052股股份由高度透過其全資附屬公司Tai Shing、Hung Cheong及大同控股持有；及  
(iii) 36,250,000股股份由Saniwell（其為The Saniwell Trust之受託人，而其受益人包括鄧熹先生及其若干家屬成員）持有，而其為由鄧熹先生擁有57.14%權益。
- (3) 根據《證券及期貨條例》，鄧愚先生被視為擁有442,157,052股股份之權益，包括：  
(i) 405,907,052股股份由高度透過其全資附屬公司Tai Shing、Hung Cheong及大同控股持有；及  
(ii) 36,250,000股股份由Saniwell持有，而其為由鄧愚先生擁有42.86%權益。

除以上披露之股權外，於二零一九年十二月三十一日，並無董事、最高行政人員及其聯繫人擁有本公司或其任何相聯法團之任何股份、債權證或相關股份之權益或淡倉。

**SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES OF THE COMPANY UNDER THE SFO**

As at 31 December 2019, so far as was known to the Directors, the following parties had an interest or long position or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required pursuant to section 336 of the SFO, to be entered in the register referred therein:

**根據《證券及期貨條例》股東於本公司之權益及淡倉或相關股份**

於二零一九年十二月三十一日，就董事所知，下列人士於本公司股份或相關股份中擁有須根據《證券及期貨條例》第XV部第2及3分部規定予以披露之權益或好倉或淡倉，或擁有須根據《證券及期貨條例》第336條登記於根據該條例存置之權益或好倉或淡倉：

**Long position in Shares or underlying Shares:**

於股份或相關股份之好倉：

Name of Shareholder 股東姓名	Capacity in which interests are held 持有權益之身份	Number of Shares Held 持有股份數目			Approximate % of the total number of issued Shares 約佔已發行股份總數目之概約百分比
		Direct Interests 直接權益	Deemed Interests 被當作持有之權益	Total number of shares held 持有股份總數目	
Tai Shing	Beneficial owner 實益擁有人	170,104,452	-	170,104,452	19.73
Cosmos Holdings 大同控股	Beneficial owner and interest of controlled corporations 實益擁有人及受控法團之權益	235,802,600	170,104,452 <sup>(1)</sup>	405,907,052	47.09
Codo 高度	Interest of controlled corporations 受控法團之權益	-	405,907,052 <sup>(2)</sup>	405,907,052	47.09
Law Kit Fong 羅潔芳	Interest of controlled corporations 受控法團之權益	-	405,907,052 <sup>(3)</sup>	405,907,052	47.09
Saniwell	Beneficial owner and interest of controlled corporations 實益擁有人及受控法團之權益	36,250,000	405,907,052 <sup>(4)</sup>	442,157,052	51.30
China Resources (Holdings) Company Limited 華潤(集團)有限公司	Beneficial owner 實益擁有人	169,649,046	-	169,649,046	19.68
CRC Bluesky Limited	Interest of controlled corporations 受控法團之權益	-	169,649,046 <sup>(5)</sup>	169,649,046	19.68
China Resources Co., Limited 華潤股份有限公司	Interest of controlled corporations 受控法團之權益	-	169,649,046 <sup>(6)</sup>	169,649,046	19.68

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事會報告書(續)

#### Notes:

1. Tai Shing is wholly-owned by Hung Cheong, which is a wholly-owned subsidiary of Cosmos Holdings. By virtue of the SFO, Cosmos Holdings is deemed to be interested in the 170,104,452 Shares held by Tai Shing.
2. Cosmos Holdings is a wholly-owned subsidiary of Codo. By virtue of the SFO, Codo is deemed to be interested in the 405,907,052 Shares held by Cosmos Holdings.
3. Codo is held as to (i) 8.37% by Elegant Power Enterprises Limited (incorporated in Hong Kong) ("Elegant Power"); and (ii) 30.25% by Friendchain Investments Limited (incorporated in Hong Kong) ("Friendchain"), which is in turn held as to 40% by Elegant Power. Elegant Power is wholly-owned by Ms. Law Kit Fong. By virtue of the SFO, Ms. Law Kit Fong is deemed to be interested in the 405,907,052 Shares held by Codo.
4. Codo is held as to (i) 25.06% by Keepsound Investments Limited (incorporated in Hong Kong), which is in turn held as to 94% by Saniwell; and (ii) 30.25% by Friendchain, which is in turn held as to 57.42% by Saniwell. By virtue of the SFO, Saniwell is deemed to be interested in the 405,907,052 Shares held by Codo.
5. By virtue of the SFO, CRC Bluesky Limited (incorporated in British Virgin Islands) is deemed to be interested in the 169,649,046 Shares held by China Resources (Holdings) Company Limited (incorporated in Hong Kong), which is a wholly-owned subsidiary of CRC Bluesky Limited.
6. By virtue of the SFO, China Resources Co., Limited (incorporated in the PRC) is deemed to be interested in the 169,649,046 Shares held by CRC Bluesky Limited, which is a wholly-owned subsidiary of China Resources Co., Limited.

Save as disclosed above, as at 31 December 2019, the Directors are not aware of any other persons who have interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would be required to be disclosed to the Company and the Stock Exchange pursuant to Part XV of the SFO.

#### 附註:

- (1) Tai Shing由Hung Cheong全資持有，而Hung Cheong為大同控股的全資附屬公司。根據《證券及期貨條例》，大同控股被視為於Tai Shing所持有之170,104,452股股份中擁有權益。
- (2) 大同控股為高度的全資附屬公司。根據《證券及期貨條例》，高度被視為於大同控股所持有之405,907,052股股份中擁有權益。
- (3) 高度由(i)豪力企業有限公司(於香港註冊成立)(「豪力」)持有8.37%權益；及(ii)友昌投資有限公司(於香港註冊成立)(「友昌」)持有30.25%權益，而其為由豪力持有40%權益，豪力由羅潔芳女士全資擁有。根據《證券及期貨條例》，羅潔芳女士被視為於高度所持有之405,907,052股股份中擁有權益。
- (4) 高度由(i)協生投資有限公司(於香港註冊成立)持有25.06%權益，而其為由Saniwell持有94%權益；及(ii)友昌持有30.25%權益，而其為由Saniwell持有57.42%權益。根據《證券及期貨條例》，Saniwell被視為於高度所持有之405,907,052股股份中擁有權益。
- (5) 由於華潤(集團)有限公司(於香港註冊成立)為CRC Bluesky Limited(於英屬處女群島註冊成立)之全資附屬公司，故根據《證券及期貨條例》，CRC Bluesky Limited被視為於華潤(集團)有限公司所持有之169,649,046股股份中擁有權益。
- (6) 由於CRC Bluesky Limited為華潤股份有限公司(於中國註冊成立)之全資附屬公司，故根據《證券及期貨條例》，華潤股份有限公司被視為於CRC Bluesky Limited所持有之169,649,046股股份中擁有權益。

除上述披露外，於二零一九年十二月三十一日，就各董事知悉，概無任何其他人士於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)之股份、相關股份或債權證中擁有根據《證券及期貨條例》第XV部須向本公司及聯交所披露之權益或淡倉。

### RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as “Related Parties” under applicable accounting standard. These transactions mainly relate to contracts entered into by the Group in the ordinary and usual course of business which were negotiated on normal commercial terms and on an arm’s length basis. Further details are set out in note 44 to the consolidated financial statements.

### SUBSEQUENT EVENTS

Details of subsequent event occurring from the reporting period to the date of this annual report., please refer in the heading of “Subsequent Events” of the section “MANAGEMENT DISCUSSION AND ANALYSIS” of this annual report.

### MANAGEMENT CONTRACTS

No contracts, other than employment contracts, concerning the management and administration of the whole or any substantial part of any business of the Company were entered into or existed during the year.

### EQUITY-LINKED AGREEMENTS

No equity-linked agreement that will or may result in the Company issuing shares or that requires the Company to enter into any agreements that will or may result in the Company issuing shares was entered into by the Company during the year or subsisted at the end of the year.

### DIRECTORS’ INTERESTS IN COMPETING BUSINESSES

During the year, none of the Directors is considered to have interests in the businesses which are considered to compete or likely to compete, either directly or indirectly, with businesses of the Group pursuant to rule 8.10 of the Listing Rules.

### 有關關連人士交易

本集團與根據適用會計準則被視為「關連人士」訂立若干交易。此等交易主要涉及本集團於一般及日常業務過程中按一般商務條款經公平原則磋商而訂立之合約。進一步詳情載列於綜合財務報表附註44。

### 結算日後事項

由報告結算日後至本年報日期止結算日後事項詳情，請參閱本年報「管理層論述及分析」一節中「結算日後事項」標題中描述。

### 管理合約

除僱員合約外，本年度內概無訂立或存有與本公司全部或任何重大部分業務管理及行政的合約。

### 股票掛鈎協議

於年內或年終時，本公司概無訂立或存在將會或可導致本公司發行股份的股票掛鈎協議，或要求本公司訂立任何協議將會或可導致本公司發行股份的股票掛鈎協議。

### 董事於競爭業務之權益

於本年度內，根據上市規則第8.10條，無董事被視為與本集團業務構成競爭或可能構成競爭。

## REPORT OF THE DIRECTORS (CONTINUED)

### 董事會報告書(續)

#### CORPORATE GOVERNANCE

The Group's corporate governance practices and procedures are set out in the section "Corporate Governance Report" on pages 48 to 68 of this annual report.

#### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

#### EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is based on their merit, qualifications and competence as well as the prevailing market condition of the industry. Remuneration packages, which include an element of discretionary bonuses, are generally reviewed annually. The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to individual performance, the Company's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

#### SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors as at the date of the annual report, the Company has maintained the prescribed public float under the Listing Rules.

#### MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2019, the respective percentage of purchases attributable to the Group's five largest suppliers and the sales attributable to the Group's five largest customers, on a combined basis, was less than 30% of the total value of the Group's purchases and sales.

None of the Directors, their associates or Shareholder (who to the knowledge of the Directors, own more than 5% of the total number of issued shares of the Company) had any beneficiary interest in the Group's major suppliers or customers noted above.

#### 企業管治

本集團的企業管治守則常規和程序，列載於本年報第48至68頁「企業管治報告」章節內。

#### 購買、售出或贖回本公司上市證券

本公司或其任何附屬公司概無於截至二零一九年十二月三十一日止年度內購買、贖回或售出本公司任何上市證券。

#### 酬金政策

本集團僱員之酬金政策主要根據僱員之價值、資格、能力以及業界當時市場狀況而釐訂。彼等之酬金包括酌情發放之花紅，一般會每年予以檢討。董事之酬金乃由本公司薪酬委員會參照董事之個人表現、本公司之業績表現及盈利狀況、亦以業界指標及當時市場狀況而定。

#### 足夠公眾持股量

根據本公司可取得之公開參考資料及就董事所悉，截至本年報日期，本公司已維持上市規則項下規定之公眾持股量。

#### 主要客戶及供應商

截至二零一九年十二月三十一日止年度，本集團之五個最大供應商合計所佔之購貨額百分比及五個最大客戶合計所佔之銷售額百分比乃佔本集團之購貨額及銷售額總值少於30%。

董事、其聯繫人或就董事所知持有本公司已發行股份總數目5%以上之股東概無擁有上述本集團主要供應商或客戶之任何實益權益。

### **REVIEW BY AUDIT COMMITTEE**

This annual report has been reviewed by the audit committee of the Company. Information on the main works of audit committee of the Company and its composition are set out in the section "Corporate Governance Report" on pages 58 to 59 of this annual report.

### **AUDITOR**

The Group's consolidated financial statements for the year ended 31 December 2019 have been audited by Ting Ho Kwan & Chan, which will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

By order of the Board

**TANG To**  
*Chairman*

Hong Kong, 30 March 2020

### **審核委員會的審閱**

本年報經已由本公司審核委員會審閱。有關本公司審核委員會主要工作及組成之資料詳列於本年報第58至59頁之「企業管治報告」章節內。

### **核數師**

本集團截至二零一九年十二月三十一日止年度之綜合財務報表經由核數師丁何關陳會計師行審核，其將任滿告退，再續聘其為本公司核數師之決議案將於即將舉行之本公司周年大會上提呈。

承董事會命

*主席*  
**鄧燾**

香港，二零二零年三月三十日



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### CORPORATE GOVERNANCE CODE

The Board is committed to practicing and maintaining a high standard of corporate governance for the enhancement of Shareholders' value and safeguarding interests of Shareholders and other stakeholders, and reviews corporate governance practices and procedures of the Group on a regular basis.

### CORPORATE GOVERNANCE PRACTICES

The Company has made detailed disclosures in relation to the accounting period covered in this report in compliance with the requirements of the Corporate Governance Report as set out in the CG Code. During the year ended 31 December 2019, the Company has complied with all the principles and code provisions of the CG Code, except for the following deviation from code provisions A.2.7, A.6.7 and C.2.5 of the CG Code:

Code provision A.2.7 of the CG Code stipulates that the chairman should at least annually hold meetings with the independent non-executive directors without the presence of other directors. During the year, Mr. Tang To, the Chairman of the Board held a meeting with Ms. Yeung Shuk Fan, Mr. Cheng Tak Yin and Mr. Huang Zhi Wei, the independent non-executive Directors, without the presence of other Directors. However, Mr. Ho Wei Sem, the independent non-executive Director, was absent from the said meeting due to health reason. The independent non-executive Directors may communicate and discuss with the Chairman directly at any time to share their view on the Company's affairs. The Company considers that there are sufficient channels and communication for discussion of the Company's affair between the Chairman and independent non-executive Directors in the absent of other Directors.

### 遵守企業管治守則

董事會致力實行及維持高水準之企業管治，以提升股東價值及維護股東和其他持份者的權益，以及定期檢討本集團企業管治守則常規和程序。

### 企業管治常規

本公司已按照《企業管治守則》之企業管治報告的要求，所涵蓋會計期間應披露的資料已詳細列載於本報告內。截至二零一九年十二月三十一日止年度，除偏離以下《企業管治守則》守則條文第A.2.7、A.6.7及C.2.5條外，本公司已遵守《企業管治守則》中所有原則和守則條文：

按照《企業管治守則》之守則條文第A.2.7條規定主席應至少每年與獨立非執行董事舉行一次沒有其他董事出席的會議。董事會主席鄧燾先生於本年度內在沒有其他董事出席的情況下，與獨立非執行董事楊淑芬女士、鄭達賢先生及黃志煒先生舉行了一次會議。然而，獨立非執行董事何偉森先生因健康問題缺席該會議。獨立非執行董事可以隨時就本公司事務與主席表達意見及溝通，本公司認為已有足夠渠道讓獨立非執行董事在沒有其他董事在場情況下討論本公司事務。

Code provision A.6.7 of the CG Code stipulates that independent non-executive directors and non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. During the year under review, Mr. Kan Wai Wah and Mr. Qu Jinping, both non-executive Directors, and Mr. Ho Wei Sem and Mr. Huang Zhi Wei, both independent non-executive Directors, were unable to attend the annual general meeting of the Company held on 13 June 2019 due to other business engagements. The Company considered that the presence of the chairman of each of nomination committee, remuneration committee and audit committee, and other executive Directors at the said meeting was sufficient for addressing the queries from Shareholders.

Code provision C.2.5 of the CG Code stipulates that the issuer should have an internal audit function and issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the corporate governance report. During the year under review, the Board is aware of the importance of internal auditor function and has reviewed the need to set up an internal audit function. The head of internal audit department of the Company was on board on 4 November 2019. As such, the Company had complied with the code provision C.2.5 of the CG Code from the same date.

### **DIRECTORS' SECURITIES TRANSACTIONS**

The Board has adopted a CMEL Code on terms no less exacting than the required standard of the Model Code as the Company's code of conduct and rules governing dealing by all Directors and relevant employees in the securities of the Company.

All Directors have confirmed, following specific enquiry by the Company, they have complied with the required standard set out in the Model Code and CMEL Code for the year ended 31 December 2019.

按照《企業管治守則》之守則條文第A.6.7條規定，獨立非執行董事及非執行董事應出席股東大會，以對股東之意見有全面、公正的了解。於回顧年度內，兩位非執行董事簡衛華先生和瞿金平先生及兩位獨立非執行董事何偉森先生和黃志煒先生，因彼等有其他公務未能出席本公司於二零一九年六月十三日舉行之股東周年大會。本公司認為提名委員會、薪酬委員會和審核委員會主席，以及其他執行董事已出席該會議，足以回答股東的提問。

按照《企業管治守則》之守則條文第C.2.5條規定發行人應設立內部審核功能，以及沒有內部審核功能的發行人須每年檢討是否需要增設此項功能，並在《企業管治報告》內解釋為何沒有這項功能。於回顧年度內，董事會知悉內部審核功能的重要性及已檢討需要設立內部審核功能。本公司內部審核部門主管於二零一九年十一月四日上任。因此，本公司自同日起已符合《企業管治守則》守則條文第C.2.5條的規定。

### **董事證券交易**

本公司已採納一套大同企業守則，作為本公司監管全體董事及相關僱員買賣本公司證券的操守準則和規則，而大同企業守則不比標準守則所訂明的要求寬鬆。

經本公司特定查詢後，董事已確認彼等於截至二零一九年十二月三十一日年度內，一直遵守標準守則及大同企業守則所載之規定標準。

## **THE BOARD**

### **Composition**

The Board currently consists of ten members, including four executive Directors (namely Messrs. Tang To, Wong Yiu Ming, Tang Yu, Freeman and Mei Zheqi), two non-executive Directors (namely Messrs. Qu Jinping and Kan Wai Wah) and four independent non-executive Directors (namely Messrs. Yeung Shuk Fan, Cheng Tak Yin, Ho Wei Sem and Huang Zhi Wei). The Directors' biographical details and the relationships among the Board members, if any, are set out on pages 23 to 27 under the section "Directors and Senior Management's Biographies" of this annual report.

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to rule 3.13 of the Listing Rules. Although three of the independent non-executive Directors, Messrs. Yeung Shuk Fan, Cheng Tak Yin and Ho Wei Sem have been serving the Board for more than nine years, they have not engaged in any executive management of the Group. Their familiarity and extensive experience with the Group's businesses place them in a better position to contribute independent views to the Company. Taking into consideration of their independent scope of works when performing duties as independent non-executive directors over the past years, there is no evidence that length of tenure is having an adverse impact on their independence. Therefore, the Company considered all independent non-executive Directors (including Messes. Yeung, Cheng and Ho) are independent throughout the year under review.

Furthermore, all Directors, including independent non-executive Directors, should be re-elected at least once every three years at the annual general meeting of the Company and the reasons the nomination committee of the Company and the Board believes that the individual to be independent are set out in the relevant circulars. In addition to the disclosure in the section "Directors and Senior Management's Biographies" of this report, to the best knowledge of the Directors, there is no financial, business, family or other material/relevant relationship among members of the Board.

### **董事會 組成**

董事會現由十名成員組成，包括四名執行董事（即鄧熹先生、黃耀明先生、鄧愚先生及梅哲騏先生）、兩名非執行董事（即瞿金平先生及簡衛華先生）及四名獨立非執行董事（即楊淑芬女士、鄭達賢先生、何偉森先生及黃志煒先生）。董事之簡歷及董事會成員之間的關係（如有）詳情載於本年報第23至27頁之「董事及高級管理人員簡歷」之章節內。

根據上市規則第3.13條規定，本公司已收到每名獨立非執行董事有關其獨立性之年度確認書。雖然其中三位獨立非執行董事楊淑芬女士、鄭達賢先生及何偉森先生服務董事會至今已超過九年，但彼等概無參與本集團任何行政管理工作，而對本集團業務之熟悉及資深經驗有助其向本公司提供較佳之獨立意見。考慮到彼等過往年度工作之獨立範疇及彼等履行獨立非執行董事職責，並無任何證據顯示服務年資對彼等獨立性產生負面影響。因此，本公司認為所有獨立非執行董事（包括楊女士、鄭先生及何先生）於本年度回顧，均為獨立人士。

再者，所有董事（包括獨立非執行董事）須至少每三年一次在本公司股東周年大會上重選，以及本公司提名委員會和董事會認為各獨立非執行董事乃屬於獨立人士的原因，已列載於有關通函內。除於本年報之「董事及高級管理人員簡歷」章節中的披露外，就董事所知，各董事會成員之間概無任何財務、業務、家族或其他重大／相關關係。

The Board has adopted a Board diversity policy in compliance with the rule 13.52 of the Listing Rules. The Company maintains that Board appointment will take into account gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board might consider relevant and applicable from time to time towards achieving a diverse Board. The Board will review and monitor from time to time to ensure its effectiveness that diversity of the Board is maintained.

董事會已採納一套董事會成員多元化政策，以符合上市規則第13.52條。本公司委任董事時，會考慮有關人選的性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，以及董事會不時認為相關及適用於達致董事會成員多元化之任何其他因素。董事會將不時檢討及監察以確保維持多元化董事會之有效性。

An analysis of the Board's current composition is set out as follows:

現時董事會成員組成分析如下：

**Designation**  
職位

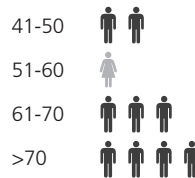


ED: Executive Directors  
執行董事  
NED: Non-executive Directors  
非執行董事  
INED: Independent Non-executive Directors  
獨立非執行董事

**Gender**  
性別



**Age**  
年齡



**Length of Board Service**  
出任董事會年資



**Attendance rate at Board meetings in 2019**  
二零一九年董事會議之出席率



**CORPORATE GOVERNANCE REPORT (CONTINUED)**  
**企業管治報告 (續)**

**Attendance Record of Directors at Meetings held during the Year**

The details of Directors' attendance at the meetings (including the board meetings, audit committee meetings, remuneration committee meetings, nomination committee meeting and annual general meeting) held during the year are set out in the following table:

**董事於本年度舉行的會議出席紀錄**

下表列示董事於本年度舉行的會議（包括董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議及股東周年大會）之出席情況：

Name of Director	董事姓名	Number of meetings attended and held				
		Board Meetings 董事會會議	Audit Committee Meetings 審核委員會會議	Remuneration Committee Meetings 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議	Annual General Meeting 股東周年大會
Tang To	鄧 熹	4/4	N/A 不適用	2/2	1/1	1/1
Wong Yiu Ming	黃耀明	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Tang Yu, Freeman	鄧 愚	4/4	N/A 不適用	N/A 不適用	1/1	1/1
Mei Zheqi	梅哲騏	4/4	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Kan Wai Wah	簡衛華	3/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Qu Jinping	瞿金平	4/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Yeung Shuk Fan	楊淑芬	4/4	4/4	2/2	1/1	1/1
Cheng Tak Yin	鄭達賢	4/4	4/4	2/2	1/1	1/1
Ho Wei Sem	何偉森	3/4	4/4	1/2	0/1	0/1
Huang Zhi Wei	黃志偉	3/4	N/A 不適用	N/A 不適用	N/A 不適用	0/1

## DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Every newly appointed Director (if any) receives a comprehensive, formal and tailored induction package to ensure that he/she is sufficiently aware of his/her duties, responsibilities and obligations as a Director under the Companies Ordinance, Listing Rules and other regulatory requirement and ensure he/she has a proper understanding of the company's operations and business.

The Company provide with all Directors relevant reading materials from time to time on the latest changes and development in the industry, legal, regulatory in which the Group operates its business to ensure the contribution of all Directors to the Board remains relevant. In addition, all Directors are encouraged to attend external seminar or training on relevant topics for their continuous professional development. Certain Directors have attended external trainings and seminars during the year.

The individual training record of each Director who held office during the year ended 31 December 2019 is set out below:

## 董事持續專業發展

每名新任命的董事(如有)均會接受全面、正式及為其而設的入職培訓,以確保他/她充分知悉《公司條例》、上市規則及其他法規規定下的董事職責、責任及義務,並確保他/她對公司的營運和業務均有適當的了解。

本公司不時向全體董事提供相關閱讀文件,讓彼等知悉本集團經營的業務在行業、法律及監管之最新變動及發展,以確保所有董事能為董事會作出恰當貢獻。此外,全體董事獲鼓勵出席由外界舉辦與持續專業發展課題相關之研究會或培訓,部份董事於本年度有出席外部研討會及培訓。

截至二零一九年十二月三十一日止年度每位董事之個人培訓記錄如下:

Name of Director	董事姓名	Areas 範圍		
		Legal, Regulatory and Corporate Governance update 法律、法規及企業管治更新	Group's Policies/Businesses 本集團的政策/業務	Directors' Roles, Functions and Duties 董事的角色、職能及職責
<b>Executive Director</b>		<b>執行董事</b>		
Tang To	鄧 燾	✓	✓	✓
Wong Yiu Ming	黃耀明	✓	✓	✓
Tang Yu, Freeman	鄧 愚	✓	✓	✓
Mei Zheqi	梅哲騏	✓	✓	✓
<b>Non-executive Director</b>		<b>非執行董事</b>		
Kan Wai Wah	簡衛華	✓	✓	✓
Qu Jinping	瞿金平	✓	✓	✓
<b>Independent Non-executive Director</b>		<b>獨立非執行董事</b>		
Yeung Shuk Fan	楊淑芬	✓	✓	✓
Cheng Tak Yin	鄭達賢	✓	✓	✓
Ho Wei Sem	何偉森	✓	✓	✓
Huang Zhi Wei	黃志煒	✓	✓	✓

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The roles of Chairman and Chief Executive Officer are separate and performed by different individuals to reinforce their independence and accountability. During the year, Mr. Tang To was the Chairman and Mr. Tang Yu, Freeman served as the Chief Executive Officer. Mr. Tang To was responsible for providing leadership to and overseeing the functioning of the Board to ensure that it acts in the best interest of the Group; while Mr. Tang Yu, Freeman, who is the chief operating decision maker, was responsible for managing the business of the Group, attending to the formulation and implementation of the Group policies and strategic operating plans, and assuming full accountability to the Board for the Group's operations.

### **NON-EXECUTIVE DIRECTORS**

Non-executive Directors (including independent non-executive Directors) are appointed for a term of three years. Their terms of office are: (i) Mr. Kan Wai Wah (Non-executive Director) and Ms. Yeung Shuk Fan (Independent Non-executive Director), who were appointed for a term commencing from 1 January 2020 and expiring on 31 December 2022; (ii) Mr. Qu Jinping (Non-executive Director), who was appointed for a term commencing from 7 September 2018 and expiring on 6 September 2021; (iii) Mr. Cheng Tak Yin (Independent Non-executive Director), who was appointed for a term commencing from 30 January 2019 and expiring on 29 January 2022; (iv) Mr. Huang Zhi Wei (Independent Non-executive Director), who was appointed for a term commencing from 2 November 2018 and expiring on 1 November 2021; and (v) Mr. Ho Wei Sem (Independent Non-executive Director), who was appointed for a term commencing from 22 December 2019 and expiring on 21 December 2022. They are all subject to retirement by rotation and re-election at least every three years at annual general meeting in accordance with the Articles.

### **主席及行政總裁**

為加強主席與行政總裁的獨立性及問責性，主席與行政總裁之角色已區分，並由不同人士擔任。於本年度，鄧燾先生擔任主席，而鄧愚先生肩負行政總裁之職務。鄧燾先生負責領導董事會的運作，確保董事會以符合本集團最佳的利益方式行事，而鄧愚先生是主要營運決策者，負責管理本集團的業務，以及制訂和實施本集團的政策及策略性營運計劃，並就本集團整體營運向董事會負全責。

### **非執行董事**

本公司之非執行董事(包括獨立非執行董事)以為期三年任期委任，彼等之任期為：(i)簡衛華先生(非執行董事)及楊淑芬女士(獨立非執行董事)，其指定任期為由二零二零年一月一日起至二零二二年十二月三十一日止；(ii)瞿金平先生(非執行董事)，其指定任期為由二零一八年九月七日起至二零二一年九月六日止；(iii)鄭達賢先生(獨立非執行董事)，其指定任期為由二零一九年一月三十日起至二零二二年一月二十九日止；(iv)黃志煒先生(獨立非執行董事)，其指定任期為由二零一八年十一月二日起至二零二一年十一月一日止；及(v)何偉森先生(獨立非執行董事)，其指定任期為由二零一九年十二月二十二日起至二零二二年十二月二十一日止。所有董事均須根據章程細則規定至少每三年一次在股東周年大會上輪席告退及膺選連任。

## BOARD COMMITTEES

The Board has established various board committees, namely committee of executive Directors, nomination committee, remuneration committee and audit committee to manage particular aspects of the Company's affairs and aid in sharing the responsibilities of the Board. Except the committee of executive Directors, all committees have their specific written terms of reference in accordance with the requirements of the CG Code. All resolutions passed by the committees will be reported to the Board at the next Board meeting.

No corporate governance committee has been established but respective board committees (as disclosed below) are responsible for performing corporate governance functions set out in the terms of reference in code provision D.3.1 of the CG Code.

### Committee of Executive Directors

A committee of executive Directors of the Company was established on 15 August 1997 which comprises all executive Directors. They meet frequently and are responsible for the management of day-to-day business operation of the Group.

### Nomination Committee

A nomination committee of the Company (the "Nomination Committee") has been established on 29 March 2012 and consists of five members with a majority of independent non-executive Directors. They are:

Mr. Tang To (*Chairman*)  
Mr. Tang Yu, Freeman  
Mr. Cheng Tak Yin (*independent non-executive Director*)  
Mr. Ho Wei Sem (*independent non-executive Director*)  
Ms. Yeung Shuk Fan (*independent non-executive Director*)

The terms of reference of the Nomination Committee is posted on the websites of the Stock Exchange and the Company respectively.

During the year, the Nomination Committee performed the duties and responsibilities under the terms of reference and other duties as required under the CG Code.

## 董事會轄下委員會

董事會已成立多個董事委員會，分別為執行董事委員會、提名委員會、薪酬委員會及審核委員會，藉以處理本公司特定範疇的事務及協助分擔董事會之職責。除執行董事委員會外，所有委員會已根據《企業管治守則》之規定設有其特定職權範圍。委員會通過的所有決議案均須於下次董事會議上向董事會匯報。

本公司並沒有成立企業管治委員會，但個別董事委員會（如下文所述）已負責履行根據《企業管治守則》之守則條文D.3.1條所列表載的企業管治職能的職權範圍。

### 執行董事委員會

本公司執行董事委員會於一九九七年八月十五日成立，由全體執行董事組成，彼等經常會面，負責管理本集團的日常業務運作。

### 提名委員會

本公司提名委員會（「提名委員會」）於二零一二年三月二十九日成立，並由五名成員組成，而其中大部分為獨立非執行董事，彼等為：

鄧燾先生 (*主席*)  
鄧愚先生  
鄭達賢先生 (*獨立非執行董事*)  
何偉森先生 (*獨立非執行董事*)  
楊淑芬女士 (*獨立非執行董事*)

提名委員會之職權範圍已分別登載於聯交所及本公司網站。

於本年度，提名委員會已執行職權範圍內的職務及責任，以及《企業管治守則》內所規定的其他職務。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告(續)

During the year under review, one Nomination Committee meeting was held and the main works performed by the Nomination Committee during the year included (i) review of current structure, size and diversity of the Board; (ii) assessment and review of the independence of independent non-executive Directors; (iii) review of the Board diversity policy; (iv) review of the 2019 training and continuous professional development of Directors; and (v) review of terms of reference of the Nomination Committee.

A nomination policy of the Company (the "Nomination Policy") has been recommended by the Nomination Committee members and approved by the Board, and adopted on 29 November 2018.

The Nomination Policy is summarized as follows:

- state the objectives of the Nomination Policy, including ensuring the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's businesses;
- set out the procedure for the selection, appointment and re-appointment of Directors;
- set out selection criteria, including but not limited to qualifications, skills, experience in assessing the suitability of a proposed candidate and the requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates for independent non-executive Directors would be considered independence with reference to the independence criteria or guidelines set out in the Listing Rules; and
- list out the nomination of Directors applicable laws and procedures.

The attendance record of the Nomination Committee members is set out in the heading "Attendance Record of Directors at Meetings held during the Year" on page 52 of this report.

於回顧年度內，本公司曾舉行一次提名委員會會議，提名委員會之本年度主要工作包括(i)檢討現時董事會的結構、人數及多元化；(ii)評核和審閱獨立非執行董事的獨立性；(iii)檢討董事會多元化政策；(iv)檢討本公司二零一九年董事的培訓和持續專業發展；及(v)檢討提名委員會職責範圍。

本公司提名政策(「提名政策」)已於二零一八年十一月二十九日由提名委員會成員建議並經董事會批准，並獲得採納。

提名政策概述如下：

- 列明提名政策的目標，包括確保董事會成員俱備切合本集團業務所需的技巧、經驗及多元化觀點；
- 列出制定甄選、委任及重新委任董事的程序；
- 附有甄選準則，包括但不限於考慮建議候選人的資歷、技巧及經驗，以及要求董事會根據上市規則委任獨立非執行董事及根據上市規則所載之獨立準則或指引考慮獨立非執行董事候選人是否被視為獨立；及
- 列出委任董事適用的法律和程序。

提名委員會成員之出席會議紀錄已列載於本報告第52頁內之「董事於本年度舉行的會議出席紀錄」標題內。

### Remuneration Committee

A remuneration committee of the Company (the “Remuneration Committee”) has been established on 27 June 2005 and consists of four members with a majority of independent non-executive Directors. They are:

Mr. Cheng Tak Yin (*Chairman*)  
Mr. Tang To  
Mr. Ho Wei Sem (*independent non-executive Director*)  
Ms. Yeung Shuk Fan (*independent non-executive Director*)

The terms of reference of the Remuneration Committee is posted on the websites of the Stock Exchange and the Company respectively.

During the year, the Remuneration Committee performed the duties and responsibilities under the terms of reference and other duties as required under the CG Code.

During the year under review, two Remuneration Committee meetings were held and the main works performed by the Remuneration Committee during the year included: (i) consideration and review of the remuneration package of executive Directors; (ii) review of directors’ fees of non-executive Directors (including independent non-executive Directors); (iii) consideration of the renewal of letters of appointment for a non-executive Director and two independent non-executive Directors; and (iv) review of terms of reference of Remuneration Committee.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to individual performance, the Group’s performance and profitability, remuneration benchmark in the industry and prevailing market condition. The Directors do not participate in the determination of their own remuneration.

### 薪酬委員會

本公司薪酬委員會(「薪酬委員會」)於二零零五年六月二十七日成立，並由四名成員組成，而其中大部分為獨立非執行董事，彼等為：

鄭達賢先生(主席)  
鄧燾先生  
何偉森先生(獨立非執行董事)  
楊淑芬女士(獨立非執行董事)

薪酬委員會職權範圍已分別登載於聯交所及本公司網站。

於本年度，薪酬委員會已執行職權範圍內的職務及責任，以及《企業管治守則》內所規定的其他職務。

於回顧年度內，本公司曾舉行兩次薪酬委員會會議，薪酬委員會之本年度主要工作包括(i)考慮及檢討執行董事之薪酬待遇；(ii)檢討非執行董事包括獨立非執行董事的董事袍金；(iii)考慮更新一名非執行董事及兩名獨立非執行董事之委任書；及(iv)檢討薪酬委員會職權範圍。

董事之酬金乃由薪酬委員會參照董事之個人表現、本集團之業績表現及盈利狀況，以及業界指標及當時市場狀況而定。董事並不參與釐定其本身的薪酬。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告(續)

Details of Directors' emoluments for the year ended 31 December 2019 are set out in note 10A to the consolidated financial statements.

The attendance record of the Remuneration Committee members is set out in the heading "Attendance Record of Directors at Meetings held during the Year" on page 52 of this report.

#### Audit Committee

An Audit Committee of the Company (the "Audit Committee") has been established on 30 October 1998 and consists of three members, and all of them are independent non-executive Directors. They are:

Ms. Yeung Shuk Fan (*Chairman*)

Mr. Cheng Tak Yin (*independent non-executive Director*)

Mr. Ho Wei Sem (*independent non-executive Director*)

The terms of reference of the Audit Committee is posted on the websites of the Stock Exchange and the Company respectively.

During the year, the Audit Committee performed the duties and responsibilities under the terms of reference and other duties as required under the CG Code.

During the year under review, four Audit Committee meetings were held and the main works performed by the Audit Committee during the year included: (i) review of the final results of the Group for the year ended 31 December 2018; (ii) review of the interim results of the Group for the six months ended 30 June 2019; (iii) review of the internal audit plan for 2020; (iv) review of the whistleblowing policy; (v) recommendation to the Board on re-appointment on external auditor for Shareholders' approval and review its audit fees; and (vi) review of terms of reference of Audit Committee.

截至二零一九年十二月三十一日止年度的董事酬金詳情列載於綜合財務報表附註10A。

薪酬委員會成員之出席會議紀錄已列載於本報告第52頁內之「董事於本年度舉行的會議出席紀錄」標題內。

#### 審核委員會

本公司審核委員會(「審核委員會」)於一九九八年十月三十日成立,並由三名成員組成,全體均為獨立非執行董事,彼等為:

楊淑芬女士(主席)

鄭達賢先生(獨立非執行董事)

何偉森先生(獨立非執行董事)

審核委員會職權範圍分別登載於聯交所及本公司網站。

於本年度,審核委員會已執行職權範圍內的職務及責任,以及《企業管治守則》內所規定的其他職務。

於回顧年度內,本公司曾舉行四次審核委員會會議,審核委員會之本年度主要工作包括(i)審議本集團截至二零一八年十二月三十一日止年度的末期業績;(ii)審議本集團截至二零一九年六月三十日止六個月的中期業績;(iii)審閱二零二零年的內部審核計劃;(iv)審閱舉報政策;(v)向董事會提出續聘外聘核數師之建議供股東批准及審閱其審計費用;及(vi)審閱審核委員會職責範圍。

The Audit Committee meets with the chief financial officer and the Company's external auditor, where applicable to discuss their respective audit findings, the accounting principles and practices adopted by the Group, legal and regulatory compliance, internal control and risk management systems, and financial reporting matters (including the annual financial statements before recommending them to the Board for approval). The Audit Committee also meets with the head of Internal Audit Department separately without the presence of management. The Audit Committee assists the Board in meeting its responsibilities for maintaining an effective risk management and internal control systems. It reviews with the Group's internal audit annual plan together with their resource requirements and considers the report submitted by the head of internal audit department of the Company (the "Internal Audit Department") to the Audit Committee on the results of risk assessment and effectiveness of internal controls in the business operations of the Group.

The attendance record of the Audit Committee members is set out in the heading "Attendance Record of Directors at Meetings held during the Year" on page 52 of this report.

#### **Whistleblowing Policy**

A whistleblowing policy has been adopted on 28 March 2019 for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company.

審核委員會與首席財務官，以及本公司外聘核數師會面，討論各自的審核發現、本集團採納的會計原則及實務、法例及規例的遵守、內部監控和風險管理系統，以及財務報告事項（包括提呈予董事會批核前的全年財務報表）。另外，審核委員會亦會在管理層避席的情況下與內部審核部門主管會面。審核委員會協助董事會達到維持有效的風險管理和內部監控機制之責任。審核委員會與本公司內部審核部門（「內部審核部門」）主管審閱部門的審核年度計劃和所需的資源，並審議由內部審核部門主管就本集團業務營運的風險管理和內部監控成效向審核委員會所提交的報告。

審核委員會成員之出席會議紀錄已列載於本報告第52頁內之「董事於本年度舉行的會議出席紀錄」標題內。

#### **舉報政策**

本公司已於二零一九年三月二十八日採納舉報政策，讓僱員及其他與本公司有往來者（如客戶及供應商）可暗中向審核委員會提出其對任何可能關於本公司的不當事宜的關注。

## **RISK MANAGEMENT AND INTERNAL CONTROL**

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems on an ongoing basis and reviewed their effectiveness by the Audit Committee at least annually with the assistance of the Internal Audit Department. The Group's risk management and internal control systems, are systems of process performed by the Board and management to provide reasonable and not absolute assurance on the effectiveness and efficiency of operations in achieving the established corporate objectives, safeguarding assets of the Group, providing reliable financial reporting, and complying with applicable laws and regulations. The purpose of the risk management and internal control systems is to identify and manage various risks which are categorised as strategic, operational, compliance and financial risks of the Group so as to reduce, mitigate, transfer or avoid them. However, these systems are designed to manage rather than eliminate risk of failure in operational system, and can only provide reasonable but not absolute assurance against material misstatement or loss.

### **Internal Audit**

To comply with the CG Code in relation to the requirements of the establishment of internal audit function and appropriate and effective risk management and internal control systems, the Internal Audit Department is responsible for preparing an annual audit plan with use of appropriate risk-based methodology, evaluating the effectiveness of risk management and internal control processes through a systematic and disciplined approach, reviewing financial, operational and compliance controls and risk management functions, and reporting the findings with recommendations to the Audit Committee. The Audit Committee takes the responsibility to review the effectiveness of risk management and internal control systems, and ensure the internal audit function and its duties in compliance with the CG Code.

The internal audit function is carried out by the Internal Audit Department and its purpose, authority, roles and responsibilities were formalized under internal audit charter adopted by the Audit Committee.

## **風險管理及內部監控**

董事會確認其有責任持續監督本集團風險管理及內部監控系統，而審核委員會在內部審核部門的協助下至少每年一次檢討其成效。本集團風險管理及內部監控系統由董事會及管理層負責執行，藉以合理而非絕對的保證營運效率及有效達致企業目標、保護本集團資產、提供可靠的財務報告，以及遵守適用的法例及規則。風險管理及內部監控系統的目的是為了辨認及管理本集團各類型風險，包括：策略、營運、合規及財務風險，從而減少、減輕、轉移及避免上述風險。然而，該等系統旨在管理而非消除未能維持營運制度之風險，並僅可就重大錯誤陳述或損失提供合理而非絕對保證。

### **內部審核**

為符合《企業管治守則》有關建立內部審核功能和合適及有效的風險管理及內部監控系統之要求，內部審核部門負責根據風險使用適當的方法來準備年度審核計劃，通過有系統及規範的方法評估風險管理和內部監控流程的有效性，檢討財務、營運及合規監控以及風險管理功能，並將檢討結果及建議提交至審核委員會。審核委員會負責審查風險管理及內部監控系統的有效性，以及確定內部審核功能及其職責符合《企業管治守則》。

內部審核功能由內部審核部門負責，其目的、權力、角色及責任確立於由審核委員會通過的內部審核章程內。

Internal Audit Department prepares an annual internal audit plan based on a risk assessment methodology upon the Audit Committee's approval. Internal audit works are carried out pursuant to the approved audit plan. Internal audit reports with audit findings and recommendations are prepared for the Audit Committee's review and discussion from time to time.

### Risk Management

Our risk management process is embedded in our daily operations, financial activities, compliance, strategy development and business planning, investment decision and external factors. The risk management process includes:

#### Risk Identification

- Identifying the risks through department heads and general manager of each business segment
- Identifying the risks that may have a potential to negatively affect the business strategic plan of the Group
- Considering the materiality of the impact of the risk
- Accessing the relevancy to the business strategic plan and the level of potential impact of the delivery of the business strategic plan

#### Risk Analysis

- Conducting a quantity measurement to evaluate the risk level
- Assessing the risk severity according to its level of consequence and the likelihood of the risk event becoming actual event
- Determining the risk severity with reference to the historical data, industry norms and own judgment

#### Risk Evaluation

- Identifying the risks and assess the options available to accept, mitigate or avoid the risks
- Deciding the appropriate response in terms of its effectiveness and establish the priorities

內部審核部門以風險評估法制定年度內部審核計劃，並交由審核委員會批准。內部審核工作乃按經批准之審核計劃進行。內部審核部門將載有審核結果及建議的內部審核報告不定時呈交至審核委員會審閱及討論。

### 風險管理

我們之風險管理過程融入我們日常營運、財務活動、合規、策略發展及業務規劃、投資活動及外部因素。風險管理過程包括：

#### 識別風險

- 由部門主管和各業務分部總經理識別風險
- 識別可能對本集團業務策略計劃有不利影響之風險
- 考慮風險之影響是否重大
- 評估對業務策略計劃之相關程度及對執行業務策略計劃之潛在影響幅度

#### 分析風險

- 對風險程度進行量化分析
- 根據風險之影響程度及風險事件成為真實事件之機會大小，以及評估風險是否嚴重
- 參考過往數據、行業常態及自身判斷，釐定風險的嚴重程度。

#### 評估風險

- 識別風險及評估可供選取之做法，以接受、減少或避免風險
- 決定適當之回應，以效率為準則，然後設立回應風險之次序

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告(續)

#### Risk Treatment

- Selecting the risk treatment options
- Preparing and implementing risk treatment plans and reporting to Audit Committee regularly

#### Internal Control

The internal control system consists of a set of rules, policies and procedures and organizational structures which aims to:

- ensure the corporate strategies are properly implemented;
- achieve effective and efficient corporate processes;
- safeguard the value of corporate assets;
- ensure the reliability and integrity of accounting and management data; and
- ensure the business operations comply with laws, rules, policies and regulations.

#### Review of Risk Management and Internal Control, and Corporate Governance Compliance

The Board, through the Audit Committee, has concluded a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2019, covering all material financial, operational, compliance controls and risk management functions, and therefore considered that such systems were effective and adequate. In addition, it also reviewed the adequacy of resources, staff qualifications and experience of staff and the training programs and budget of the Company's accounting and financial reporting function.

#### 處理風險

- 挑選處理風險的選擇
- 編製及實施處理風險計劃，並定期向審核委員會匯報

#### 內部監控

內部監控系統包含一套規則、政策及程序及組織架構，旨在：

- 確保企業決策妥當執行；
- 達致有效及便捷的企業程序；
- 保障企業資產的價值；
- 確保會計及管理數據的可靠完備；及
- 確保業務經營符合法律、規則、政策及規例。

#### 檢討風險管理及內部監控以及遵守企業管治

董事會已透過審核委員會檢討截至二零一九年十二月三十一日止年度本集團風險管理及內部監控成效，包括所有重大財務、營運、合規監控及風險管理職能，並確認該等系統有效及足夠。此外，審核委員會對本集團在會計及財務匯報職能方面是否有充足的資源、僱員資歷及經驗，以及僱員所接受充足的培訓課程及有關預算亦已作出檢討。

### Procedures for handling and dissemination of inside information

With a view to identifying, handling and disseminating inside information in compliance with the Listing Rules, SFO and other regulatory requirements, the Company has adopted a policy on disclosure of inside information (the "Inside Information Disclosure Policy") to regulate procedures and internal controls in handling of inside information. The Directors and senior management of the Company oblige to take all reasonable measures stipulated in the said policy to ensure that proper safeguards exist to prevent the Company from breaching the statutory disclosure requirement. The Inside Information Disclosure Policy covers the following:

- setting out the processes for identifying, assessing and convening a board meeting to consider and discuss potential inside information;
- setting out the responsibilities of officers in preserving the confidentiality of inside information; and
- identifying who the Company's authorized spokespersons are and their responsibilities for communications with stakeholders of the Company.

The Board considers that the Company's existing measures are effective and appropriate compliance mechanisms to safeguard the Company and its officers in discharging their disclosure obligations in respect of inside information.

### 處理及披露內幕消息的程序

為遵守上市規則、《證券及期貨條例》及其他有關處理及披露內幕消息的監管規定而識別、處理及發佈內幕消息，本公司已採納一套內幕消息披露政策（「內幕消息披露政策」），以規管程序及內部監控處理內幕消息。董事及本公司高級管理人員有責任按該政策採取一切合理措施，以確保有妥善的預防措施，防止違反法定披露之規定。內幕消息披露政策涵蓋以下內容：

- 說明識別、評估及召開董事會考慮及商討潛在的內幕消息之程序；
- 說明高級職員的責任；及
- 識別本公司授權的發言人及列明其與本公司利益相關者溝通的責任。

董事會認為本公司現有措施屬有效及合適的合規機制，足以保障本公司及其高級職員履行內幕消息的披露責任。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告(續)

#### External Auditor's Remuneration

During the year ended 31 December 2019, the fee paid/payable to the external auditor in respect of audit and non-audit services provided by the external auditor to the Group were as follows:

#### 外聘核數師酬金

於截至二零一九年十二月三十一日止年度，有關給予／應給予外聘核數師為本集團提供核數及非核數服務之酬金如下：

		<b>Fee paid/payable</b>
		已付／應付費用
		HK\$'000
		千港元
Services rendered	所提供服務	
Audit services	核數服務	2,648
Non-audit services	非核數服務	17
<hr/>		
Total	合計	2,665

#### RESPONSIBILITY FOR PREPARATION AND REPORTING OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Group in accordance with statutory requirements and applicable accounting and financial reporting standards to enable the presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Directors will subject to statutory requirements and applicable accounting standards, select suitable accounting policies and apply them consistently, make prudent, fair and reasonable judgements and estimates and prepare the financial statements on a going concern basis.

#### 編制及呈報財務報告之責任

董事知悉彼等有責任根據法定要求及適用會計及財務報告準則編制本集團綜合財務報告，以確保綜合財務報表不會因欺詐或錯誤而出現重大錯誤陳述。董事將受制於法定要求及適用之會計準則之基準下，選擇並貫徹運用合適的會計政策、作出審慎、公平及合理之判斷及估算，並按持續經營為基準編制財務報表。

#### COMPANY SECRETARY

Mr. Yeung Yuk Lun resigned as a company secretary of the Company on 17 May 2019. Following the resignation of Mr. Yeung Yuk Lun, Ms. Man Wing Yan remains in office and acts as the sole company secretary of the Company. Ms. Man is a full time employee of the Group and reports to the Chairman and/or Chief Executive Officer. During the year, she has duly complied with the relevant professional training requirement under rule 3.29 of the Listing Rules.

#### 公司秘書

楊毓麟先生於二零一九年五月十七日辭任本公司公司秘書。緊隨楊毓麟先生辭任，文穎茵女士繼續擔任本公司唯一公司秘書。文女士為本集團之全職員工及需向主席及／或向行政總裁匯報。於本年度，彼已遵守上市規則第3.29條有關專業培訓之規定。

## SHAREHOLDERS' RIGHTS

The Company has opportunities to directly communicate with Shareholders at various annual general meetings and other general meetings where Shareholders are encouraged to actively attend. In addition, the Chairman and the chairmen of each of Nomination Committee, Remuneration Committee and Audit Committee were present to answer any Shareholder's questions at the annual general meeting. The auditor had also attended the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

Furthermore, the Company provides information in its annual and interim reports, and announcements. All shareholders' communications are also available on the Company's website at <http://www.cosmel.com>.

### Convening of a general meeting

Pursuant to section 566 of the Companies Ordinance, Shareholder(s) representing at least 5% of the total voting rights of all Shareholders having a right to vote at general meetings can request the directors to call a general meeting. The request must state the general nature of the business to be dealt with at the general meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. Such request must be authenticated by the person(s) making it and sent to the Company at its registered office in hard copy form or in electronic form to [ir@cosmos.com](mailto:ir@cosmos.com) for the attention of the company secretary.

## 股東權利

本公司透過股東周年大會及其他股東大會有機會與股東直接溝通，並鼓勵他們積極參與。另外，於股東周年大會上，主席、提名委員會、薪酬委員會及審核委員會主席，均有出席解答任何股東之提問。而核數師亦有出席股東周年大會以回答有關審計工作、編制核數師報告及其內容、會計政策，以及核數師的獨立性等問題。

此外，本公司在其年報和中期報告，以及公告中提供資料。所有股東的通訊途徑亦會載列於本公司網站<http://www.cosmel.com>。

### 舉行股東大會

根據《公司條例》第566條，佔全體有權在股東大會上表決的股東總表決權的最少5%的股東，可要求董事召開股東大會。該要求須述明有待在有關股東大會上處理的事務的一般性質及可包含可在該股東大會上恰當地動議並擬在股東大會上動議的決議的文本。該要求須經提出要求的人士認證及以印本形式送交本公司註冊辦事處，或以電子形式發送至 [ir@cosmel.com](mailto:ir@cosmel.com)，註明公司秘書收啟。

### **Shareholders' Power to Request Circulation of Statement**

Pursuant to section 580 of the Companies Ordinance, Shareholder(s) representing at least 2.5% of the total voting rights of all Shareholders or at least 50 Shareholders who have a relevant right to vote at a general meeting, may request the Company to circulate to the Shareholders entitled to receive notice of a general meeting, a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution or other business to be dealt with at that meeting. The request (i) must identify the statement to be circulated; (ii) must be authenticated by the person(s) making it; and (iii) may be sent to the Company at its registered office in hard copy form or in electronic form to ir@cosmos.com for the attention of the company secretary at least 7 days before the meeting to which it relates.

### **Procedures for Shareholders to put forward proposals at an annual general meeting**

Pursuant to section 615 of the Companies Ordinance, Shareholder(s) representing at least 2.5% of the total voting rights of all Shareholders of the total voting rights of all Shareholders who have a right to vote on the resolution at annual general meeting or at least 50 shareholders who have a right to vote on the resolution at an annual general meeting to which the request relate, may request the Company to give to the Shareholders notice of a resolution that may properly be moved and is intended to be moved at that meeting. The request (i) must identify the resolution of which notice is to be given; (ii) must be authenticated by the person(s) making it; and (iii) may be sent to the registered office of the Company in hard copy form or in electronic form to ir@cosmel.com for the attention of the company secretary no later than 6 weeks before the annual general meeting; or if later, the time at which notice of the meeting is given.

### **股東有權力傳閱陳述書**

根據《公司條例》第580條，佔全體在股東大會上表決的股東總表決權的最少2.5%的股東或最少50名在股東大會上有相關表決權利的股東，可要求本公司向股東傳閱有待在該股東大會上處理的、某被提出的決議所述的事宜；或其他有待在該股東大會上處理的事務，而字數不多於1,000字的陳述書。該要求(i)須指出將予傳閱的陳述書；(ii)須經所有提出該要求的人認證；及(iii)須在該要求所關乎的股東大會前最少七日以印本形式送交本公司註冊辦事處，或以電子形式發送至ir@cosmel.com註明公司秘書收啟。

### **股東在股東周年大會提呈動議的程序**

根據《公司條例》第615條，佔全體有權在該求所關乎的股東周年大會上表決的股東總表決權的最少2.5%的股東，或最少50名有權在該股東周年大會就決議表決的股東可要求本公司向股東發出關於可在股東周年大會上恰當地動議並在該大會上動議的決議的通知。該要求(i)須指出有待發出通知所關乎的決議；(ii)須經所有提出該要求的人認證；及(iii)須在提呈該要求所關乎的股東周年大會舉行前六個星期之前（如在前述時間之後送抵本公司的話）或有關會議通知發出之時以印本形式送交本公司註冊辦事處，或以電子形式發送至ir@cosmel.com，註明公司秘書收啟。

**Procedure for Shareholders and other stakeholders to send enquiries and concerns to the Board**

Shareholders and other stakeholders are invited to access the Company's website at <http://www.cosmel.com> for up-to-date information of the Company. They are advised to send enquires and concerns to the Board:

- (i) by post at the registered office of the Company situated at 10/F., Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong for the attention of the company secretary; or
- (ii) by email to [ir@cosmos.com](mailto:ir@cosmos.com) for the attention of the company secretary.

The Board has adopted a revised shareholders' communication policy of the Company on 28 March 2019 which is posted on the Company's website. Shareholders and other stakeholders can read the said policy at the Company's website for details.

**DIVIDEND POLICY**

A dividend policy of the Company (the "Dividend Policy") has been adopted by the Board on 28 November 2018. The Dividend Policy sets out the factors in determination of dividend payment of the Company, the frequency and form of dividend payments.

When considering the decision on dividend declaration, the Board will take into account among other things, the following factors:

- (i) financial performance and financial conditions of the Group;
- (ii) cash flows position of the Group;
- (iii) capital requirements for business plans of the Company;
- (iv) investment opportunities available with the Company;
- (v) borrowing capacity of the Company so as to capture any growth opportunities;

**股東及其他持份者向董事會提出查詢與關注的程序**

誠邀股東和其他持份者瀏覽本公司網站 <http://www.cosmel.com>，獲取有關本公司的最新資料。建議股東和其他持份者可將有關對董事會的查詢與關注：

- (i) 郵寄至本公司註冊辦事處，地址為香港九龍長沙灣長裕街10號億京廣場2期10樓，註明公司秘書收啟；或
- (ii) 電郵至 [ir@cosmel.com](mailto:ir@cosmel.com) 並註明公司秘書收啟。

董事會已於二零一九年三月二十八日採納經修訂的本公司之股東通訊政策，並已在本公司網站上發佈。股東及其他持份者可在本公司網站上查閱該政策了解詳情。

**股息政策**

本公司已於二零一八年十一月二十八日獲董事會採納股息政策（「股息政策」）。股息政策載明釐定本公司派付股息的因素、股息支付的次數及形式。

在決定股息宣派時，董事會會考慮以下（其中包括）因素：

- (i) 本集團之財務業績及財務狀況；
- (ii) 本集團之現金流；
- (iii) 本公司業務計劃的資本要求；
- (iv) 本公司的投資機會；
- (v) 本公司的借貸能力以抓住其他增長機會；

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### 企業管治報告(續)

(vi) expected commitment of the research and development on new products and technology; and

(vii) future outlook of the macro economic environment that have an impact on the business or financial performance and position of the Group.

The dividend shall be paid in the form of (i) cash; or (ii) a scrip dividend; or (iii) a combination of partly in (i) and partly in (ii) above.

The Board may declare interim dividends at its absolute discretion in line with the Dividend Policy and may recommend final dividend payable to the Shareholders at its annual general meeting in line with the Dividend Policy, subject to the approval of the Shareholders in the annual general meeting. The Company may recommend a special dividend in special circumstances.

The Dividend Policy would be subject to revision and amendment under the Articles and the Hong Kong law, including the Companies Ordinance and the Listing Rules from time to time.

## CONSTITUTIONAL DOCUMENTS

During the year, there is no significant change in the Company's constitutional documents.

(vi) 預期研發和開發新產品及技術的承諾；及

(vii) 對宏觀經濟之未來展望，對本集團的業務或財務業績及狀況產生之影響。

股息應以(i)現金；或(ii)代息股份；或(iii)部份按上列(i)項與部份按上列(ii)項之組合。

董事會可根據股息政策行使全權的酌情權派發中期股息。經股東於股東周年大會上批准，董事會可符合股息政策建議應付於股東周年大會上的股東末期股息。本公司亦可能會在特殊情況下建議派發特別股息。

股息政策可根據章程細則及香港法律（包括《公司條例》及上市規則）不時作出修改及修訂。

## 組織章程文件

本公司的組織章程文件於年內並無重大變動。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### SCOPE OF THIS REPORT

This Environmental, Social and Governance (ESG) Report (the "Report") elaborates the sustainability-related information and data of the Group during the financial year 2019, mainly covering the headquarters in Hong Kong and Dong Hua Machinery Ltd. in Dongguan ("Dong Hua"). Subject to the development of the Group's operations and ESG data availability, we review the scope of reporting annually. Compared to the reporting scope defined in the previous year, Gainbase Printed Circuit Board Co., Ltd. in Shenzhen is excluded and another company, namely, Cosmos Machinery Technology (Jiangsu) Company Limited in Wuxi ("Cosmos Jiangsu") is included because the latter has more significance to our core operation of machinery manufacturing. Unless specified otherwise, the disclosed information and data in this Report include the annual data from headquarters, Dong Hua and Cosmos Jiangsu in 2019. This Report was prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "ESG Guide") as set out in Appendix 27 to the Listing Rules published by the Stock Exchange.

### Stakeholder Engagement

The Group believes that stakeholder engagement is integral in driving sustainable growth of our operations. We stay connected with our stakeholders through various internal and external communication channels to ensure that our business is responsive to their suggestions, and that we strive to build a trust-based long-term relationship with them.

Any individuals or entities having a significant interest in principal activities of the Group are identified as our stakeholders. The six main stakeholder categories of the Group are: shareholders, employees, customers, suppliers, government and regulators, and banks. Our communication channels with these stakeholders are categorised as follows:

### 報告範圍

本環境、社會及管治報告（「本報告」）載述本集團於二零一九財政年度的可持續發展相關資料和數據，主要關乎香港總部及位於東莞的東華機械有限公司（「東華」）。本集團會因應我們的業務發展和可提供的環境、社會及管治資料，每年檢討報告的匯報範圍。有別於上年度的報告範圍，本報告並無載述位於深圳的深圳邦基線路板有限公司的相關資料，而將另一間位於無錫的大同機械科技（江蘇）有限公司（「江蘇大同」）納入報告範圍，因為後者對集團的機械製造核心業務較為重要。除另行說明外，本報告披露的資料和數據涵蓋總部、東華及江蘇大同於二零一九年的年度數據。本報告是按照聯交所上市規則附錄二十七所載之《環境、社會及管治報告指引》（《環境、社會及管治指引》）擬備。

### 持份者參與

我們深明若要推動業務持續發展，持份者的參與實在不可或缺。我們透過多種內部和外界渠道與持份者溝通，聆聽他們的建議，確保業務可靈活回應各界的需要，致力與持份者建立長遠的互信關係。

所有與本集團主要業務有重大利益關係的個人或團體均是我們的持份者。本集團六個主要持份者組別為股東、僱員、客戶、供應商、政府和監管機構，以及銀行。我們與各持份者的溝通渠道如下：

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

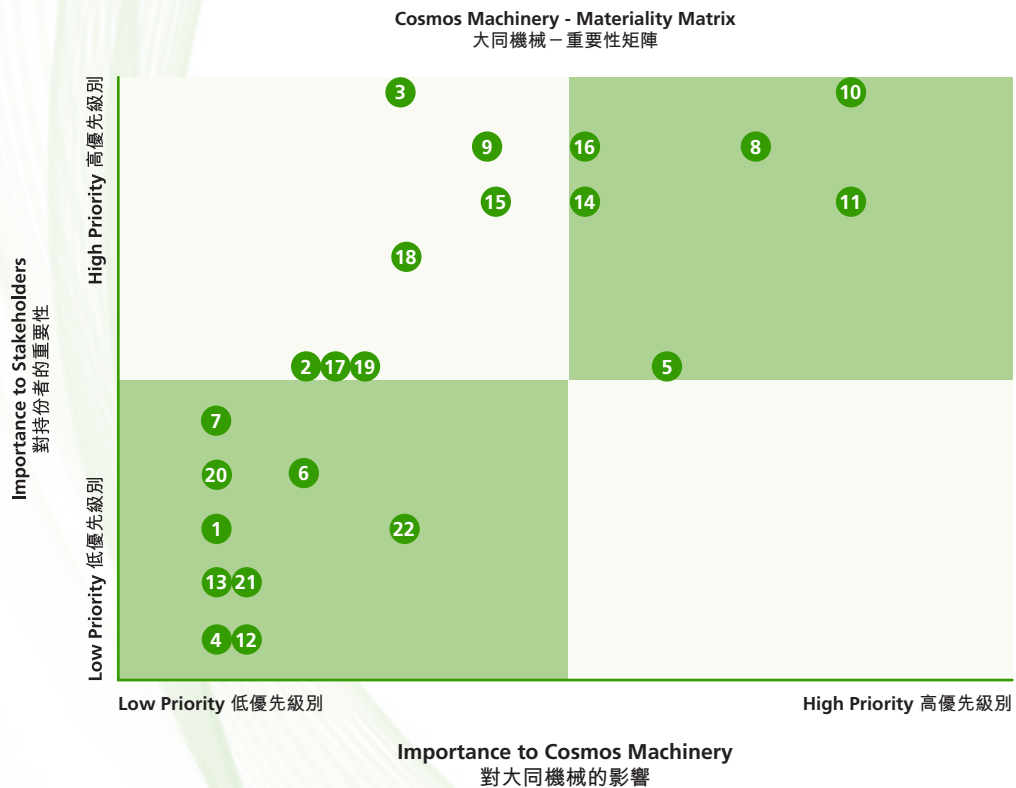
Stakeholder categories 持份者類別	Communication Channels 溝通渠道
Shareholders 股東	Emails, telephone calls and postal correspondence 電郵、電話及郵件 Company's website 本公司網站 Annual general meetings and general meetings 股東周年大會及股東大會 Annual and interim reports 年報及中期報告 Circulars, announcements, notices and publications 通函、公告、通告及公佈 Investor relations enquiries 投資者關係查詢
Employees 僱員	Employee satisfaction surveys 僱員滿意度調查 Annual appraisals 年度評核 Team building activities 團隊合作活動 Company internal notices and communications 公司內部通告及通訊 Annual dinners of the Company and various business units of the Group 本公司及本集團不同業務單位周年晚會
Customers 客戶	Face-to-face meetings and visits 會面及探訪 Day-to-day communications via frontline staff 通過前線僱員的日常溝通 Industry exhibitions 業界展覽 Customer service hotline and email 客戶服務熱線及電郵
Suppliers 供應商	Face-to-face meetings and visits 會面及探訪 On-going direct engagements 持續直接參與
Government and regulators 政府及監管機構	Face-to-face meetings and visits 會面及探訪 Reports and submissions made according to regulatory requirements 按照監管規定發表報告及提交資料
Banks 銀行	Face-to-face meetings and visits 會面及探訪

**Materiality Assessment**

Over the past few years, the Group has conducted a number of stakeholder engagement exercises which helped the Group to determine and prioritise the material topics. In 2019, the Group reviewed the material topics from previous exercises and developed a stakeholder survey that covers potential material topics related to the Group’s businesses and day-to-day operation. A materiality matrix was developed from the results of stakeholder questionnaires. The materiality assessment and prioritisation shown below took two dimensions into account, i.e. the importance of issues to stakeholders and to the Group. Below is the materiality matrix based on the assessment results:

**重要性評估**

過去數年，本集團先後推行多項持份者參與計劃，藉以識別重要議題及擬定優先級別。於二零一九年，我們檢討了根據以往持份者參與計劃擬定的重要議題，並設計持份者調查問卷，就與本集團業務及日常營運相關的潛在重要議題徵詢意見，然後根據持份者問卷製作重要性矩陣。下述的重要性評估和優先級別採用了兩項參考準則，即議題分別對持份者及本集團的重要性。下圖是根據評估結果擬備的重要性矩陣：





**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**

**環境、社會及管治報告(續)**

**Table 1. Material topics disclosed in this Report cross-referenced with ESG Guide aspects**

**表1：本報告披露的重要議題及相應的《環境、社會及管治指引》參考層面**

Aspect 範疇	Level of Materiality 重要性程度	Impact with the Group 對本集團 內的影響	Impact outside the Group 對本集團 外的影響
<b>Environmental 環境</b>			
1. Air pollutants emission 廢氣排放	Low 低		
2. Greenhouse gas emission 溫室氣體排放	Low 低		
3. Hazardous waste 有害廢物	Medium 中		☆
4. Non-hazardous waste 非有害廢物	Low 低		
5. Energy consumption 能源消耗	Medium 中	☆	
6. Water consumption 耗水	Low 低		
7. Packaging consumption 包裝耗材	Low 低		
8. Other impacts on environment 對環境之影響	High 高	☆	☆
<b>Social 社會</b>			
9. Employment 僱傭	High 高	☆	☆
10. Occupational health and safety 職業健康及安全	High 高	☆	☆
11. Vocational training 職業培訓	High 高	☆	☆
12. Child labour 童工	Low 低		
13. Forced labour 強制勞工	Low 低		
<b>Operating practices 營運慣例</b>			
14. Supply chain management 供應鏈管理	High 高	☆	☆
15. Product safety 產品安全	High 高	☆	☆
16. Customer satisfaction 客戶滿意度	High 高	☆	☆
17. Intellectual property issues 知識產權	Low 低		
18. Quality of products 產品質量	Low 低		
19. Data protection and privacy 資料保護和私隱	Low 低		
20. Anti-corruption practices 反貪污	Low 低		
21. Whistle-blowing procedures 舉報程序	Low 低		
<b>Community 社區</b>			
22. Community investment 社區投資	Low 低		

## ENVIRONMENTAL ASPECTS

### General Disclosure

The Group strives to operate in a manner that minimises environmental impacts. We continue to explore methods to reduce our carbon footprint through increasing the efficiency of using natural resources, enhancing the energy performance of our products, increasing waste recovery and recycling rates, and installing emissions control devices. In 2019, there were no incidents of non-compliance with local environmental laws and regulations.

Apart from complying with local environmental legal requirements, we also take extra effort to align with international, national and industry standards, and we have designed internal policies and guidelines that are applicable to our businesses. Making continuous effort in incorporating these internal policies and guidelines into our daily operations, we aim to further enhance energy efficiency and improve our overall environmental performance.

To ensure that we could identify and mitigate environmental risks more effectively, risk analysis reports on how to respond to potential environmental emergencies during manufacturing have been prepared for Dong Hua's manufacturing plant since 2017. Emergency protocols and action plans have also been developed by Dong Hua to address adverse environmental impacts. Additionally, comprehensive environmental impact assessments are carried out for our major construction or expansion projects to minimise environmental impacts caused by our operations.

### Air Emissions Control

Committed to taking responsibility in reducing air emissions, the Group has implemented emissions control measures to reduce emission levels. Dong Hua has installed a Volatile Organic Compound (VOC) purification system which uses active carbon filters, central exhaust systems, water spray devices and UV light purifiers in manufacturing machines to filter associated airborne pollutants and ensure that emissions meet local standards before they are discharged into the atmosphere.

## 環境主要範疇

### 一般披露

本集團致力以環保的方式營運業務，令環境影響減至最低。我們不斷尋求途徑減低對環境影響，透過善用天然資源、優化產品能源效益、提高廢物回收及再造率和安裝控制污染排放的裝置，務求盡量減低碳足印。於二零一九年，我們並無任何不符合當地環保法律及法規的事件。

除了遵守當地環保法規的要求外，我們亦致力符合相關的國際、國家和業界標準，並已制訂與本集團業務相對應的內部政策及指引，同時確保日常營運時貫徹實施，從而不斷提高能源效益和優化集團整體的環保表現。

為確保可識別並有效地應對環境風險，東華的生產廠房自二零一七年開始，就生產過程中可能發生的環境緊急事故擬備風險分析報告，並制訂緊急事故應對規程及行動方案，以盡量減低環境損害。此外，我們展開任何大型建造或擴建工程之前會先進行全面環境影響評估，確保對環境影響減至最低。

### 空氣排放控制

本集團矢志克盡己任減低空氣排放物，為此推行多項排放控制措施降低排放水平。東華已在生產廠房安裝採用活性碳過濾器的揮發性有機化合物(VOC)廢氣處理設施、中央排氣系統、灑水裝置及紅外線淨化器，完善過濾生產過程產生的空氣污染物，在排放前確保廢氣達到營運當地的排污標準。

### Waste management

The Group aims to maximise resource efficiency and to minimise waste generation by every possible means. All useful materials are reused or recycled whenever feasible. We keep track of all materials that are used and sort them out by category. We have also developed a database to better monitor our waste data, which helps us to analyse the recycling rate and develop an effective waste management programme. Further, we strictly follow local waste disposal regulations and engage qualified contractors to handle waste and effluent; whereas recyclables, such as scrap metal, plastics, paper, waste oil and oil-based paint containers, are separated at source for recycling.

In strict compliance with new legal requirements of Mainland China regarding the prevention and control of water pollution released in April 2018, Dong Hua and Cosmos Jiangsu have begun to store liquid effluent which is periodically collected and tested by qualified water effluent contractors.

The Group devotes efforts in waste reduction by implementing waste management measures at all operation sites. Apart from the manufacturing plant, staff from the headquarters are also encouraged to minimise waste generated at the office as part of our "green lifestyle" initiatives. We have put up posters in staff canteens to remind employees to order suitable portions of food and minimise food waste.

### 廢物管理

我們設法提高資源效益，並把握每個機遇減少廢物，所有有用物料均會在可行情況下重用或回收。我們完善記錄所有物料的用量並按類別分析相關數據，藉此掌握我們的廢物產生量，繼而分析廢物回收率，據此構思完善的廢物管理系統。另外，我們亦嚴格遵守營運當地的廢物處置法規，以及聘請合資格承辦商處理廢物和污水，並在源頭分類可回收物料，例如廢金屬、塑膠、紙、廢油及油漆容器等。

中國內地於二零一八年四月頒佈最新的《中國水污染防治法》，東華及江蘇大同嚴格依照相關規定，已定期收集和儲存污水，安排合資格的污水處理承辦商進行檢測。

為將廢物量減至最低，本集團在各營運地點廣泛實施廢物管理措施。除了在生產廠房積極減廢，亦鼓勵總部辦公室的員工養成環保的生活習慣，盡量減少廢物。員工食堂各處均張貼海報，溫馨提示員工點選適當份量的食品，避免浪費食物。

### Energy consumption and efficiency measures

The Group believes that highly energy-efficient machines can increase productivity and further improve cost effectiveness. To this end, we have been using our technological expertise to design and manufacture high quality machineries which would reduce the environmental footprint for our clients. Energy-efficient models include the 393SEc servo energy-saving thin-wall high special injection moulding machine, the 450JSell small-and-medium-size servo-driven two-platen injection moulding machine, and the Ge electric-plus. The Group has been extensively promoting our digital control system "iSee 4.0" with very good response. The system provides real-time data for our clients to monitor the performance of their machines. While providing users with a simple overview of their machine performance, the system also keeps track on production data, stock numbers and related figures to allow our clients to maximise production output.

### Water consumption and recycling

To reduce fresh water consumption, a water recycling system was installed in the industrial paint booth of Dong Hua to lower overall water consumption. During the spray painting process, fresh water is required for paint sludge removal to keep the tanks and pumps of the paint booth clean. The water would be filtered from the wash paint and recycled several times before being replaced. Water saving reminders were posted in kitchens and lavatories to educate employees about reducing water consumption.

### Green Office

Office operations are another focus of the Group's efforts to implement green practices and raise environmental awareness. At our Hong Kong headquarters, we have been introducing the green office guidelines since 2017 to raise environmental awareness among our staff.

### 能源消耗及能源效益措施

我們深明高能源效益的機械有助提升生產力和成本效益，因此不斷鑽研科技，憑藉技術睿智設計及生產優質機械，助客戶減低環境足印。我們製造的高能源效益機器包括393SEc伺服節能薄壁高速專用注塑機、450JSell中小型兩板機注塑機及Ge全電機。本集團近年積極推廣我們的數碼平台及控制系統「iSee 4.0」，客戶反應理想。該系統設有實時監察功能，讓用戶檢測機器的運作效率。系統除透過簡易概覽展示機器的性能表現，還可追蹤生產數據、存貨編數等相關資料，助客戶達到最高的產出水平。

### 耗水量及重用

為節約食水，東華於工業噴漆車間裝設廢水回收系統，藉以減省整體用水量。噴漆工序需要使用食水清洗油漆污垢，以保持噴漆車間的水缸和水泵清潔。新系統可濾除水中的油漆污垢，而淨化水會重用多次才徹底更換。除此之外，工廠內各廚房及廁所亦標貼溫馨提示，提點員工節約用水。

### 環保實踐

辦公室是本集團實踐綠色概念及推廣環保意識的另一重點。香港總部於二零一七年制訂了綠色辦公室指引，旨在加強員工的環保意識。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

Having joined Friends of the Earth Hong Kong's "Green Office Green Month" campaign, we introduced various office-related green practices to reduce unnecessary electricity consumption and set up the Cosmos e-Library to encourage our staff to enjoy reading ebooks in their spare time. The Group has also implemented measures to ensure that resources are fully utilised at our headquarters.

Furthermore, we supported staff's participation in a number of green activities and promoted the benefits of leading a healthy and green lifestyle, including the Red Packet Recycling programme by Greeners Action, mooncake tins recycling programme by Délifrance, WWF's Earth Hour campaign, and "No Air Con Day" by Green Sense. These activities have enhanced the awareness of our staff in protecting the local environment, and they are eager to share what they have learned with their friends and family members.

To further promote an environmentally-responsible lifestyle and the use of sustainable energy, we continued to participate in an indoor cycling competition in 2019. Our team that comprised some employees from the headquarters took part in the challenge by pedalling an electricity-generating kinetic bike.

我們參與了香港地球之友舉辦的「知慳惜電」運動，先後在辦公室推行多項環保措施減少不必要的耗電，同時設立「大同網上圖書館」，鼓勵員工在公餘時間閱讀電子書的好習慣，另亦引入其他措施確保總部的資源得以善用。

我們支持員工熱心參與多項綠色活動，推廣健康樂活的裨益，有關活動包括綠領行動的「利是封回收重用大行動」、Délifrance舉辦的回收月餅罐計劃、世界自然基金會的「地球一小時」和環保觸覺的「無冷氣夜」。同事們不但從活動中認識到保護本地環境的重要性，還樂於與親友分享他們的新知識。

為加強推廣環保的生活方式和提倡可持續能源，我們於二零一九年繼續參加室內單車賽。賽隊由多位總部同事組成，腳踏可發電的動能單車與其他參賽者一較高下。



Konica Minolta Green Concert "Extreme Power Generating Challenge" joined by Hong Kong Headquarter  
香港總部參與「柯尼卡美能達綠色音樂會」暨「格蘭披治單車賽」

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**  
環境、社會及管治報告(續)

This year, we also partnered with the Ocean Park Conservation Foundation (OPCF) to co-organise “We Love Ocean 3000 Flag Day” at our headquarters. Staff volunteers sold flags at the headquarters to raise funds for the OPCF, while grasping the opportunity to raise awareness of protecting aquatic species and support the OPCF’s ocean conservation research programme.

年內，我們與海洋公園保育基金(OPCF)在總部協辦「We Love Ocean 3000賣旗日」。義工同事們在總部賣旗為海洋公園保育基金籌款，並藉此機會提倡保護水生物種和支持海洋公園保育基金的海洋保育研究計劃。



“We Love Ocean 3000 Flag Day” at the Hong Kong office  
在香港總部舉行「We Love Ocean 3000賣旗日」

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

To keep the environment-friendly momentum going and help our offices “go green”, we encouraged the entire workforce to implement the following green measures in 2019:

我們在辦公室持續推廣環保信息，於二零一九年鼓勵全體員工採取下列環保措施：

<p>Electricity 電力</p>	<ul style="list-style-type: none"> <li>Energy saving labels are placed on all electrical appliances and light switches to remind staff to conserve energy. 在所有電器及燈掣貼上節約能源溫馨提示，提點員工節約能源。</li> <li>To reduce energy consumption, all computers are set to auto energy-saving mode. 將電腦設定為自動節能模式，節約用電。</li> <li>Staff are reminded to switch off all lighting, air conditioning and electrical appliances before leaving the workplace. 提醒員工離開工作間時關掉所有電燈、冷氣及電器。</li> <li>Lighting would be switched off during non-business hours, unless for safety and security purposes. 非辦公時間關掉電燈，只在個別範圍基於安全及保安需要亮燈。</li> </ul>
<p>Water 水</p>	<ul style="list-style-type: none"> <li>Water saving labels are in place to remind staff not to leave the tap running in the pantry. 張貼節約用水標籤，提醒員工不要讓茶水間的水龍頭開著。</li> </ul>
<p>Waste 廢物</p>	<ul style="list-style-type: none"> <li>Recycling bins are set up at the office to encourage staff to separate recyclables, such as paper, plastic and metal. 於辦公室擺放回收箱，分類回收廢紙、塑膠及廢金屬等可回收物料。</li> <li>Used envelopes, folders and shopping bags are collected in recycling bins for staff to reuse. 設置回收箱收集舊信封、文件夾及購物袋供員工再用。</li> </ul>
<p>Office Equipment 辦公室設備</p>	<ul style="list-style-type: none"> <li>Staff are encouraged to purchase environment-friendly stationery and office equipment as a priority and not to purchase stationery and office equipment with potential adverse environmental impact. 鼓勵員工優先採購環保文具及辦公室設備，以及不再選購會對環境造成損害的文具及辦公室設備。</li> </ul>
<p>Others 其他</p>	<ul style="list-style-type: none"> <li>To reduce paper consumption, employees are encouraged to adjust document margins and font size before printing, use double-sided copying, and reduce colour printing. 鼓勵員工打印前調校文件邊界及字型大小，採用雙面影印和減少彩色打印，以減少用紙量。</li> <li>The Company's annual report is printed with environment-friendly (wood-free) paper. 採用環保紙品（無木紙品）印製本公司年報。</li> </ul>

### Green Manufacturing

The Group has identified that key environmental impacts caused by its operations are related to energy, air emissions, water and waste management. We are committed to minimising environmental impacts by continuing to apply new technologies and upgrading hardware at our production plants. For instance, Dong Hua has installed provincial motors, inverter air compressors and LED lights, resulting in significant energy savings in the manufacturing process since 2017.

### 環保生產

我們已識別業務營運過程中與能源、空氣排放、水及廢物管理相關的環境影響，並會持續在各生產設施應用各種新科技和進行硬件升級改良，務求將環境影響減至最低。例如，東華早於二零一七年便安裝省電機及變頻空氣壓縮機，以及LED燈具，大幅減低生產流程的能源耗用量。

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**  
環境、社會及管治報告(續)

**Environmental Data Summary**

The Group's major annual resources consumption, emissions and waste generation data are displayed below.

**環境數據一覽**

下表列出本集團的主要資源年度耗用量、排放量及廢物量數據。

**2019 Resources Consumption Data Summary**

**2019年資源耗用量數據摘要**

Description 類別	Units 單位	Amount 數量			Total 總量
		Hong Kong Headquarters 香港總部	Dong Hua 東華	Cosmos Jiangsu 江蘇大同	
Natural gas 天然氣	m <sup>3</sup> 立方米	-	-	53,574.00	53,574.00
Diesel for vehicles 車用柴油	Litres 公升	-	10,297.00	2,850.00	13,147.00
Petrol for vehicles 車用汽油	Litres 公升	5,988.18	5,840.00	2,970.00	14,798.18
Electricity 電	kWh 千瓦時	173,614.00	3,012,950.00	3,586,500.00	6,773,064.00
Total Energy used 總能源使用	GJ 千兆焦耳	833.93	11,447.12	15,208.85	27,489.91
Water 水	m <sup>3</sup> 立方米	253.00	76,115.00	20,100.00	96,468.00
Packaging (plastics) 包裝物(塑膠)	Tonnes 公噸	-	7.77	4.60	12.37



**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**  
**環境、社會及管治報告 (續)**

**2019 Emissions Data Summary**

**2019年污染排放數據摘要**

Item 項目	Description 類別	Units 單位	Amount 數量			Total 總量
			Hong Kong Headquarters 香港總部	Dong Hua 東華	Cosmos Jiangsu 江蘇大同	
Air Emissions 空氣污染物	SOx 硫氧化物	kg 公斤	0.09	0.25	0.09	0.43
	NOx 氮氧化物	kg 公斤	4.90	4.84	5.29	15.03
	PM 顆粒物	kg 公斤	0.36	0.36	0.39	1.11
Greenhouse gas (GHG) emissions 溫室氣體排放	Scope 1 Direct GHG Emissions <sup>1</sup> 範圍一直接溫室氣體排放 <sup>1</sup>	Tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	16.22	43.27	189.87	249.35
	Scope 2 Energy Indirect GHG Emissions <sup>2</sup> 範圍二能源間接溫室氣體 <sup>2</sup>	Tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	88.54	1,536.60	1,829.12	3,454.26
	Scope 3 Other Indirect GHG Emissions <sup>3</sup> 範圍三其他間接溫室氣體 <sup>3</sup>	Tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	25.16	7.42	–	32.58
	Total GHG Emissions 溫室氣體排放總量	Tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	129.92	1,587.30	2,018.98	3,736.20
	Waste water discharge 污水排放	Wastewater 廢水	m <sup>3</sup> 立方米	–	100,000.00	11,000.00

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)  
環境、社會及管治報告(續)

2019 Waste Collection Data Summary

2019年廢物收集數據摘要

Description 類別	Units 單位	Amount 數量			Total 總量	
		Hong Kong Headquarters 香港總部	Dong Hua 東華	Cosmos Jiangsu 江蘇大同		
Hazardous Waste 有害廢物	Waste oil 廢油	Tonne 公噸	–	8.01	1.00	9.01
	Oil containers <sup>4</sup> 油容器 <sup>4</sup>	Pieces 個	–	251	54	305
	Oil paint containers <sup>4</sup> 油漆容器 <sup>4</sup>	Tonne 公噸	–	3.95	0.50	4.45
	Others (e.g. activated carbon and filter, and paint sludge) 其他(如廢過濾棉及活性炭及廢漆渣)	Tonne 公噸	–	–	3.50	3.50
Non-Hazardous Waste 非有害廢物	Metals (e.g. steel, iron, welding slag) 金屬(如鋼、鐵、焊渣等)	Tonne 公噸	–	302.51	490.19	792.70
	Plastics 塑膠	Tonne 公噸	–	6.54	–	6.54
	Paper (e.g. cardboard) 紙張(如紙板等)	Tonne 公噸	–	26.63	–	26.63
	Others (e.g. scrap, wiring, wood, slow moving inventory) 其他(如邊角料、電線、廢木材、 慢流物料等)	Tonne 公噸	–	199.37	21.14	220.51
	Paper Recycled <sup>5</sup> 回收紙品 <sup>5</sup>	Tonne 公噸	0.54	–	–	0.54

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

### 2019 Resources Consumption and Emissions Intensity Data Summary 2019年資源耗用量及污染排放密度數據摘要

Description 類別	Units 單位	Amount 數量
Energy used per sales 平均銷售額計的能源使用量	GJ per million HKD of sales 千兆焦耳，每百萬港元銷售額計	52.93
Water used per sales 平均銷售額計的用水量	m <sup>3</sup> per million HKD of sales 立方米，每百萬港元銷售額計	185.76
Packaging materials (plastics) used per sales 平均銷售額計的包裝物(塑膠)用量	Tonnes per million HKD of sales 公噸，每百萬港元銷售額計	0.02
Scope 1 Direct GHG Emissions per sales 平均銷售額計的範圍一直接溫室氣體排放量	Tonnes of CO <sub>2</sub> e per million HKD of sales 公噸二氧化碳當量，每百萬港元銷售額計	0.48
Scope 2 Energy Indirect GHG Emissions per sales 平均銷售額計的範圍二能源間接溫室氣體排放量	Tonnes of CO <sub>2</sub> e per million HKD of sales 公噸二氧化碳當量，每百萬港元銷售額計	6.65
Scope 3 Other Indirect GHG Emissions per sales 平均銷售額計的範圍三其他間接溫室氣體排放量	Tonnes of CO <sub>2</sub> e per million HKD of sales 公噸二氧化碳當量，每百萬港元銷售額計	0.06
Total GHG emissions per sales 平均銷售額計的溫室氣體排放總量	Tonnes of CO <sub>2</sub> e per million HKD of sales 公噸二氧化碳當量，每百萬港元銷售額計	7.19
Total hazardous waste per sales <sup>5</sup> 平均銷售額計的有害廢物總量 <sup>5</sup>	Tonne per million HKD of sales 公噸，每百萬港元銷售額計	0.03
Total non-hazardous waste per sales 平均銷售額計的非有害廢物總量	Tonne per million HKD of sales 公噸，每百萬港元銷售額計	2.02

Notes:

註:

- |  |   |
|--|---|
| <p>1. Scope 1 direct GHG emissions caused by the natural gas consumption were calculated with reference to emission factors stated in the China Greenhouse Gas Emissions Accounting Method and Reporting Guide for Machinery Equipment Manufacturing Corporations.</p> | <p>1. 範圍一直接溫室氣體排放量內有關因耗用天然氣所釋出的排放量參照《中國機械設備製造企業溫室氣體排放核算方法與報告指南(試行)》的排放系數計算。</p> |
| <p>2. Scope 2 energy indirect GHG emissions were calculated with reference to emissions factor stated in the CLP 2018 Sustainability Report.</p>   | <p>2. 範圍二能源間接溫室氣體排放量乃參照《中電2018可持續發展報告》列載的排放系數計算。</p>                            |
| <p>3. Scope 3 other indirect GHG emissions were calculated with reference to ICAO emission factors.</p>  | <p>3. 範圍三其他間接溫室氣體排放量參照國際民航組織的排放系數計算。</p>  |
| <p>4. Oil containers and oil paint containers may contain hazardous contents.</p>  | <p>4. 油容器及油漆容器或含有害物質。</p>   |
| <p>5. Most of the hazardous waste were available in tonnes, apart from oil containers, which was excluded in the calculation.</p>  | <p>5. 該數量並沒有包括油容器量，因該廢物的計算單位有別於其他廢物的計算單位。</p>                                   |

## SOCIAL ASPECTS

### General Disclosure

Our philosophy of being “people-orientated, pragmatic and continuously learning” is the key of maintaining a highly-efficient workforce with caring internal relationship. Apart from providing a pleasant and safe working environment for our employees, we also strive to attract the best talents to support our sustainable growth. As a responsible manufacturer, we aim to manage our supply chain in a socially responsible manner, and we ensure that our suppliers adhere to the Group’s sustainable business practices. The Group not only focuses its efforts in minimising environmental impacts, but also constantly looks for ways to foster a caring community. We are proud to have received the Caring Company Logo from the Hong Kong Council of Social Service for over ten consecutive years.

The Group respects human rights and complies with all local labour laws as well as local workplace and social standards. We have established a code of conduct for our employees to ensure the integrity and governance of our operations, while maintaining a high standard of professional conduct. We do not tolerate any form of corruption, forced labour, child labour, or sexual harassment anywhere in our operations. We offer equal opportunities to all qualified applicants and staff members, and refrain from any type of discrimination.

To facilitate effective communication between our staff and the Group’s management, we encourage employees to voice their opinions freely through various communication channels and to seek assistance through formal mechanisms in case of grievance. Any opinions received through these channels will be handled confidentially. We strictly abide by local laws and regulations of the regions where we operate, and observe the industry’s employment practices. During the reporting period, no legal cases were reported regarding our labour practices or market operations or regarding any issues related to product responsibility.

## 社會主要範疇

### 一般披露

我們秉承「以人為本，務實進取，持續學習」的企業價值觀，確保集團擁有效率超卓的團隊，同事之間互相關懷扶持。我們除了為員工提供安全宜人的工作環境，也致力吸納能幹的人才，以承輔本集團長遠發展。我們作為負責任的製造商，矢志保障社會的福祉，透過積極管理供應鏈，確保供應商嚴格遵守本集團的可持續發展業務守則。我們一方面致力紓減環境影響，另一方面倡導社會各界關懷互助。本集團很榮幸連續十多年獲香港社會服務聯會授予「商界展關懷標誌」。

本集團尊重人權和遵守業務當地有關勞工、工作場所及社會的法律和標準。我們堅決維護誠信及達到卓越的業務管治水平，特此制訂全體員工均須遵守的行為守則，同時恪守崇高的專業操守。本集團堅決反對旗下任何業務出現任何形式的貪污舞弊、強迫勞工、童工或性騷擾，並對所有合資格的應徵者和員工一視同仁，確保人人享有平等機會，杜絕任何形式的歧視。

為促進員工與本集團管理層之間的溝通，我們鼓勵員工採用多種溝通渠道表達意見和透過正式的申訴機制尋求援助，員工通過此等渠道提出的意見均會保密。我們嚴格遵守業務所在地區的勞工法律及規例，同時採用業界的僱傭成規。於匯報期內，並無任何有關勞工待遇、市場營運或產品責任等相關事宜的訴訟。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

#### Employment and Welfare

To build a motivated workforce, the Group offers competitive remuneration and benefits. We conduct an annual performance-based appraisal to assess the work performance and leadership skills of our staff at different levels. This appraisal is also used as a reference for adjusting remuneration and bonuses accordingly. We ensure that our staff benefits comply with local legal requirements. Apart from medical insurance, provident fund and pension contributions, we also offer employees various leave entitlements, including annual leave, marriage leave, maternity and paternity leave, bereavement leave, examination leave and injury leave.

The Group has been promoting healthy work-life balance to our staff. In 2019, we continued to organise a range of social activities for employees, including birthday parties, Father's Day and Mother's Day celebrations, and other festive celebrations. Dong Hua has also specially arranged a trip to celebrate Women's Day on 8 March 2019, where the employees enjoyed a day out at the Dongkeng Agriculture Garden. Through a guided tour, participants learnt more about the health benefits of different Chinese herbs and the use of herbs in various treatments for specific health conditions.

#### 僱傭及福利

我們提供具競爭力的薪酬及福利延聘人才，用心建立充滿熱誠的優秀團隊。我們設有以表現為本的年度評估制度，定期評核不同職級員工的職能和領導能力，以此作依據相應地調整薪酬及獎金。我們確保員工福利符合營運當地的法定要求，員工除享有醫療保險、公積金及退休金外，亦可享有多種休假，包括年假、婚假、產假及侍產假、喪假、考試休假及工傷假。

本集團致力提倡作息平衡的健康生活。於二零一九年，我們繼續舉辦多元化的員工聯誼活動，包括生日會、父親節和母親節及其他節慶活動。在二零一九年三月八日婦女節，東華安排了一次導賞遊感謝員工辛勤工作，同事們暢遊東坑農業園石斛基地，認識各類中國草藥的食療功效，以及如何用草藥防治疾病。



Dong Hua Women's Day Trip  
東華婦女節春遊

We believe such wide variety of leisure events would help strengthen staff relationships, as well as maintaining healthy work-life balance. In order to attract employees with different talents and interests to participate in our activities, we participated many forms of sports activities, such as football games, running, and sports fairs. In 2019, Dong Hua representatives participated in the 2019 Worker Sports Fair and snooker tournament organised by our staff association.

### Workplace Health and Safety

Workplace health and safety is always our first priority. The Group directs great effort in building a robust culture of health and safety for all our staff. Policies and guidelines for safety equipment, occupational hygiene and prevention of occupational diseases are well established for all manufacturing facilities in Mainland China to ensure all employees understand the importance of maintaining workplace safety. A Safety Production Committee made up of safety officers has been put in charge of monitoring and managing safety initiatives and preventing workplace accidents. We conduct health and safety training regularly, covering topics such as first aid, handling hazardous chemicals and production safety. In addition, compulsory emergency fire drills and site inspections are conducted for employees at all levels on a regular basis.

We do our utmost to provide an accident-free workplace for employees. Dong Hua has established a comprehensive Prevention of Occupational Diseases Policy under which on-site safety officers were appointed to conduct daily safety patrol and generate weekly follow-up reports on safety issues identified and corrective measures taken. The implementation of these safety measures have been providing positive results, as the number of work-related injuries and lost days have significantly decreased in the last two years.

As an industry leader of machinery manufacturing, we strive to uphold the latest occupational safety laws and regulations. Apart from providing intensive training programmes for employees, we have also arranged complimentary annual health screening for different levels of staff in Dongguan to ensure the health and well-being of our workers.

我們也致力安排各類消閑活動，維繫員工關係之餘也可促進作息平衡增進身心健康。我們分別參與多種康體活動，例如足球比賽、健步跑和運動會等，務求迎合員工多元化的體育天份與興趣。二零一九年，東華派出代表參加職工趣味運動會及本集團員工協會舉辦的桌球錦標賽。

### 工作間健康與安全

本集團非常重視工作間健康與安全，矢志倡導全體員工培育職安健文化。我們位於中國內地的工廠均已制訂安全設備、職業衛生及預防職業病的相關政策和指引，確保全體員工清晰了解務必維持工作間安全。我們設有由安全管理人員組成的安全生產委員會，專責監察和管理安全措施及防範工傷意外。我們定期舉辦健康與安全培訓課程，涵蓋急救、處理有害化學物質及安全生產等課題，此外亦不時進行強制性緊急火警演習和工地巡查，所有職級的員工均須參與。

我們竭盡所能達致工作間零意外。東華已制定詳盡的「職業疾病防範政策」，指派駐廠安全主任每日進行安全巡查，並且每周編製跟進報告，列述巡查發現的安全問題和相關糾正措施。上述安全措施的成效令人鼓舞，過去兩年的工傷宗數及損失工作日均大幅減少。

本集團作為機械製造業的翹楚，時刻緊貼和遵從最新的職業安全法規。除為員工提供深造培訓外，我們亦每年為東莞工作的各職級員工提供免費體檢，確保同事們身心健康。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

In order to enhance Group-wide productivity and competitiveness, staff at the headquarters were encouraged to participate in the “Joyful@ Healthy Workplace” programme in 2019. Co-organised by the Occupational Safety and Health Council, the Department of Health and the Labour Department, the programme aimed to reinforce the concept of healthy eating at workplace, promote physical activities to our employees, and help employees manage their mental wellbeing.

#### Staff Development

In terms of staff development, the Group arranges various internal and external training programmes for staff at all levels, encouraging them to enhance their professional skills and knowledge for each particular role. To support continuous growth of the Group, we have offered work skill training courses at Dong Hua, such as cleaner production, effective assembly, injection moulding machine installation and operation, etc.

As an industry leader, we aim to stay ahead of the industry trend and ensure that our staff are equipped with an excellence skill set. In 2019, staff were encouraged to take part in the Dongguan Electrician Competition, and ten of our electricians from Dong Hua took up the challenge of testing their electrical skill set through a competition with other electricians of the industry. This event gave our electricians the opportunity to better understand the latest industry standards and technology.

#### Product Quality

It is our priority to improve product quality along the entire value chain, from sourcing right through to manufacturing and sales. Our manufacturing units ensure that both raw materials and finished products meet international standards, such as the “Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS)” and halogen-free requirements defined by the International Electrochemical Commission (IEC). This effort is complemented by the Quality Department which conducts regular quality checks and monitoring to ensure our products are up to the highest standards. To strengthen our after-sales management, satisfaction surveys are conducted and product recalls would be arranged if any product defects were identified.

二零一九年，我們積極鼓勵總部的員工參加「好心情@健康工作間」計劃，藉此提升集團整體的生產力和競爭優勢。該計劃由職業安全健康局、衛生署及勞工處合辦，旨在倡導員工注重健康飲食和體能活動，指引他們維護心理健康。

#### 員工發展

為促進員工發展，本集團安排各級員工參加公司內部及外界組織的培訓計劃，藉此提升員工的專業技能和知識，協助他們在事業上發展。我們在東華推出多個工作技能培訓課程，課題包括清潔生產、完善裝配流程、注塑機安裝及操作等，以支持本集團茁壯發展。

作為業界的領先企業，我們矢志在業內創領潮流，並確保員工具備最精進的專業技能。於二零一九年，我們鼓勵員工參與東莞電工技能競賽，東華派出十位電工接受挑戰，與其他同業電工比拼。透過這次參賽，本集團的電工可更透徹了解最新的業界標準和技術。

#### 產品質素

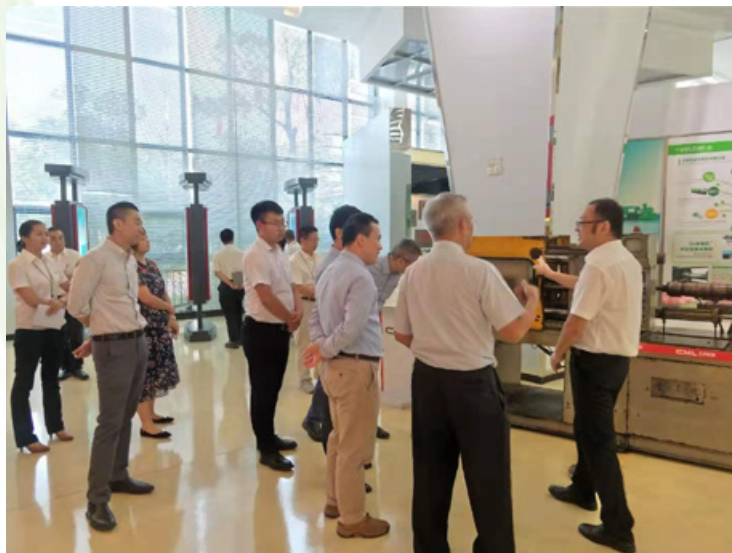
審視整個價值鏈從採購到製造及銷售，本集團視產品的品質為優先要項。所有製造單位均會盡力確保原材料及產品達到嚴格的國際標準，例如：歐盟有關「限制電器及電子設備使用有害物質指令」(RoHS指令)和國際電工化學委員會(IEC)的不含鹵素規定。我們設有品質部，專責定期執行產品品質審查和監察，保證產品達到最佳標準。為加強管理售後服務，我們進行了多次客戶滿意度調查，如發現任何產品瑕疵則會安排回收產品。

In addition, our manufacturing sites have demonstrated a firm commitment to providing high-quality products through implementing recognised quality control management systems, such as ISO 9001.

The development of the Guangdong-Hong Kong-Macao Greater Bay Area (Greater Bay Area) is one of the key strategic directions of the PRC. Accordingly, the Group has taken the opportunity to expand its market exposure in that area. A number of government officials and postgraduates from Tsinghua University were invited to visit our Dong Hua manufacturing plant where we exchanged ideas on the manufacturing industry's development within the Greater Bay Area. During the tour, we introduced to our guests our quality control system and the innovative technology adopted for manufacturing, as well as the in-house developed "iSee 4.0" digital platform. In return, our guests shared their observations on the evolving market trend, technology development and challenges that were identified within the industry. This visit provided us with valuable insights into improving the overall manufacturing process and strengthening our quality control system.

此外，我們的生產設施均已實施ISO 9001等符合國際標準的品質管理體系，充分體現我們對優質產品的不懈堅持。

發展粵港澳大灣區（「大灣區」）是中國重大策略的方向之一。正因如此，本集團把握機遇在區內擴展市場。年內，我們邀請多位政府官員和清華大學研究生到東華生產廠房參觀，就大灣區製造業的發展交流意見。我們在參觀行程中向來賓介紹本集團的品質管理系統、創新生產技術和自主研發的「iSee 4.0」數碼平台，來賓則分享他們的心得，與我們交流有關未來市場趨勢的資訊、技術發展及業界將面對的挑戰。是次參觀活動讓我們獲益良多，有助我們優化整個生產流程和加強品質管理體系。



Plant tour for government officials and postgraduates of Tsinghua  
政府官員及清華大學研究生參觀工廠



**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**  
環境、社會及管治報告(續)

**Number of Suppliers by Geographical Region in 2019**

**2019年按地區劃分的供應商數目**

<b>Location 地點</b>	<b>Quantity 數量</b>
Hong Kong 香港	22
Mainland China 中國內地	418

**Supply Chain Management**

We have been working closely with our suppliers to ensure that social and environmental considerations are taken into account throughout our sourcing activities. We review our supply chain management policies and green procurement guidelines regularly, and conduct periodic assessment of suppliers' performance. Any breach of supplier agreements may lead to legal action in accordance with our corporate policies.

To establish a good procurement practice, we monitor suppliers' quality and their social and environmental performance. We conduct examination at every stage of the manufacturing process to ensure our suppliers and the materials they provide comply with local laws and regulations. Corrective actions will be implemented in a timely manner if any product safety concerns are raised or any violations of product declaration and labelling, human rights, customer privacy protection, anti-corruption and intellectual property rights are identified.

**供應鏈管理**

本集團一直與供應商緊密合作，確保在採購過程中全面考慮社會及環保因素。我們不時檢討供應鏈管理政策和環保採購指引，同時定期評估供應商的表現，如發現任何違反供應商規範的事件，則會按照本集團的政策考慮採取法律行動。

為建立良好的採購實務守則，我們嚴謹地監察供應商的質素和社會及環境表現，並在生產過程中每個階段進行查驗，確保供應商及其提供的物料符合當地法規的要求。如發現任何產品安全問題或違反產品申報與標籤、人權、保障客戶私隱、反貪污及知識產權的事件，即會立刻採取糾正措施。

### Caring for the Community

The Group actively promotes and participates in community activities to contribute to developing a caring community. A staff volunteer team has been established to take part in charitable events regularly and gather donations and supplies for people in need. In 2019, our staff volunteer team from headquarters raised and donated around HK\$30,000 to support local charitable services. We also participated in various community activities, such as Skip Lunch Day organised by The Community Chest, and Happy Easter fund raising for Lok Sin Tong, to support local community and social services.

### 關懷社區

我們熱心推廣及參與社區計劃，推動社群關懷互愛的文化。我們的員工組成義工隊積極參與各類慈善活動，並為有需要的人士籌募善款和物資。二零一九年，總部的義工隊籌募和捐助約30,000港元支持多間本地慈善機構。此外，本集團亦熱心參與各類社福活動，例如公益行善「折」食日及樂善堂主辦的關愛社會甜YEAH YEAH的籌款活動，為本地的社福服務出一分力。



Happy Easter fund raising at our Hong Kong office in support of Lok Sin Tong  
香港辦公室舉行復活節籌款活動支持樂善堂

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**

環境、社會及管治報告(續)

**Social Data Summary**

The Group's major annual social performance data are presented in the following tables.

**社會數據一覽**

下表列出本集團的主要社會表現數據。

**Total Staff Head Count as of 31 December 2019 and 2019 Annual Staff Turnover**

於2019年12月31日員工總人數及2019年度員工流失率

Category 類別	Description 說明	Staff Headcount 員工人數	Annual Turnover 年度流失人數
Gender 性別	Female 女性	87	19
	Male 男性	422	163
Rank 職級	Senior Level 高級人員	21	3
	Middle Level 中級人員	53	3
	General Staff 一般職級人員	435	176
Age 年齡	Under 30 30歲以下	72	43
	30-50 30-50歲	329	114
	Over 50 50歲以上	108	25
Geographic Region 地區	Hong Kong 香港	32	5
	Mainland China 中國內地	477	177

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)  
環境、社會及管治報告(續)

Workplace Health and Safety Performance Summary

工作間健康與安全績效摘要

Workplace Health and Safety Performance 工作間健康與安全績效	2019 2019年
Number of work-related fatalities 與作業相關的致命意外宗數	–
Number of work-related injuries 與作業相關的工傷宗數	3
Days lost due to injury 因工傷損失工作日數	275

Total and Average Training Hours Per Staff Member in 2019 2019年每名員工總培訓時數及人均培訓時數

Category 類別	Description 說明	Total Training Hours 總培訓時數	Average Training Hours Per Employee 人均培訓時數
Rank 職級	Senior Level 高級人員	144.75	6.89
	Middle Level 中級人員	571.25	10.78
	General Staff 一般職級人員	7,385.00	16.98

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

環境、社會及管治報告(續)

### HKEX ESG REPORTING GUIDE CONTENT INDEX TABLE

聯交所《環境、社會及管治報告指引》報告內容索引表

General Disclosures and KPIs 一般披露及關鍵績效指標	Description 描述	Reference Chapters 參照章節	Page No. 頁	Remarks 附註
Aspect A1: Emissions 層面1: A1排放物				
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.  有關廢氣及溫室氣體排放、向水及土地的排污、有害及非有害廢棄物的產生等的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Environmental Aspects 環境主要範疇 – General Disclosure 一般披露 – Green Office 環保實踐 – Green Manufacturing 環保生產	73, 75-78	
KPI A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Environmental Data Summary 環境數據一覽	79-82	Restatement of PM emission in 2018 to be 0.47kg 重新列述2018年顆粒物為0.47公斤
KPI A1.2	Greenhouse gas emissions in total and intensity. 溫室氣體總排放量及密度。	Environmental Data Summary 環境數據一覽	79-82	
KPI A1.3	Total hazardous waste produced and intensity. 所產生有害廢棄物總量及密度。	Environmental Data Summary 環境數據一覽	79-82	
KPI A1.4	Total non-hazardous waste produced and intensity. 所產生非有害廢棄物總量及密度。	Environmental Data Summary 環境數據一覽	79-82	
KPI A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Green Manufacturing 環保生產	78	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及非有害廢棄物的方法、減低產生量的措施及所得成果。	Green Manufacturing 環保生產	78	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)  
環境、社會及管治報告(續)

General Disclosures and KPIs				
一般披露及關鍵績效指標	Description 描述	Reference Chapters 參照章節	Page No. 頁	Remarks 附註
Aspect A2: Use of Resources 層面A2：資源使用				
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	Environmental Aspects 環境主要範疇 – General Disclosure 一般披露 – Green Office 環保實踐 – Green Manufacturing 環保生產	73, 75-78	
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及/或間接能源總耗量及密度。	Environmental Data Summary 環境數據一覽	79 & 82	
KPI A2.2	Water consumption in total and intensity. 總耗水量及密度。	Environmental Data Summary 環境數據一覽	79 & 82	
KPI A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	– Green Office 環保實踐 – Green Manufacturing 環保生產	75-78	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題, 以及提升用水效益計劃及所得成果。	– Green Office 環保實踐 – Green Manufacturing 環保生產	75-78	
KPI A2.5	Total packaging material used for finished products and with reference to per unit produced. 製成品所用包裝材料的總數量及每生產單位估量。	Environmental Data Summary 環境數據一覽	79 & 82	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

General Disclosures and KPIs				
一般披露及關鍵績效指標	Description 描述	Reference Chapters 參照章節	Page No. 頁	Remarks 附註
<b>Aspect A3: The Environment and Natural Resources</b>				
層面A3: 環境及天然資源				
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。	Environmental Aspects 環境主要範疇 – General Disclosure 一般披露 – Green Office 環保實踐 – Green Manufacturing 環保生產	73, 75-78	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Green Office 環保實踐 Green Manufacturing 環保生產	75-78	
<b>Aspect B1: Employment</b>				
層面B1: 僱傭				
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的: (a) 政策; 及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Social Aspects 社會主要範疇 – General Disclosure 一般披露 – Employment and Welfare 僱傭及福利	83-85	
KPI B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Social Data Summary 社會數據一覽	90	
KPI B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Social Data Summary 社會數據一覽	90	

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**  
環境、社會及管治報告(續)

General Disclosures and KPIs				
一般披露及 關鍵績效指標	Description 描述	Reference Chapters 參照章節	Page No. 頁	Remarks 附註
Aspect B2: Health and Safety 層面B2：健康與安全				
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 有關提供安全工作環境及保障僱員避免職業性危害的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Social Aspects 社會主要範疇 – General Disclosure 一般披露 – Workplace Health and Safety 工作間健康與安全	83 & 85-86	
KPI B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Social Data Summary 社會數據一覽	91	
KPI B2.2	Lost days due to work injury. 因工傷損失工作日數。	Social Data Summary 社會數據一覽	91	
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Workplace Health and Safety 工作間健康與安全	85-86	
Aspect B3: Development and Training 層面B3：發展及培訓				
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Social Aspects 社會主要範疇 – General Disclosure 一般披露 – Staff Development 員工發展	83 & 86	
KPI A3.1	The percentage of employees trained by employee category. 按僱員類別劃分的受訓僱員百分比。	Social Data Summary 社會數據一覽	91	
KPI A3.2	The average training hours completed per employee by employee category. 按僱員類別劃分，每名僱員完成受訓的平均時數。	Social Data Summary 社會數據一覽	91	



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### 環境、社會及管治報告(續)

General Disclosures and KPIs				
一般披露及 關鍵績效指標	Description 描述	Reference Chapters 參照章節	Page No. 頁	Remarks 附註
<b>Aspect B4: Labour Standards</b> 層面B4：勞工準則				
General Disclosure 一般披露	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.  有關防止童工或強制勞工的： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例的資料。	Social Aspects 社會主要範疇 – General Disclosure 一般披露 – Employment and Welfare 僱傭及福利	83-85	
KPI A4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Employment and Welfare 僱傭及福利	84-85	
KPI A4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Employment and Welfare 僱傭及福利	84-85	
<b>Aspect B5: Supply Chain Management</b> 層面B5：供應鏈管理				
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	Social Aspects 社會主要範疇 – General Disclosure 一般披露 – Supply Chain Management 供應鏈管理	83 & 88	
KPI A5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Supply Chain Management 供應鏈管理	88	
KPI A5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例、向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Supply Chain Management 供應鏈管理	88	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)  
環境、社會及管治報告(續)

General Disclosures and KPIs				
一般披露及 關鍵績效指標	Description 描述	Reference Chapters 參照章節	Page No. 頁	Remarks 附註
<b>Aspect B6: Product Responsibility</b> 層面B6：產品責任				
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p> <p>有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>Social Aspects 社會主要範疇</p> <p>– General Disclosure 一般披露</p> <p>– Product Quality 產品質素</p>	83, 86-87	
<b>Aspect B7: Anti-corruption</b> 層面B7：反貪污				
General Disclosure 一般披露	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p> <p>有關防止賄賂、勒索、欺詐及洗黑錢的：</p> <p>(a) 政策；及</p> <p>(b) 遵守對發行人有重大影響的相關法律及規例的資料。</p>	<p>Social Aspects 社會主要範疇</p> <p>– General Disclosure 一般披露</p> <p>– Supply Chain Management 供應鏈管理</p>	83 & 88	
KPI A7.1	<p>Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.</p> <p>於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。</p>	<p>General Disclosure 一般披露</p>	83	

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)**

**環境、社會及管治報告 (續)**

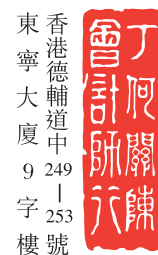
<b>General Disclosures and KPIs</b>				
<b>一般披露及關鍵績效指標</b>	<b>Description</b> 描述	<b>Reference Chapters</b> 參照章節	<b>Page No.</b> 頁	<b>Remarks</b> 附註
<b>Aspect B8: Community Investment</b>				
<b>層面B8：社區投資</b>				
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	Social Aspects 社會主要範疇 – General Disclosure 一般披露 – Caring for the Community 關懷社區	83 & 89	
KPI A8.1	Focus areas of contribution. 專注貢獻範疇。	Caring for the Community 關懷社區	89	
KPI A8.2	Resources contributed to the focus area. 在專注範疇所動用資源。	Caring for the Community 關懷社區	89	

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### TING HO KWAN & CHAN CERTIFIED PUBLIC ACCOUNTANTS (PRACTISING)

9th Floor, Tung Ning Building  
249-253 Des Voeux Road Central  
Hong Kong



**TO THE MEMBERS OF COSMOS MACHINERY ENTERPRISES LIMITED**  
*(incorporated in Hong Kong with limited liability)*

### OPINION

We have audited the consolidated financial statements of Cosmos Machinery Enterprises Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 106 to 284, which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### BASIS FOR OPINION

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

**致大同機械企業有限公司股東**  
*(於香港註冊成立之有限公司)*

### 意見

本核數師(以下簡稱「我們」)已審計列載於第106至284頁大同機械企業有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一九年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的《香港財務報告準則》(「《香港財務報告準則》」)真實而公平地反映貴集團於二零一九年十二月三十一日的綜合財務狀況及截至該日止年度貴集團的綜合財務表現及其綜合現金流量,並已遵照香港《公司條例》妥為編製。

### 意見基礎

我們已根據香港會計師公會頒佈的《香港審計準則》(「《香港審計準則》」)進行審核。我們在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表的責任」部分中作進一步闡述。根據香港會計師公會的《專業會計師道德守則》(「守則」),我們獨立於貴集團,並已遵循守則履行其他道德責任。我們相信,我們所獲得的審核憑證足夠及能適當地為我們的意見提供基礎。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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

### 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。該等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。我們不會對該等事項提供單獨的意見。

#### Key Audit Matters

##### 關鍵審計事項

#### Impairment of goodwill

Refer to note 19 to the Group consolidated financial statements.

請參閱貴集團綜合財務報表附註19。

The Group has goodwill of HK\$53,483,000 relating to the acquisition of KFE Hong Kong Co., Limited in 2013 which is engaged in trading of printed circuit board.

貴集團就於二零一三年收購協榮二葉科技香港有限公司(其從事線路板貿易)，產生商譽金額為53,483,000港元。

Management has concluded that there is no impairment in respect of the goodwill. This conclusion was based on an estimation of the value in use of the cash-generating units ("CGU") to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and to determine a suitable discount rate in order to calculate its present value. Key assumptions for the value in use calculation are future cash flow forecast, growth rate and discount rate, where small changes of them can result in a significant change in the value in use.

管理層認為並無有關商譽的減值。該結論乃根據對獲分配商譽的現金產生單位(「現金產生單位」)使用價值的估計而作出。計算使用價值時，貴集團須估計預期自現金產生單位產生的未來現金流及釐定合適的貼現率以計算現值。計算使用價值的主要假設為未來現金流預測、增長率及貼現率，若該等項目出現小變動，可對使用價值構成重大變動。

The impairment assessment involves significant judgements made by management and therefore is identified as a key audit matter.

減值評估涉及管理層作出的重大判斷，因此被識別為關鍵審計事項。

#### How our audit addressed the key audit matters

##### 我們的審核如何處理關鍵審核事項

#### 商譽減值

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

我們就管理層之減值評估之程序包括：

- Obtaining the cash flow forecast prepared by management, reviewed and discussed with management on the major assumptions adopted in the cash flow forecast for each CGU and checked arithmetic accuracy of the forecast calculation.  
取得管理層編製的現金流預測，與管理層審閱及討論有關現金流預測就各個現金產生單位採用的主要假設，並檢查計算預測的運算是否準確。
- Comparing the growth rate, budgeted sales and gross margin to historical results to determine the reasonableness of the assumptions.  
將增長率、預算銷售及毛利率與過往業績作比較，以確定假設是否合理。
- Assessing the discount rate used by management in the cash flow forecast by benchmarking against the required rate of return adjusted for industrial specific factors.  
以行業特定因素調整的所需回報率為基準，對管理層於現金流預測中所用的貼現率作出評估。
- Reviewing the sensitivity analysis prepared by management on the significant assumptions including the growth rate and the discount rate to evaluate the extent of impact of these assumptions on the cash flow forecast.  
審閱管理層就重大假設(包括增長率及貼現率)編製的敏感度分析，以評估該等假設對現金流預測的影響程度。

**Key Audit Matters**

**關鍵審計事項**

**Valuation of inventories**

Refer to note 25 to the Group consolidated financial statements.

請參閱貴集團綜合財務報表附註25。

The Group has inventories with carrying amount of approximately HK\$434,640,000 which is subject to a risk that changes in customer demand could result in some products becoming slow-moving or obsolete, such that they could not be sold or could only be sold with selling prices that are less than the current carrying value. This means there is inherent subjectivity and estimation is needed in determining the level of inventory provision required.

貴集團賬面值約為434,640,000港元之存貨存在因客戶需求變化導致部分產品滯銷或過時，使其無法出售或僅可以低於現時賬面值的售價出售的風險。換言之，在確定所需存貨撥備水平時存在主觀性和估計的需要。

The Group has made a reversal of inventory provision of approximately HK\$8,337,000 in 2019. Significant judgements on the percentage of general provision and the amount of specific provision made are required by management in determining the adequacy of the inventory provision.

貴集團於二零一九年作出約為8,337,000港元之存貨撥備回撥。確定存貨撥備是否充分時，需要管理層就一般撥備的百分比及特定撥備的金額作出重大判斷。

We identified the valuation of inventories as a key audit matter due to the significance of the balance to the Group consolidated financial statements as a whole, together with the judgement associated with determining the adequacy of the inventory provision.

基於存貨結餘對綜合財務報表整體上的重要性，加上確定存貨撥備是否充分時涉及判斷，因此存貨估值被識別為關鍵審計事項。

**How our audit addressed the key audit matters**

**我們的審核如何處理關鍵審核事項**

**存貨估值**

Our procedures in relation to management's assessment on inventory provision included:

我們就管理層之存貨撥備評估之程序包括：

- Inquiring and understanding from management the inventory provision policy of the Group.  
向管理層查詢及了解貴集團的存貨撥備政策。
- Assessing the reasonableness of the inventory provision made by the Group by obtaining the aging analysis and slow-moving inventory lists from management and discussing with management on the basis of inventory provision made.  
向管理層取得庫存賬齡分析及慢流存貨清單，並與管理層討論存貨撥備的基準，從而評估貴集團所作出的存貨撥備是否合理。
- Performing testing on the inventory aging to assess the accuracy of the basic data used to determine the provision and re-performing the provision calculation to check arithmetic accuracy.  
就存貨的庫存期進行測試，以評估用作判斷撥備的基本數據是否準確，並重新計算撥備以核實運算的準確性。
- Understanding from management the rationale for the specific adjustments and assessing the assumptions made where there are specific adjustments on the inventory provision.  
向管理層了解特定調整的理據，評估就存貨撥備作出特定調整時所作出的假設。
- Reviewing subsequent sales on the inventory samples selected to assess whether the inventories were able to be sold at prices above their carrying values.  
審閱經選取的存貨樣本之後續銷售狀況，評估存貨是否可按高於其賬面值的價格售出。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

### OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

### RESPONSIBILITIES OF 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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### 載於年報的其他資料

貴公司董事負責其他資料。其他資料包括年報所載資料，但不包括綜合財務報表及相關核數師報告。

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

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

### 董事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《公司條例》編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

審核委員會負責監督貴集團財務報告過程。

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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;

## 核數師就審計綜合財務報表的責任

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。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。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滙總起來可能影響綜合財務報表使用者依賴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。

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

- 識別及評估綜合財務報表由於欺詐或錯誤而導致的重大錯誤陳述風險，因應此等風險設計及執行審核程序，獲得充足及適當審核憑證為我們的意見提供基礎。由於欺詐涉及合謀串通、偽造、故意遺漏、誤導性陳述或凌駕內部控制，因此未能發現由此造成的重大錯誤陳述風險較未能發現由於錯誤而導致的重大錯誤陳述風險更高；
- 瞭解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效程度發表意見；
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理；



## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### 獨立核數師報告(續)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- 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.
- 總結董事採用以持續經營為基礎的會計法是否恰當，並根據已獲取的審核憑證，總結是否有對貴集團持續經營的能力構成重大疑問的事件或情況等重大不確定因素。倘我們總結認為存在重大不確定因素，我們需於核數師報告中提請注意綜合財務報表內的相關資料披露，或如果相關披露不足，則修訂我們的意見。我們的結論以截至核數師報告日期所獲得的審核憑證為基礎，惟未來事件或情況可能導致貴集團不再具有持續經營的能力；
- 評估綜合財務報表(包括資料披露)的整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項；及
- 就貴集團屬下實體或經營活動的財務資料取得足夠而恰當的審計憑證，以於綜合財務報表內發表意見。我們對集團審計的指引、監察及落實負責。我們為審計意見承擔全部責任。

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

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

我們與審核委員會就(其中包括)審核工作的計劃範圍及時間安排及重大審核發現，包括我們於審核期間識別出內部監控的任何重大缺陷進行溝通。

我們亦向審核委員會提交聲明，說明我們已遵守有關獨立性的道德要求，並就所有被合理認為可能影響我們的獨立性的關係及其他事宜及相關防範措施(如適用)與審核委員會溝通。

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**獨立核數師報告(續)**

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

The engagement partner on the audit resulting in the independent auditor's report is Mr. Chan Shu Kin.

**TING HO KWAN & CHAN**  
*Certified Public Accountants (practising)*

Hong Kong, 30 March 2020

我們從與審核委員會溝通的事項中，決定那些事項對本期綜合財務報表的審核工作最為重要，因而構成關鍵審計事項。除非法律或法規不容許公開披露此等事項，或於極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超越公眾知悉此等事項的利益而不應於報告中披露，否則我們會於核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人是陳樹堅先生。

**丁何關陳會計師行**  
*執業會計師*

香港，二零二零年三月三十日

# 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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Revenue</b>	收入	5	<b>2,344,923</b>	2,682,452
Cost of sales	銷售成本	25(b)	<b>(1,967,383)</b>	(2,245,294)
<b>Gross profit</b>	毛利		<b>377,540</b>	437,158
Other income and gains, net	其他收入及收益淨額	6	<b>66,516</b>	45,202
Selling and distribution costs	分銷費用		<b>(168,808)</b>	(153,780)
Administrative expenses	行政費用		<b>(221,354)</b>	(251,593)
<b>Operating profit</b>	經營溢利		<b>53,894</b>	76,987
Finance costs	財務費用	7	<b>(24,958)</b>	(21,856)
Investment income	投資收入	8	<b>4,486</b>	4,938
Share of results of associates	應佔聯營公司業績	21	<b>2,991</b>	1,658
Gain on disposal of a subsidiary	出售一間附屬公司之盈利		–	44,588
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利		<b>2,662</b>	1,904
<b>Profit before tax</b>	除稅前溢利	9	<b>39,075</b>	108,219
Taxation	稅項	11	<b>(14,191)</b>	(19,467)
<b>Profit for the year</b>	本年溢利		<b>24,884</b>	88,752
<b>Profit attributable to:</b>	應佔溢利：			
– Equity shareholders of the Company	– 本公司股權持有人		<b>15,755</b>	74,052
– Non-controlling interests	– 非控股權益		<b>9,129</b>	14,700
			<b>24,884</b>	88,752
Earnings per share for profit attributable to the equity shareholders of the Company during the year	年內本公司股權持有人應佔每股盈利			
– Basic	– 基本	12	<b>1.83 HK cents</b> 港仙	9.36 HK cents港仙

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

The notes on pages 116 to 284 are an integral part of these consolidated financial statements.

第116頁至284頁之附註屬本綜合財務報表之一部份。

# 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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Profit for the year</b>	<b>本年溢利</b>		<b>24,884</b>	88,752
Other comprehensive (expense)/ income for the year, net of tax:	本年扣除稅項後之 其他全面(支出)/收益:	13		
Items that have been reclassified or may be reclassified subsequently to profit or loss:	已重新分類或其後可重新 分類至損益之項目:			
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時 產生之滙兌差額		<b>(24,150)</b>	(56,348)
Share of reserves of associates	應佔聯營公司儲備	21	<b>(650)</b>	(1,031)
Reclassification adjustments:	分類調整:			
Release of translation reserve upon disposal of a subsidiary	出售一間附屬公司時 從滙兌儲備撥出		–	547
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時 從滙兌儲備撥出		<b>(2,662)</b>	(1,904)
			<b>(27,462)</b>	(58,736)
Items that will not be reclassified to profit or loss:	不會重新分類至 損益之項目:			
Surplus on revaluation of properties held for own use	自用物業重估盈餘		<b>16,158</b>	11,485
			<b>(11,304)</b>	(47,251)
<b>Total comprehensive income for the year</b>	<b>本年全面收益總額</b>		<b>13,580</b>	41,501
<b>Total comprehensive income attributable to:</b>	<b>應佔全面收益總額:</b>			
– Equity shareholders of the Company	– 本公司股權持有人		<b>5,339</b>	32,900
– Non-controlling interests	– 非控股權益		<b>8,241</b>	8,601
<b>Total comprehensive income for the year</b>	<b>本年全面收益總額</b>		<b>13,580</b>	41,501

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註: 本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法, 比較資料不予重列。見附註3。

The notes on pages 116 to 284 are an integral part of these consolidated financial statements.

第116至284頁之附註屬本綜合財務報表之一部份。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

At 31 December 2019 二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current Assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	597,417	618,271
Leasehold land and land use rights	租賃土地及土地使用權	17	–	40,271
Right-of-use assets	使用權資產	18	99,973	–
Goodwill	商譽	19	53,483	53,483
Intangible assets	無形資產	20	5,071	6,454
Interests in associates	聯營公司權益	21	32,809	31,139
Financial assets at fair value through other comprehensive income	公平價值計入其他全面收益之金融資產	22	–	–
Finance lease receivables	應收融資租賃款項	23	40,175	44,451
Deferred tax assets	遞延稅項資產	24	29,577	26,419
			<b>858,505</b>	820,488
<b>Current Assets</b>	<b>流動資產</b>			
Inventories	存貨	25	434,640	491,937
Finance lease receivables	應收融資租賃款項	23	102,432	109,249
Trade and other receivables	貿易及其他應收款項	26	890,987	934,171
Other financial assets	其他金融資產	27	4,687	33,930
Current tax recoverable	本期可收回稅項		5	2,216
Cash and bank balances	現金及銀行結餘	28	312,633	339,702
			<b>1,745,384</b>	1,911,205

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
綜合財務狀況表(續)

At 31 December 2019 二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Current Liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	29	699,646	792,545
Contract liabilities	合約負債	29	66,202	66,323
Provision for restructuring	重組撥備	30	–	30,238
Provision for indemnity	賠償撥備	37	–	25,780
Amount due to an associate	結欠一間聯營公司款項		149	704
Bank borrowings	銀行借款	31	299,843	357,052
Lease liabilities	租賃負債	32	14,052	–
Obligations under finance leases	融資租賃借款	32	–	2,547
Current tax payable	本期應付稅項		5,297	5,732
			<b>1,085,189</b>	1,280,921
<b>Net Current Assets</b>	<b>淨流動資產</b>		<b>660,195</b>	630,284
<b>Total Assets less Current Liabilities</b>	<b>總資產減流動負債</b>		<b>1,518,700</b>	1,450,772
<b>Non-current Liabilities</b>	<b>非流動負債</b>			
Bank borrowings	銀行借款	31	53,376	20,111
Lease liabilities	租賃負債	32	49,250	–
Obligations under finance leases	融資租賃借款	32	–	4,528
Deferred tax liabilities	遞延稅項負債	24	29,633	25,848
			<b>132,259</b>	50,487
<b>Net Assets</b>	<b>淨資產</b>		<b>1,386,441</b>	1,400,285

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**綜合財務狀況表 (續)**

At 31 December 2019 二零一九年十二月三十一日

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Equity</b>	<b>權益</b>			
Capital and reserves attributable to equity shareholders of the Company:	本公司股權持有人應佔資本及儲備：			
Share capital	股本	33	609,027	609,027
Reserves	儲備		562,642	557,303
Proposed final dividend	建議末期股息	14	–	17,239
			<b>1,171,669</b>	1,183,569
<b>Non-controlling Interests</b>	<b>非控股權益</b>		<b>214,772</b>	216,716
<b>Total Equity</b>	<b>權益總值</b>		<b>1,386,441</b>	1,400,285

The consolidated financial statements on pages 106 to 284 were approved and authorised for issue by the Board of Directors on 30 March 2020 and were signed on its behalf by:

第106頁至284頁之綜合財務報表於二零二零年三月三十日獲董事會批准並授權刊發，並由下列董事代表簽署：

**TANG TO**  
 鄧燾  
 DIRECTOR  
 董事

**TANG YU, FREEMAN**  
 鄧愚  
 DIRECTOR  
 董事

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

The notes on pages 116 to 284 are an integral part of these consolidated financial statements.

第116頁至284頁之附註屬本綜合財務報表之一部份。

# 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 shareholders of the Company 本公司股權持有人應佔					Non-controlling interests 非控股權益	Total equity 權益總值
		Share capital 股本	Other reserves (Note 34) (附註34)	Proposed final dividend 建議 末期股息	Retained profits 保留溢利	Total 總額		
		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	
Balance at 1 January 2018, as previously reported	於二零一八年一月一日年初 結餘，按先前報告	532,903	153,368	-	394,223	1,080,494	211,645	1,292,139
Changes in accounting policies	會計政策變動	-	-	-	(5,949)	(5,949)	(563)	(6,512)
Balance at 1 January 2018, restated	於二零一八年一月一日， 重列結餘	532,903	153,368	-	388,274	1,074,545	211,082	1,285,627
Profit for the year	本年溢利	-	-	-	74,052	74,052	14,700	88,752
Other comprehensive (expense)/income for the year:	本年其他全面(支出)/ 收益：							
Release of translation reserve upon disposal of a subsidiary	出售一間附屬公司時 從滙兌儲備撥出	-	547	-	-	547	-	547
Share of reserves of associates	應佔聯營公司儲備	-	(1,031)	-	-	(1,031)	-	(1,031)
Surplus on revaluation of properties held for own use	自用物業重估盈餘	-	13,200	-	-	13,200	1,102	14,302
Deferred taxation adjustment	遞延稅項調整	-	(2,650)	-	-	(2,650)	(167)	(2,817)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時 產生之滙兌差額	-	(49,314)	-	-	(49,314)	(7,034)	(56,348)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時 從滙兌儲備撥出	-	(1,904)	-	-	(1,904)	-	(1,904)
Total other comprehensive expense for the year	本年其他全面支出總額	-	(41,152)	-	-	(41,152)	(6,099)	(47,251)
Total comprehensive income/(expense) for the year	本年全面收益/ (支出)總額	-	(41,152)	-	74,052	32,900	8,601	41,501
Release of revaluation reserve upon disposal of a subsidiary	出售一間附屬公司時 從重估儲備撥出	-	(9,028)	-	9,028	-	-	-
Transaction with owners:	與擁有人之交易：							
Issue of ordinary shares	發行普通股	76,124	-	-	-	76,124	-	76,124
Dividend to the non-controlling shareholders	給非控股股東之股息	-	-	-	-	-	(2,967)	(2,967)
Proposed final dividend (note 14)	建議末期股息(附註14)	-	-	17,239	(17,239)	-	-	-
Balance at 31 December 2018	於二零一八年十二月三十一日 結餘	609,027	103,188	17,239	454,115	1,183,569	216,716	1,400,285

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

Details of other reserves of the Group during the year are set out in Note 34 to the consolidated financial statements.

本集團於本年度之其他儲備變動詳情載於綜合財務報表附註34內。



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表(續)

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 shareholders of the Company 本公司股權持有人應佔					Non-controlling interests 非控股權益	Total equity 權益總值
		Share capital 股本	Other reserves 其他儲備 (Note 34) (附註34)	Proposed final dividend 建議 末期股息 (Note 14) (附註14)	Retained profits 保留溢利	Total 總額		
		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	
Balance at 1 January 2019	於二零一九年一月一日結餘	609,027	103,188	17,239	454,115	1,183,569	216,716	1,400,285
Profit for the year	本年溢利	-	-	-	15,755	15,755	9,129	24,884
Other comprehensive (expense)/income for the year:	本年其他全面(支出)/收益:							
Share of reserves of associates	應佔聯營公司儲備	-	(650)	-	-	(650)	-	(650)
Surplus on revaluation of properties held for own use	自用物業重估盈餘	-	18,044	-	-	18,044	1,719	19,763
Deferred taxation adjustment	遞延稅項調整	-	(3,344)	-	-	(3,344)	(261)	(3,605)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時產生之滙兌差額	-	(21,804)	-	-	(21,804)	(2,346)	(24,150)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時從滙兌儲備撥出	-	(2,662)	-	-	(2,662)	-	(2,662)
Total other comprehensive expense for the year	本年其他全面支出總額	-	(10,416)	-	-	(10,416)	(888)	(11,304)
Total comprehensive income/(expense) for the year	本年全面收益/(支出)總額	-	(10,416)	-	15,755	5,339	8,241	13,580
Transaction with owners:	與擁有着之交易:							
Dividend to the non-controlling shareholders	給非控股股東之股息	-	-	-	-	-	(10,433)	(10,433)
Dividends approved in respect of the previous year (note 14)	過往年度已批准股息 (附註14)	-	-	(17,239)	-	(17,239)	-	(17,239)
Capital contribution from non-controlling shareholders	非控股股東出資	-	-	-	-	-	248	248
Balance at 31 December 2019	於二零一九年十二月三十一日結餘	609,027	92,772	-	469,870	1,171,669	214,772	1,386,441

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註: 本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法, 比較資料不予重列。見附註3。

Details of other reserves of the Group during the year are set out in Note 34 to the consolidated financial statements.

本集團於本年度之其他儲備變動詳情載於綜合財務報表附註34內。

The notes on pages 116 to 284 are an integral part of these consolidated financial statements.

第116至284頁之附註屬本綜合財務報表之一部份。

# 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 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註			
<b>OPERATING ACTIVITIES</b>		<b>經營活動</b>		
Profit before tax		除稅前溢利	<b>39,075</b>	108,219
Adjustments for:		經下列各項調整：		
Bank and other interest income	8	銀行及其他利息收入	<b>(3,836)</b>	(3,603)
Finance costs	7	財務費用	<b>24,958</b>	21,856
Realised and unrealised gain on other financial assets	8	其他金融資產之已變現及未變現盈利	<b>(650)</b>	(1,335)
Gain on disposal of a subsidiary		出售一間附屬公司之盈利	–	(44,588)
Gain on deregistration of a subsidiary		註銷一間附屬公司之盈利	<b>(2,662)</b>	(1,904)
Share of results of associates	21	應佔聯營公司業績	<b>(2,991)</b>	(1,658)
Depreciation of property, plant and equipment	9	物業、廠房及設備折舊	<b>69,517</b>	69,396
Depreciation of right-of-use assets	9	使用權資產折舊	<b>14,967</b>	–
Amortisation of leasehold land and land use rights	9	租賃土地及土地使用權攤銷	–	1,350
Amortisation of intangible assets	9	無形資產攤銷	<b>1,383</b>	1,384
Gain on disposal of property, plant and equipment	6	出售物業、廠房及設備之盈利	<b>(566)</b>	(446)
Surplus on revaluation of properties held for own use	9	自用物業重估盈餘	–	(915)
Unused provision for restructuring reversed	6	回撥未動用重組撥備	<b>(20,290)</b>	(19,612)
Reversal of provision for indemnity Allowance/(reversal of allowance) for impairment of bad and doubtful debts	6	回撥賠償撥備	<b>(25,780)</b>	–
	9	呆壞賬減值撥備／(回撥)	<b>11,703</b>	(9,638)
(Written back)/written down of inventories, net	25(b)	存貨減值(回撥)／撥備淨額	<b>(8,337)</b>	13,201

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**綜合現金流量表 (續)**

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Operating cash flows before changes in working capital</b>	<b>營運資金變動前之經營現金流</b>		<b>96,491</b>	131,707
Decrease/(increase) in inventories	存貨減少／(增加)		<b>56,427</b>	(3,950)
Increase in finance lease receivables	應收融資租賃款項增加		<b>(1,747)</b>	(33,126)
Decrease/(increase) in trade and other receivables	貿易及其他應收款項減少／(增加)		<b>26,833</b>	(60,188)
Decrease in trade and other payables and contract liabilities	貿易及其他應付款項及合約負債減少		<b>(77,183)</b>	(30,568)
Cash generated from operations	經營活動產生之現金		<b>100,821</b>	3,875
Restructuring costs paid	已付重組費用	30	<b>(9,286)</b>	(1,632)
Hong Kong profits tax paid	已付香港利得稅		<b>(2,874)</b>	(693)
Overseas tax paid	已付海外稅款		<b>(12,640)</b>	(20,186)
<b>NET CASH GENERATED FROM/ (USED IN) OPERATING ACTIVITIES</b>	<b>經營活動產生／(使用)之現金淨額</b>		<b>76,021</b>	(18,636)
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>			
Decrease/(increase) in pledged bank deposits	已抵押銀行存款減少／(增加)		<b>48,980</b>	(23,062)
Purchase of property, plant and equipment	購買物業、廠房及設備		<b>(48,058)</b>	(44,222)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之款項		<b>1,881</b>	2,603
Interest received	已收利息		<b>3,836</b>	3,603
Net proceeds on disposal of other financial assets	出售其他金融資產之款項淨額		<b>29,664</b>	-
Net payment for other financial assets	支付其他金融資產淨額		-	(13,760)
Dividend received from associates	收取聯營公司股息		<b>719</b>	1,498
Dividend paid	支付股息		<b>(17,239)</b>	-
Repayments of deferred consideration payable	償還遞延應付代價		-	(1,000)
Repayments from associates	聯營公司還款		<b>342</b>	1,485
Proceeds from disposal of a subsidiary	出售一間附屬公司權益之款項		-	65,434
<b>NET CASH GENERATED FROM/ (USED IN) INVESTING ACTIVITIES</b>	<b>投資活動產生／(使用)之現金淨額</b>		<b>20,125</b>	(7,421)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
綜合現金流量表(續)

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

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>			
Repayment of bank loans	償還銀行貸款	36	(338,540)	(290,256)
Interest paid	已付利息	36	(19,844)	(21,650)
Repayment of obligations under finance leases	償還融資租賃借款	36	-	(3,559)
Capital element of lease rentals paid	已付租賃租金的本金部份	36	(12,308)	-
Interest element of lease rentals paid	已付租賃租金的利息部份	36	(5,114)	-
New bank loans raised	新增銀行貸款	36	321,299	245,338
Advance to an associate	墊付一間聯營公司之款項	36	(553)	(161)
Dividend paid to the non-controlling shareholders	已付非控股股東股息	36	(10,433)	(2,967)
Repayment to the non-controlling shareholders	償還結欠非控股股東款項	36	-	(745)
Capital contribution from non-controlling shareholders	非控股股東出資		248	-
Issue of new shares	發行新股	33	-	76,124
Finance charges paid	已付融資租賃利息	36	-	(206)
<b>NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES</b>	<b>融資活動(使用)/產生之現金淨額</b>		<b>(65,245)</b>	1,918
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等值增加/(減少)淨額</b>		<b>30,901</b>	(24,139)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>年初現金及現金等值</b>		<b>282,678</b>	315,922
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	<b>匯率改變影響</b>		<b>(3,848)</b>	(9,105)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>年終現金及現金等值</b>	28	<b>309,731</b>	282,678

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註：本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

The notes on pages 116 to 284 are an integral part of these consolidated financial statements.

第116至284頁之附註屬本綜合財務報表之一部份。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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

### 1. GENERAL

Cosmos Machinery Enterprises Limited (the “Company”) is a public limited company domiciled and incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The address of its registered office is 10/F., Billion Plaza 2, No. 10 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong. The principal activities of its principal subsidiaries are set out in note 45.

Saniwell Holding Inc. (“Saniwell”) (a company incorporated in Cook Islands) is the ultimate holding company of the Company.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant 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.

#### (1) Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as “the Group”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”), which also include Hong Kong Accounting Standards (“HKAS”) and Interpretations (“Int”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of interest in leasehold land and buildings where the Group is the registered owner of the property interest and certain financial assets, which are carried at fair value.

### 1. 簡介

大同機械企業有限公司(「本公司」)乃於香港註冊成立之公眾有限公司，而其股份於香港聯合交易所有限公司(「聯交所」)上市。

本公司為一間投資控股公司。註冊地址為香港九龍長沙灣長裕街10號億京廣場2期10樓。其主要附屬公司之主要業務列載於附註45。

Saniwell Holding Inc. (“Saniwell”) (於科克群島註冊成立的有限公司)為本公司最終控股公司。

### 2. 主要會計政策摘要

編製本綜合財務報表採用之主要會計政策載於下文。除另有說明外，此等政策在所呈報的所有年度內貫徹應用。

#### (1) 編製基準

本公司及其附屬公司(以下統稱「本集團」)的綜合財務報表是按香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「財務準則」)(包括《香港會計準則》及《詮釋》)、香港公認會計原則及《公司條例》的規定編製。本綜合財務報表同時符合聯合交易所證券上市規則的適用披露條文。本集團採用之主要會計政策載於下文。綜合財務報表已按照歷史成本法編製，並就本集團為物業權益註冊擁有人之租賃土地及樓宇的權益及部份金融資產的重估按公平價值列賬而作出修訂。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(1) Basis of preparation (Continued)

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

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

Judgements made by management in the application of HKFRS that have significant effect on the consolidated financial statements and major sources of estimation uncertainty are discussed in note 4.

The HKICPA has issued a new HKFRS, HKFRS 16, Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

2. 主要會計政策摘要(續)

(1) 編製基準(續)

根據香港財務報告準則編製綜合財務報表要求管理層作出判斷、估計和假設，這些判斷、估計和假設會影響會計政策的應用以及資產、負債、收入及支出的呈報金額。這些估計和有關假設乃依據歷史經驗及其他在有關情況下屬合理的因素所作出，並作為確定無法從其他途徑直接獲取資產和負債的賬面價值的判斷基礎。實際情況可能與這些估計不同。

這些估計及相關假設會持續予以檢討。如會計估計的修訂僅對修訂期間產生影響，則其影響只會在當期確認；如會計估計的修訂對修訂期間及未來期間均產生影響，相關影響則在當期和未來期間進行確認。

管理層判斷在應用香港財務報告準則是否對本綜合財務報表有重要影響及估算不確定性之主要因素將在附註4中討論。

香港會計師公會已頒布一個新的香港財務報告準則，香港財務報告準則第16號，租賃以及多項經修訂的香港財務報告準則，這些修訂在本集團和本公司的本會計期間首次生效。附註3就首次採納該等準則而導致之會計政策任何變動提供有關資料，而有關變化乃與此等綜合財務報表所反映本集團之本期間及過往會計期間有關。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (2) Basis of consolidation

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

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

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

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

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

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

## 2. 主要會計政策摘要(續)

### (2) 綜合原則

綜合財務報表包括本公司及其附屬公司所控制實體的財務報表。當本公司符合以下各項時，即取得控制權：

- 對被投資方擁有控制權；
- 於來自參與被投資方業務的可變回報上承受風險或擁有權利；及
- 擁有使用其權力影響回報的能力。

倘事實及情況表明上述控制之三個要素的其中一項或多項出現變動，則本集團重新評估其是否控制被投資方。

對一間附屬公司之綜合入賬於本集團獲得對該附屬公司之控制權之時開始，並於本集團失去對該附屬公司之控制權之時終止。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日止，於年內收購或出售的附屬公司收入及開支均計入綜合收益表。

損益及其他全面收入之各項目乃歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額乃歸屬至本公司擁有人及非控股權益，即使此舉會引致非控股權益出現虧絀結餘。

倘有需要，將對附屬公司的財務報表作出調整，以使其會計政策與本集團的會計政策一致。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(2) Basis of consolidation (Continued)

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

**Changes in the Group's ownership interests in existing subsidiaries**

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

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 (note 2(9)), when applicable, the cost on initial recognition of an investment in an associate or a joint venture (note 2(3)).

2. 主要會計政策摘要(續)

(2) 綜合原則(續)

本集團各成員公司間與交易有關之所有集團內公司間資產、負債、權益、收入、開支及現金流量乃於綜合賬目時悉數撇銷。

**本集團於現有附屬公司之擁有權權益的變動**

本集團於附屬公司之擁有權權益的變動如並無導致本集團對其失去控制權，將作為股權交易入賬。本集團的權益與非控股權益的賬面值經調整以反映附屬公司之相關權益變動。所調整非控股權益金額與已付或已收代價的公平價值之間的任何差額直接於股本權益確認並歸屬於本公司擁有人。

當本集團失去對附屬公司的控制權時，盈虧於損益表確認並以(i)已收代價公平價值及任何保留權益公平價值的總額與(ii)附屬公司資產(包括商譽)及負債以及任何非控股權益的原賬面值之間的差額計算。過往於其他全面收益確認與該附屬公司有關的所有金額，採用如同本集團已直接出售該附屬公司之相關資產或負債的方法入賬(即按適用香港財務報告準則之規定/許可條文重新分類至損益表或轉撥至另一類權益)。在前附屬公司保留的任何投資公平價值在失去控制權之時於其後的會計處理中被視為按照香港財務報告準則第9號(附註2(9))進行初始確認的公平價值，或(如適用)於聯營公司或合營企業(附註2(3))之投資初始確認的成本。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (2) Basis of consolidation (Continued)

#### Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income taxes” and HKAS 19 “Employee benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” are measured in accordance with that standard.

## 2. 主要會計政策摘要(續)

### (2) 綜合原則(續)

#### 業務合併

業務收購乃採用收購法入賬。業務合併中轉讓的代價以公平價值計量，而計算為本集團轉讓之資產、本集團產生之負債及本集團於交換被收購公司之控制權所發行之股權於收購日期之公平價值總和。與收購有關的成本一般會於發生時在損益表確認。

於收購日期，被收購的可識別資產及負債應按其於收購日期的公平價值予以確認，惟下列項目除外：

- 遞延稅項資產或負債及僱員福利安排的相關資產或負債應分別根據香港會計準則第12號所得稅及香港會計準則第19號僱員福利予以確認和計量；
- 與被收購方的以股份支付之支出安排或本集團所訂立以取代被收購方的以股份支付之支出安排有關之負債或股本工具乃於收購日期（參照以下會計政策）根據香港財務報告準則第2號以股份支付之支出予以計量；以及
- 根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務劃分為持作出售之資產（或出售組合）乃根據該準則予以計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(2) Basis of consolidation (Continued)

**Business combinations (Continued)**

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

2. 主要會計政策摘要(續)

(2) 綜合原則(續)

**業務合併(續)**

商譽按所轉讓之代價、與被收購方的任何非控股權益及收購公司之前持有被收購方(如有)之股權的公平價值總和超出所收購之可識別資產及承擔負債於收購日的淨額計量。倘(評估過後)所收購可識別資產及所承擔負債之收購日淨額超出所轉讓的代價、於被購買方的任何非控股權益金額以及購買方先前在被收購方持有的權益(如有)的公平價值之總額,超出的部份即時於損益表中確認為折價購買收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔實體淨資產之非控股權益,可初步按公平價值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類之非控股權益乃按其公平價值或(倘若適用)按其他香港財務報告準則所規定之基準計量。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (2) Basis of consolidation (Continued)

#### **Business combinations (Continued)**

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depend on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKFRS 9, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

## 2. 主要會計政策摘要(續)

### (2) 綜合原則(續)

#### **業務合併(續)**

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價按其收購日期公平價值計量，並視為於業務合併中所轉讓之代價一部份。或然代價之公平價值變動(證實為計量期間調整)可回顧調整，而就商譽作出相應調整。計量期間調整乃於「計量期間」(其不可超過自收購日期起計一年)內所獲得有關於收購日期存在之事實及情況的額外資料所產生之調整。

或然代價之公平價值變動之隨後入賬並無確認為計量期間調整，而取決於或然代價如何劃分。劃分為權益之或然代價並無於隨後申報日期重新計量，而其隨後結算於權益內入賬。劃分為資產或負債之或然代價根據香港財務報告準則第9號或香港會計準則第37號撥備、或然負債及或然資產(如適用)於隨後申報日期重新計量，而相應之盈虧於損益表中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(2) Basis of consolidation (Continued)

**Business combinations (Continued)**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

(3) Associates and joint ventures

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

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

2. 主要會計政策摘要(續)

(2) 綜合原則(續)

**業務合併(續)**

倘業務合併之最初入賬於合併發生之報告結算日尚未完成，則本集團將報告未完成列賬項目之臨時金額。該等臨時金額乃於計量期間內作出調整(見上文)，而新增資產或負債則獲確認以反映關於在收購日期已存在之事實及情況(倘已知)將對於該日期確認的金額所產生之影響的新資訊。

(3) 聯營公司及合營企業

聯營公司指本集團或本公司對其管理層有重大影響力(而非控制或共同控制)，包括參與財務及經營決策之實體。

合營企業為一項安排，據此，本集團或本公司與其他方訂約協定分佔此安排的控制權，並有權擁有此安排的資產淨值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (3) Associates and joint ventures (Continued)

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associates or the joint ventures, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associates or the joint ventures.

## 2. 主要會計政策摘要(續)

### (3) 聯營公司及合營企業(續)

於一間聯營公司或合營企業之投資按權益法於綜合財務報表入賬，除非該投資分類為持作出售（或計入分類為持作出售之出售組別）。根據權益法，投資初步按成本記賬，並按本集團應佔被投資公司於收購日期可識別淨資產之公平值超出投資成本之差額（如有）作出調整。其後，投資乃就本集團應佔被投資公司收購後之淨資產變動及與投資有關之任何減值虧損作出調整。收購日期超出成本之任何差額、本集團應佔被投資公司於收購後及除稅後業績以及年內任何減值虧損以及本集團應佔被投資公司於收購後及除稅後其他全面收益項目乃於綜合收益表及其他全面收益表內確認。

當本集團應佔聯營公司或合營企業之虧損超出其權益時，本集團之權益將減至零，除非本集團已承擔法律或推定責任，或代表被投資公司作出付款，否則將不再確認進一步虧損。就此而言，本集團之權益為根據權益法計算之投資賬面值，連同實質上構成本集團於聯營公司或合營企業之淨投資一部分之本集團長期權益。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(3) Associates and joint ventures (Continued)**

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

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost, is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (note 2(9)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses, unless classified as held for sale (or included in a disposal group that is classified as held for sale).

**2. 主要會計政策摘要(續)**

**(3) 聯營公司及合營企業(續)**

本集團與其聯營公司及合營企業間之交易所產生之未變現損益，乃以本集團於被投資公司之權益為限予以對銷，除非未變現虧損提供已轉讓資產之減值證據，在此情況下，則該等未變現虧損即時於損益中確認。

倘於聯營公司之投資變成於合營公司之投資，或是於合營公司之投資變成於聯營公司之投資，保留權益將不予重新計量。反之，該投資繼續根據權益法入賬。

在所有其他情況下，倘本集團不再對一間聯營公司有重大影響力或不再對一間合營企業擁有共同控制權時，其乃被視作出售於該被投資公司之全部權益，而其導致的收益或虧損將於損益中確認。任何在喪失重大影響力日期仍保留在該前度被投資公司之權益將按公平值確認，而此金額被視為初始確認金融資產之公平值(附註2(9))。

於本公司之財務狀況表內，於聯營公司及合營企業之投資乃按成本扣除減值虧損列賬，除非該投資被分類為持作出售(或計入分類為持作出售之出售組別)，則作別論。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (4) Property, plant and equipment

The following properties held for own use are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation:

- interests in leasehold land and buildings where the Group is the registered owner of the property interest.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The following items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see note 2(10)(ii)).

- right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest;
- items of plant and equipment, including right-of-use assets arising from leases of underlying plant and equipment (see note 2(24)); and
- Leasehold land and land use rights (see note 2(5)).

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. All other repairs and maintenance are expensed in profit or loss during the financial period in which they are incurred.

## 2. 主要會計政策摘要(續)

### (4) 物業、廠房及設備

以下自用物業乃按其重估值列賬，即重估當日之公平價值減去任何其後的累計折舊：

- 本集團為物業權益註冊擁有人之租賃土地及樓宇的所有權權益。

在估值日的任何累計折舊與資產的賬面值總額對銷，而淨額則重列至資產的重估金額。

以下物業、廠房及設備乃按其成本減去累計折舊及累計減值虧損(見附註2(10)(ii))列賬：

- 本集團並非物業權益註冊擁有人之租賃物業產生的使用權資產；
- 廠房及設備項目，包括標的廠房及設備租賃產生的使用權資產(見附註2(24))；及
- 租賃土地及土地使用權(見附註2(5))。

其後成本只有在與該項目有關的未來經濟利益有可能流入本集團，而該項目的成本能可靠計量時，才包括在資產的賬面值或確認為獨立資產(如適用)。所有其他維修及保養在產生的財政期間內於損益表中支銷。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

Revaluations on properties held for own use are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from which would be determined using fair values at the end of the reporting period.

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in the property revaluation reserve. The only exceptions are as follows:

- when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and
- when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values (if any) over their estimated useful lives, as follows:

Ownership interest in leasehold land held for own use	Unexpired term of the leases
Ownership interest in buildings held for own use	40 years or unexpired term of the leases, if shorter
Furniture, fixtures and equipment	3 – 10 years
Plant and machinery	5 – 10 years
Motor vehicles	3 – 10 years

**2. 主要會計政策摘要(續)**

**(4) 物業、廠房及設備(續)**

自用物業之重估為定期進行，以確保其賬面值與報告結算日所釐定之公平價值沒有重大差距。

因重估自用物業產生之變動一般在其他全面收入內處理並在物業重估儲備之權益中單獨累計。僅有例外情況如下：

- 倘產生重估虧絀，超出緊接重估前就有關資產於儲備內持有之金額的虧絀將在損益表內扣除；及
- 倘產生重估盈餘，盈餘將計入損益表，但以就同一項資產先前已於損益表內支銷之重估虧絀為限。

物業、廠房及設備的折舊採用估計可使用年期將成本或重估值按直線法分攤至剩餘價值(如有)如下：

自用租賃土地的所有權權益	剩餘租賃年期
自用樓宇的所有權權益	40年或短於此之剩餘租賃年期
傢俬、裝置及設備	3至10年
廠房及機器	5至10年
汽車	3至10年



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (4) Property, plant and equipment (Continued)

The assets' residual values (if any) and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Assets under construction represent buildings, structures, plant and machinery and other fixed assets under construction or installation and are stated at cost less any accumulated impairment losses, and are not depreciated. Cost comprises direct costs of construction, installation and testing as well as capitalised borrowing costs on related borrowed funds during the period of construction or installation. Assets under construction are reclassified to the appropriate category of property, plant and equipment or investment properties when completed and ready for use.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits and is not reclassified to profit or loss.

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(10)(ii)).

### 2. 主要會計政策摘要(續)

#### (4) 物業、廠房及設備(續)

資產的剩餘價值(如有)及可使用年期在每個結算日進行檢討,及在適當時調整。物業、廠房及設備項目乃於出售後或當預期持續使用該資產將不會產生未來經濟利益時不再確認。

在建工程乃指興建及裝設之樓宇、結構、廠房及機器以及其他固定資產,以成本值扣除減值虧損而不予折舊入賬。成本值包括興建、裝設及測試之直接成本,及於興建及裝設期間有關借入資金之資本化借貸成本。在建工程於完成及可供啟用時重新分類為物業、廠房及機器適當類別。

報廢或出售物業、廠房及設備所產生的盈虧以出售所得淨額(如有)與項目的賬面金額之間的差額釐定,並於報廢或出售當日在損益表確認。任何相關的重估盈餘會由重估儲備轉入保留溢利及不會重新分類至損益表。

若資產的賬面值高於其估計可收回價值,其賬面值即時撇減至可收回金額(附註2(10)(ii))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(5) Leasehold land and land use rights

Leasehold land and land use rights are lump sum upfront payments to acquire long-term interest in certain lessee-occupied properties.

(A) Accounting policies applied from 1 January 2019

These leasehold land and land use rights are reclassified as right-of-use assets at the date of initial application of HKFRS 16 and are stated at cost less accumulated depreciation (see note 2(4)) and any impairment losses (see note 2(10)(ii)).

(B) Accounting policies applied until 31 December 2018

In the comparative period, leasehold land and land use rights relating to certain buildings of the Group are stated at cost and are amortised over the period of the lease on the straight-line basis to profit or loss.

(6) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

2. 主要會計政策摘要(續)

(5) 租賃土地及土地使用權

租賃土地及土地使用權指於購入由承租人佔用之部份物業的長期權益時須先付的數額。

(A) 自二零一九年一月一日應用的會計政策

該等租賃土地及土地使用權於首次採納香港財務報告準則第16號當日獲重新分類為使用權資產並按成本減累計折舊(見附註2(4))及減值虧損(見2(10)(ii))入賬。

(B) 截至二零一八年十二月三十一日應用的會計政策

集團部份物業中的租賃土地及土地使用權均以成本列賬及於租契期內按直線法攤銷並列入損益表中。

(6) 商譽

就收購業務產生的商譽(如有)以收購業務當日所確立的成本減去累計減值虧損入賬。

就減值檢測而言,商譽會分配至預期可自合併的協同效益獲益的本集團旗下各個現金產生單位(或組)。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (6) Goodwill (Continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### (7) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) management intends to complete the intangible asset and use or sell it;
- (iii) there is an ability to use or sell the intangible asset;
- (iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

## 2. 主要會計政策摘要(續)

### (6) 商譽(續)

獲分配商譽的現金產生單位會每年進行減值測試，或於單位出現減值跡象時增加測試次數。倘現金產生單位的可收回金額低於其賬面值，則減值虧損會先用作減低任何分配至該單位的商譽的賬面值，其後則按該單位內各項資產賬面值的比例分配至該單位的其他資產。商譽的減值虧損直接於損益表確認，就商譽確認的減值虧損不可於往後期間撥回。

出售有關現金產生單位時，在釐定出售溢利或虧損時會計入商譽應佔金額。

### (7) 研究及開發

研究支出在產生時確認為費用。開發項目（涉及新產品或改良產品的設計及測試）產生的成本若符合下列條件，則確認為無形資產：

- (i) 技術上可完成該無形資產，以供未來使用或出售；
- (ii) 管理層有意完成該無形資產以供使用或出售；
- (iii) 有能力可使用或出售該無形資產；
- (iv) 能展示該無形資產如何帶來未來經濟利益；
- (v) 具有足夠的技術、財力及其他資源完成該項開發並使用或出售該無形資產；及

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(7) Research and development (Continued)

- (vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

(8) Intangible assets (Other than goodwill)

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation (where the estimated useful life is finite) and accumulated impairment losses (see note 2(10)(ii)), on the same basis as intangible assets that are acquired separately.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2. 主要會計政策摘要(續)

(7) 研究及開發(續)

- (vi) 能可靠計量該無形資產於其開發時產生的支出。

不符合以上條件的其他開發支出於產生時確認為費用。先前已確認為費用的開發成本不會在往後期間確認為資產。資本化的開發成本列為無形資產，並由有關資產達到可使用狀態起在其預計可使用年內以直線法攤銷。

(8) 無形資產(商譽除外)

業務合併所收購及與商譽分開確認之無形資產初步按收購日期之公平價值(視為彼等的成本)確認。

於初始確認後，業務合併中所收購之無形資產乃按成本值減累計攤銷(當估計可用年期為有限)及累計減值虧損(見附註2(10)(ii))，按個別收購之無形資產之相同基準予以呈報。

具有有限使用年期之無形資產之攤銷乃於彼等之估計使用年期按直線法攤銷。估計使用年期及攤銷方法乃於各報告結算日結束時檢討，估計變動之影響按前瞻基準入賬。

無形資產乃於出售時或當預期不會從使用或出售中獲得未來經濟利益時終止確認。終止確認無形資產所產生之盈虧(按出售所得款項淨額與資產賬面值間之差額計量)乃於資產終止確認時在損益表中確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (9) Financial assets

#### (i) 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, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group'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 other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

See Note 43(a) for details of each type of financial asset.

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

## 2. 主要會計政策摘要(續)

### (9) 金融資產

#### (i) 分類

本集團將其金融資產分為以下計量類別：

- 隨後將按公平價值計量(其變動計入其他全面收益或計入損益)的金融資產；及
- 將按攤銷成本計量的金融資產。

該分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

就按公平價值計量之資產而言，收益及虧損將計入損益或其他全面收益。就債務工具投資而言，收益及虧損的入賬將取決於持有該投資之業務模式。就非持作交易的權益工具投資而言，收益及虧損的入賬將取決於本集團是否已於初始確認時行使不可撤銷選擇權，將權益投資入賬列為以公平價值計量且其變動計入其他全面收益。

有關各類金融資產的詳情，請參閱附註43(a)。

本集團只會和管理該等資產之業務模式變動時才重新分類債務投資。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(9) Financial assets (Continued)

(ii) Recognition and derecognition

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

(iii) 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, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are recorded in profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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. There are three measurement categories into which the Group classifies its debt instruments:

2. 主要會計政策摘要(續)

(9) 金融資產(續)

(ii) 確認及終止確認

常規購入及出售之金融資產在交易日予以確認，交易日指本集團承諾購入或出售該資產之日。當收取金融資產所得現金流量之權利已經到期或已經轉讓，而本集團已將擁有權之絕大部份風險及回報轉讓時，即終止確認金融資產。

(iii) 計量

初始確認時，本集團按其公平價值加(倘屬並非以公平價值計量且其變動計入損益的金融資產)直接歸屬於購買金融資產的交易成本計入金融資產。以公平價值計量且其變動計入損益的金融資產的交易成本在損益中入賬。確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金和利息時，應整體考慮金融資產。

債務工具

債務工具的后續計量視乎本集團管理該資產之業務模式及該資產之現金流量特徵而定。本集團將其債務工具分類為三個計量類別：

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (9) Financial assets (Continued)

##### (iii) Measurement (Continued)

Debt instruments (Continued)

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. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement. Interest income from these financial assets is included in finance income or other income using the effective interest method.

Fair value through other comprehensive income ("FVTOCI"): 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 FVTOCI. Movements in the carrying amount are taken through other comprehensive income, 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 other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses) – net. Interest income from these financial assets is included in finance income or other income using the effective interest method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the consolidated income statement.

### 2. 主要會計政策摘要(續)

#### (9) 金融資產(續)

##### (iii) 計量(續)

債務工具(續)

攤銷成本：倘為收回合約現金流量而持有之資產的現金流量僅為支付本金及利息，則該等資產按攤銷成本計量。終止確認產生的任何收益或虧損直接於損益確認，並於其他收益／(虧損)中與滙兌收益及虧損一併列示。減值虧損於綜合收益表中作為單獨項目列示。該等金融資產的利息收入按實際利息法計入財務收入或其他收益。

以公平價值計量且其變動計入其他全面收益(「以公平價值計量且其變動計入其他全面收益」)：倘為收回合約現金流量及出售金融資產而持有之資產的現金流量僅為支付本金及利息，則該等資產以公平價值計量且其變動計入其他全面收益。賬面值變動計入其他全面收益，惟於損益確認之減值收益或虧損、利息收入及滙兌收益及虧損之確認除外。終止確認金融資產時，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並確認為其他收益／(虧損)一淨額。該等金融資產的利息收入按實際利息法計入財務收入或其他收益。滙兌收益及虧損計入其他收益／(虧損)及減值費用於綜合收益表中作為單獨項目列示。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(9) Financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments (Continued)

Fair value through profit or loss ("FVTPL"): Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the consolidated income statement within other losses/gains, net in the period in which it arises.

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 other comprehensive income, 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 when the Group's right to receive payments is established. Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) – net in the consolidated income statement. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

2. 主要會計政策摘要(續)

(9) 金融資產(續)

(iii) 計量(續)

債務工具(續)

以公平價值計量且其變動計入損益(「以公平價值計量且其變動計入損益」): 未達按攤銷成本或以公平價值計量且其變動計入其他全面收益標準的資產以公平價值計量且其變動計入損益。後續以公平價值計量且其變動計入損益且並非對沖關係一部分之債務投資的收益或虧損於損益確認, 並於產生期間在綜合收益表的其他虧損/收益淨額列報淨額。

權益工具

本集團後續按公平價值計量所有權益投資。倘本集團管理層選擇於其他全面收益中呈列權益投資的公平價值收益及虧損, 則於終止確認投資後, 公平價值的收益及虧損後續並無重新分類至損益。當本集團確立收取付款的權利時, 該等投資的股息繼續於損益確認為其他收入。以公平價值計量且其變動計入損益的金融資產公平價值變動於綜合收益表其他收益/(虧損) – 淨額確認。以公平價值計量且其變動計入其他全面收益之股權投資的減值虧損(及減值虧損撥回)並無與其他公平價值變動分開呈報。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (10) Credit losses and impairment of assets

##### (i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on the following items:

- financial assets measured at amortised cost (including cash and bank balances, trade and other receivables); and
- finance lease receivables

Financial assets measured at fair value including other financial assets are not subject to the ECL assessment.

##### Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

### 2. 主要會計政策摘要(續)

#### (10) 信貸虧損及資產減值

##### (i) 金融工具產生之信貸虧損

本集團就以下項目的預期信貸虧損(預期信貸虧損)確認虧損撥備:

- 按攤銷成本計量之金融資產(包括現金及銀行結餘及貿易及其他應收款項);及
- 應收融資租賃款項

按公平價值計量之金融資產(包括其他金融資產)毋須進行預期信貸虧損評估。

##### 預期信貸虧損的計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金流缺口的現值計量(即本集團根據合約應收的現金流量與本集團預期收到的現金流量之間的差額)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(i) Credit losses from financial instruments (Continued)

Measurement of ECLs (Continued)

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate;
- finance lease receivables: discount rate used in the measurement of the finance lease receivable;

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2. 主要會計政策摘要(續)

(10) 信貸虧損及資產減值(續)

(i) 金融工具產生之信貸虧損(續)

預期信貸虧損的計量(續)

倘貼現影響重大，則預期現金缺口將採用以下貼現率貼現：

- 定息金融資產及貿易及其他應收款項：於初始確認時釐定的實際利率或其近似值；
- 浮息金融資產：即期實際利率；
- 應收融資租賃款項：以貼現率計量應收融資租賃款項；

估計預期信貸虧損時所考慮的最長期間為本集團承受信貸風險的最長合約期間。

於計量預期信貸虧損時，本集團會考慮無須花費不必要成本或精力即可獲取的合理且有依據的資料，包括關於過去事件、當前狀況及未來經濟狀況預測的資料。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (10) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments

(Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and finance lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

### 2. 主要會計政策摘要(續)

#### (10) 信貸虧損及資產減值(續)

##### (i) 金融工具產生之信貸虧損

(續)

預期信貸虧損的計量(續)

預期信貸虧損按以下方式之一計量:

- 十二個月預期信貸虧損: 預計報告日期後十二個月內可能發生的違約事件而導致的虧損; 及
- 全期預期信貸虧損: 預計應用預期信貸虧損模式的項目在整個期間所有可能發生的違約事件而導致的虧損。

貿易應收款項及應收融資租賃款項之虧損撥備一直按等同於全期預期信貸虧損的金額計量。於報告日期, 該等金融資產之預期信貸虧損乃根據本集團的過往信貸虧損經驗利用撥備矩陣進行估計, 並根據債務人的特定因素及對當前及預計一般經濟狀況的評估進行調整。

就所有其他金融工具而言, 本集團確認之虧損撥備相等於十二個月預期信貸虧損, 除非自初始確認以來金融工具之信貸風險大幅增加, 於此情況下, 虧損撥備乃按相等於全期預期信貸虧損之金額計量。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(10) Credit losses and impairment of assets (Continued)**

**(i) Credit losses from financial instruments (Continued)**

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

**2. 主要會計政策摘要(續)**

**(10) 信貸虧損及資產減值(續)**

**(i) 金融工具產生之信貸虧損(續)**

信貸風險大幅上升

於評估金融工具的信貸風險自初始確認以來有否大幅上升時，本集團會比較於報告日期及於初始確認日期評估的金融工具發生違約的風險。作出重新評估時，本集團認為，倘(i)借款人不大可能在本集團無追索權採取變現抵押(如持有)等行動的情況下向本集團悉數支付其信貸債務；或(ii)金融資產已逾期90日，則構成違約事件。本集團會考慮合理可靠的定量及定性資料，包括過往經驗及無需付出過多成本或努力下即可獲得的前瞻性資料。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (10) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments (Continued)

Significant increases in credit risk (Continued)

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

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

### 2. 主要會計政策摘要(續)

#### (10) 信貸虧損及資產減值(續)

##### (i) 金融工具產生之信貸虧損(續)

信貸風險大幅上升(續)

具體而言，於評估信貸風險自初始確認以來有否大幅上升時會考慮以下資料：

- 未能按合約到期日期支付本金或利息；
- 金融工具外部或內部信貸評級的實際或預期顯著惡化(倘適用)；
- 債務人經營業績的實際或預期顯著惡化；及
- 科技、市場、經濟或法律環境的目前或預期變動對債務人履行其對本集團責任的能力有重大不利影響。

取決於金融工具的性质，信貸風險大幅上升的評估乃按個別基準或共同基準進行。倘評估為按共同基準進行，金融工具則按共同的信貸風險特徵(如逾期狀況及信貸風險評級)進行分組。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(i) Credit losses from financial instruments (Continued)

Significant increases in credit risk (Continued)

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at "FVTOCI" (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 2(23) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

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

2. 主要會計政策摘要(續)

(10) 信貸虧損及資產減值(續)

(i) 金融工具產生之信貸虧損(續)

信貸風險大幅上升(續)

預期信貸虧損於各報告日期進行重新計量以反映金融工具自初始確認以來的信貸風險變動。預期信貸虧損金額的任何變動均於損益中確認為減值收益或虧損。本集團就所有金融工具確認減值收益或虧損，並透過虧損撥備賬對彼等之賬面值作出相應調整，惟於按公平價值計入其他全面收益(可劃轉)計量的債券證券之投資除外，就此，虧損撥備乃於其他全面收益確認並於公平價值儲備(可劃轉)累計。

利息收入計息基準

根據附註2(23)確認之利息收入按金融資產的總賬面值計算，除非該金融資產出現信貸減值，則利息收入按金融資產的攤銷成本(即總賬面值減虧損撥備)計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當發生一項或多項對金融資產之估計未來現金流量帶有害影響之事件時，金融資產即出現信貸減值。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (10) Credit losses and impairment of assets (Continued)

##### (i) Credit losses from financial instruments (Continued)

Basis of calculation of interest income (Continued)

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

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

##### Write-off policy

The gross carrying amount of a financial asset or finance lease receivable is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

### 2. 主要會計政策摘要(續)

#### (10) 信貸虧損及資產減值(續)

##### (i) 金融工具產生之信貸虧損(續)

利息收入計息基準(續)

金融資產信貸減值的證據包括以下可觀察事件:

- 債務人出現嚴重財務困難;
- 違反合約,如欠繳或拖欠利息或本金付款;
- 借款人很有可能將告破產或進行其他財務重組;
- 科技、市場、經濟或法律環境出現重大變動,對債務人有不利影響;或
- 由於發行人出現財務困難,證券活躍市場消失。

##### 撇銷政策

若日後實際上不可收回款項,本集團則會撇銷(部分或全部)金融資產或應收融資租賃款項的總賬面值。該情況通常出現在本集團確定債務人沒有資產或可產生足夠現金流量的收入來源來償還應撇銷的金額。

隨後收回先前撇銷之資產於收回期間在損益內確認為減值撥回。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(10) Credit losses and impairment of assets (Continued)**

**(ii) Impairment of other non-current assets**

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

- property, plant and equipment (other than ownership interest in leasehold land and buildings held for own use carried at fair value);
- land and land use rights classified as being held under an operating lease;
- investments in subsidiaries and associates (except for those classified as held for sale or included in a disposal group that is classified as held for sale) in the Company's statement of financial position;
- goodwill; and
- intangible assets.

**2. 主要會計政策摘要(續)**

**(10) 信貸虧損及資產減值(續)**

**(ii) 其他非流動資產減值**

本集團於每個報告期末均對內部及外間資料來源進行評估，以識別有否跡象顯示下列資產是否已出現減值，或(除商譽外)先前已確認之減值虧損已不存在或可能已減少：

- 物業、廠房及設備(除以公平價值計量的自用租賃土地及樓宇的所有權權益之外)；
- 分類為根據經營租賃持作租賃土地；
- 在本集團財務狀況表中的附屬公司及聯營公司權益(除分類為持作出售或包含在持作出售組別之外)；
- 商譽；及
- 無形資產。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (10) Credit losses and impairment of assets (Continued)

##### (ii) Impairment of other non-current assets (Continued)

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

##### — Calculation of recoverable amount

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

### 2. 主要會計政策摘要(續)

#### (10) 信貸虧損及資產減值(續)

##### (ii) 其他非流動資產減值(續)

若出現任何此等跡象，本集團將估計資產之可收回金額。此外，就商譽而言，此無形資產並不可供使用及不定可用年期，每年按有否跡象需減值來估計其可收回金額。

##### — 計算可收回金額

資產之可收回金額為其公平值減銷售成本與使用價值兩者之較高者。於評估使用價值時，採用反映當時市場對金錢時間值及有關資產特有風險之評估之稅前貼現率貼現估計未來現金流量至其現值。倘資產產生之現金流入大致上不能獨立於其他資產，可收回金額則按可獨立產生現金流入之最小資產組合(即現金產生單位)釐定。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(10) Credit losses and impairment of assets (Continued)**

**(ii) Impairment of other non-current assets (Continued)**

– Recognition of impairment losses

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

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

**2. 主要會計政策摘要(續)**

**(10) 信貸虧損及資產減值(續)**

**(ii) 其他非流動資產減值(續)**

– 確認減值虧損

倘某項資產或其所屬之現金產生單位之賬面值超過其可收回金額，則於損益內確認減值虧損。就現金產生單位確認之減值虧損，按比例分配以減少單位(或單位組別)內其他資產之賬面值，惟資產之賬面值不得減少至低於其個別公平值減銷售成本(如可計量)或使用價值(如可釐定)。

– 撥回減值虧損

就商譽之外之資產而言，倘用於釐定可收回金額之估計出現有利改變，則撥回減值虧損。商譽的減值虧損則不會撥回。

撥回之減值虧損僅限於倘於過往年度未確認減值虧損而釐定之資產賬面值。減值虧損之撥回在確認撥回之年度計入損益。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Other borrowing costs are expensed in the period in which they are incurred. Capitalisation of such borrowing costs ceases when 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 capitalised.

#### (12) Government grants

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

### 2. 主要會計政策摘要(續)

#### (11) 借貸成本

直接因收購、建設或產生一項必須經歷一段頗長時間才可用作擬定用途或出售的資產而產生的借貸成本，均撥充資產成本的一部分，其他借貸成本將在產生當期支銷。資本化的借貸成本將在資產大致上可準備投入作擬定用途或出售時隨之中止。個別借貸於等待使用於有關合資格的資產時用作短暫投資所得的投資收入於撥充資本的借貸成本中扣除。

#### (12) 政府補貼

倘可合理確定能夠收取政府補貼，而本集團將符合政府補貼所附帶的條件，則政府補貼在綜合財務狀況表中初始確認。補償集團所產生開支的補貼於產生開支的同一期間有系統地於損益表中確認為收入。補償集團資產成本的補貼在相關資產賬面值中扣除，其後於該項資產的可用年期以減少折舊開支方式於損益表中實際確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(13) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

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

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transactions for similar services, when such information is obtainable, is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2. 主要會計政策摘要(續)

(13) 發出財務擔保、撥備及或然負債

(i) 所發出財務擔保

財務擔保乃要求發行人(即擔保人)就擔保受益人(「持有人」)因特定債務人未能根據債項工具的條款於到期時付款而蒙受的損失而向持有人支付特定款項的合約。

倘本集團發出財務擔保，該擔保的公平價值(即交易價格，除非該公平價值能確實地估計)初始確認為貿易應付賬款及其他應付賬款內的遞延收入。已發出財務擔保於發出時之公平價值於可獲得有關資料時，乃參考就涉及類似服務之公平交易所收取費用釐定，或(倘無有關資料)參考透過將貸方於提供擔保時所收取實際利率與在不獲提供擔保時原應收取之估計利率作出比較下得出的利率差距加以估計(指可就有關資產指示出可靠估計之情況下)。倘在發行該擔保時收取或可收取代價，該代價則根據適用於該類資產之本集團政策而予確認。倘有關代價尚未收取或應予收取，於初始確認任何遞延收入時，即時開支於損益表內確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (13) Financial guarantees issued, provisions and contingent liabilities (Continued)

#### (i) Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(13)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

#### (ii) Contingent liabilities acquired in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(13)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or where not present obligations at the date of acquisition are disclosed in accordance with note 2(13)(iii).

## 2. 主要會計政策摘要(續)

### (13) 發出財務擔保、撥備及或然負債(續)

#### (i) 所發出財務擔保(續)

初始確認為遞延收入的擔保款額，按擔保年期於損益表內攤銷為所發出的財務擔保收入。此外，倘(i)擔保持有人有可能根據本集團已作出的財務擔保向集團提出索償通知時；及(ii)本集團的申索款額預期超過現時列於該擔保的應付賬款及其他應付款項(即初始確認的金額)減累計攤銷，便根據附註2(13)(iii)確認並作出撥備。

#### (ii) 業務合併取得的或然負債

因業務合併而承擔或然負債於收購日屬即期責任，則最初按公平價值確認，惟公平價值能可靠計量。按公平價值確認後，該等或然負債按初始確認數額扣除累計攤銷(如適用)後的數額，與根據本附註2(13)(iii)所釐定的數額兩者的較高者確認。倘不能於收購日可靠地計量公平價值或並非為即期責任，因業務合併而承擔的或然負債則按本附註2(13)(iii)所述披露。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(13) Financial guarantees issued, provisions and contingent liabilities (Continued)**

**(iii) Other provisions and contingent liabilities**

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

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

**2. 主要會計政策摘要(續)**

**(13) 發出財務擔保、撥備及或然負債(續)**

**(iii) 其他撥備及或然負債**

如果本集團或本公司須就已發生之事件承擔法律或推定義務，而會導致經濟利益外流及在可以作出可靠之估計時，則就該時間或數額不定之其他負債計提撥備。如果貨幣時間值重大，則按履行義務預計所需支出之現值計提撥備。

如果流出經濟利益之可能性較低，或無法對有關數額作出可靠之估計，則會將該義務披露為或然負債，但經濟利益外流之可能性極低則除外。如果有關義務須視乎某宗或多宗未來事件是否發生才能確定是否存在，則會披露為或然負債，除非經濟利益外流可能性極低。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (14) Inventories and other contract costs

##### (i) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

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

### 2. 主要會計政策摘要(續)

#### (14) 存貨及其他合約成本

##### (i) 存貨

存貨是指日常業務過程中持有以作銷售、處在為該等銷售的生產過程中，或在生產過程或提供勞務過程中耗用的材料或物料形式持有的資產。

存貨按成本或可變現淨值兩者中的較低者列賬。成本按加權平均法計算。製成品及在製品的成本包括原材料、直接工資、其他直接成本及相關生產開支(根據正常經營能力)，惟不包括貸款成本。可變現淨值乃按正常業務過程中的估計售價，減去適用的變動銷售開支計算。

將存貨撇減至可變現淨值的金額及存貨的所有虧損，乃於撇減或虧損產生的期間確認為開支。撥回任何存貨撇減的金額乃確認為減少該存貨於期間確認為開支的金額。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(14) Inventories and other contract costs (Continued)**

**(ii) Other contract costs**

Other contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory (see note 2(14)(i)), property, plant and equipment (see note 2(4)) or intangible assets (see note 2(8)).

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory, property, plant and equipment or intangible assets, are expensed as incurred.

**2. 主要會計政策摘要(續)**

**(14) 存貨及其他合約成本(續)**

**(ii) 其他合約成本**

其他合約成本是取得客戶合約的增量成本或履行客戶合約的成本，其並無撥充資本為存貨（見附註2(14)(i)）、物業、廠房及設備（見附註2(4)）或無形資產（見附註2(8)）。

取得合約的增量成本為本集團就取得客戶合約而產生，倘未能取得合約則不會產生的成本（例如增量銷售佣金）。倘有關收益的成本將在未來報告期內確認，而成本預期可收回，取得合約的增量成本於產生時會撥充資本。取得合約的其他成本在產生時支出。

倘履行合約的成本與現有合約或可識別的預期合約直接有關；產生或提升將於未來用於提供產品或服務的資源；並預期可收回，則會撥充資本。與現有合約或可識別的預期合約直接有關的成本可能包括直接勞工、直接材料、成本分配、明確向客人收取的成本及僅由於本集團訂立合約而產生的其他成本（例如向分包商支付款項）。其他履行客戶合約的成本（其並無撥充資本為存貨、物業、廠房及設備或無形資產）在產生時支銷。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (14) Inventories and other contract costs (Continued)

#### (ii) Other contract costs (Continued)

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses.

Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 2(23).

### (15) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 2(23)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECLs in accordance with the policy set out in note 2(10)(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 2(16)).

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2(23)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(16)).

## 2. 主要會計政策摘要(續)

### (14) 存貨及其他合約成本(續)

#### (ii) 其他合約成本(續)

撥充資本的合約成本按成本減累計攤銷及減值虧損列賬。倘合約成本資產賬面值超過(i)本集團預期收取以交換有關該資產的產品或服務的餘下代價金額，減(ii)任何直接有關提供該等產品或服務，而未確認為開支的成本的淨額，則會確認減值虧損。

當與資產有關的收益獲確認時，撥充資本的合約成本攤銷將自損益扣除。收益確認的會計政策載於附錄2(23)。

### (15) 合約資產及合約負債

倘本集團於根據合約所載之付款條款符合資格無條件收取代價之前確認收入(見附註2(23))，則確認合約資產。合約資產根據載於附註2(10)(i)之政策評估預期信貸虧損，並於收取代價之權利成為無條件時被重新分類至應收款項(見附註2(16))。

倘客戶於本集團確認相關收入之前支付代價，則確認合約負債(見附註2(23))。倘本集團擁有無條件權利可於本集團確認相關收入之前收取代價，亦將確認合約負債。在該等情況下，亦將確認相應的應收款項(見附註2(16))。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(15) Contract assets and contract liabilities (Continued)

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

(16) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset (note 2(15)).

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

(17) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows. Cash and cash equivalents are assessed for ECLs in accordance with the policy set out in note 2(10)(i).

Pledged bank deposits are not included in cash and cash equivalents.

2. 主要會計政策摘要(續)

(15) 合約資產及合約負債(續)

就與客戶訂立的單一合約而言，以合約資產淨值或合約負債淨值呈列。就多種合約而言，不相關合約的合約資產及合約負債不以淨值基準呈列。

(16) 貿易及其他應收款項

本集團具有無條件權利收取代價時確認應收款項。在該代價到期支付前，收取代價的權利僅需經過一段時間方為無條件。如收益在本集團有無條件權利收取代價前已經已確認，則金額呈列為合約資產(見附註2(15))。

應收款項利用實際利率法按攤銷成本減信貸虧損撥備列賬。

(17) 現金及現金等值

現金及現金等值包括銀行存款及現金、在銀行及其他金融機構的活期存款以及流動性極高的短期投資。這些投資可以在未經通知下即時轉換為已知數額的現金，而在價值變動方面的風險並不巨大，且獲取時的到期日在三個月之內。就編製綜合現金流量表而言，須應要求償還並構成本集團現金管理之一部份的銀行透支亦列入現金及現金等值的組成部份。現金及現金等值按附註2(10)(i)所示評估預計信貸虧損。

抵押存款不包括於現金及現金等值內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (18) Share capital

Ordinary shares are classified as equity.

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

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity shareholders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity shareholders.

#### (19) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities (if any) measured in accordance with note 2(13)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 2. 主要會計政策摘要(續)

#### (18) 股本

普通股歸類為權益。

發行新股份或購股權直接應佔之新增成本乃於股本權益中列為所得款項(扣除稅項)之扣減。

倘任何集團公司購買本公司之權益股本(庫存股份)，所支付之代價(包括任何增加之直接應佔成本(扣除所得稅))從本公司股權持有人應佔之權益中扣除，直至股份被註銷、重新發行或出售為止。倘有關股份其後被售出或重新發行，則任何所收取之代價(扣除任何增加之直接應佔交易成本及有關所得稅影響)計入本公司股權持有人應佔之權益。

#### (19) 貿易及其他應付款項

貿易及其他應付款項初步按公平價值確認。除了按照附註2(13)(i)計算之財務擔保負債外，貿易及其他應付款項其後按攤銷成本入賬，惟倘貼現影響並不重大，則按成本入賬。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(20) Bank and other borrowings**

Bank and other borrowings are initially recognised at fair value, net of transaction costs incurred. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability, including fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties. Bank and other borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Bank and other borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

**(21) Income tax**

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

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

**2. 主要會計政策摘要(續)**

**(20) 銀行及其他借款**

銀行及其他借款最初按公平價值扣除交易成本後的淨額確認。交易成本為直接關於收購、發行或出售金融資產或財務負債的新增成本，包括支付代理、顧問、經紀及交易商的費用及佣金、監管機構及證券交易所的徵費，以及轉讓的稅項及印花稅。銀行及其他借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值之間的差額在借款期限內以實際利息法計入當期收入報表中確認。

除非本集團有權無條件將債項結算期限延長至報告結算日後最少十二個月，否則借款乃分類為流動負債。

**(21) 所得稅**

本年度所得稅包括本期稅項及遞延稅項資產及負債的變動。本期稅項及遞延稅項資產及負債的變動在損益表確認，除非與屬於其他全面收入確認或直接計入權益的項目有關者，則有關稅項金額分別於其他全面收入確認或直接計入權益。

本期稅項乃根據已執行或於報告結算日已實質執行之稅率，按本年度應課稅收入以及過往年度應付稅項之任何調整而計算預期應付稅項。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (21) Income tax (Continued)

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

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

### 2. 主要會計政策摘要(續)

#### (21) 所得稅(續)

遞延稅項資產及負債乃因作財務報告用途之資產及負債賬面值與作稅基用途之資產及負債賬面值兩者之可予扣減及應課稅之暫時差異所產生。遞延稅項資產亦可由未經使用之稅務虧損及未經使用之稅項優惠所產生。

除了若干有限之例外情況外，所有遞延稅項負債，以及所有遞延稅項資產（僅限於將來很可能取得應課稅盈利而令該項資產得以運用之部份）均予確認。容許確認由可予扣減暫時差異所產生之遞延稅項資產之未來應課稅盈利包括其將由目前之應課稅暫時性差異撥回之部份，惟此等應課稅暫時差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回之同一期間內撥回或在由遞延稅項資產產生之稅務虧損能轉回或轉入之期間內撥回。在評定目前之應課稅暫時差異是否容許確認由未經使用之稅務虧損及優惠所產生之遞延稅項資產時，亦會採用上述相同之標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或優惠能應用之期間內撥回方計算在內。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(21) Income tax (Continued)**

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

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

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

**2. 主要會計政策摘要(續)**

**(21) 所得稅(續)**

確認遞延稅項資產及負債之有限例外情況包括由商譽引起並不可在稅務方面獲得扣減之暫時差異、初始確認但並不影響會計盈利及應課稅盈利之資產或負債(惟其不可為業務合併之部份), 以及有關於附屬公司投資所引致之暫時差異。如為應課稅差異, 只限於本集團可以控制撥回時間, 且在可預見將來不太可能撥回之暫時差異; 或如為可予扣減差異, 則只限於可能在未來撥回之差異。遞延稅項資產及負債均不作貼現計算。

本集團會在每個報告期末評估遞延稅項資產之賬面值。如果不再可能取得足夠之應課稅盈利以運用有關之稅務利益, 便會調低賬面金額。在日後可能取得足夠之應課稅盈利時, 則會撥回已扣減金額。

來自分派股息的額外所得稅, 確認支付有關股息的責任時確認。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (21) Income tax (Continued)

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

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

### 2. 主要會計政策摘要(續)

#### (21) 所得稅(續)

本期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及不會相互抵銷。若本公司或本集團在法律上擁有抵銷本期稅項資產及本期稅項負債之行使權利，並能符合下列額外條件，則本期稅項資產可抵銷本期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 若為本期稅項資產及負債：本集團計劃以淨額清償，或計劃同時變現資產及清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收之所得稅有關：
  - 同一應課稅單位；或
  - 如為不同之應課稅單位，預期在未來每一個週期將清償或追償顯著數目之遞延稅項負債或資產及計劃變現本期稅項資產及以淨額基準清償本期稅項負債或計劃同時變現本期稅項資產及清償本期稅項負債。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(22) Employee benefits

(i) Retirement benefit costs

Payments to defined contribution plans under the mandatory provident fund scheme, the ORSO scheme and state-managed retirement benefits scheme are charged as expenses as they fall due.

(ii) Profit-sharing and bonus plans

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

(iii) Share-based compensation

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Hull White Trinomial Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策摘要(續)

(22) 僱員福利

(i) 退休福利計劃

對強制性公積金計劃、職業退休計劃及其他國有退休福利計劃作出之供款乃於其到期時列作開支予以扣除。

(ii) 分享溢利及花紅計劃

本集團根據一條公式，按本公司股東應佔溢利作若干調整，計算並確認花紅及分享溢利為負債及開支。本集團按合約規定或過往慣例責任產生時確認撥備。

(iii) 股份為本之補償

賦予員工的購股權之公平價值被確認為員工成本，並在股東權益內的購股權儲備作相應的增加。公平價值乃採用霍爾－懷特三元模型，按購股權授予日計算，並顧及授予購股權的條款。當僱員須符合歸屬期條件才可無條件享有該等購股權，預計公平價值總額在歸屬期內攤分入賬，並已考慮購股權歸屬的或然率。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (22) Employee benefits (Continued)

#### (iii) Share-based compensation (Continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share capital) or the option expires (when it is released directly to retained profits).

#### (iv) 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 entity 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. 主要會計政策摘要(續)

### (22) 僱員福利(續)

#### (iii) 股份為本之補償(續)

估計可歸屬購股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之調整須在檢討期內的收入報表支銷或回撥，並在購股權儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本公司股份的市價有關，確認為支出之金額按歸屬購股權的實際數目作調整（並在購股權儲備作相應調整）。屬股東權益的金額在購股權儲備確認，直到當購股權被行使時（轉入股本），或當購股權之有效期屆滿時（轉入保留溢利）。

#### (iv) 辭退福利

如果本集團在正常退休日期前終止僱用，或員工接受自願離職以換取這些福利，則應支付辭退福利。本集團於下列日期較早時確認辭退福利：(a)本集團不能撤回該等福利的提議；及(b)當該實體確認重組的成本在香港會計準則第37號範圍內，並涉及支付辭退福利。在提出鼓勵自願離職的提議的情況下，辭退福利是根據預期接受報價的僱員人數計算的。在報告結算日結束後超過12個月到期的福利，按貼現現值折現。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(23) Revenue recognition and other income

(i) Revenue recognition

Revenue is measured at the fair value of the consideration received and receivable, and represents amounts receivable for goods supplied or service performed, stated net of rebates and returns. The Group recognises revenue when the amount of revenue can be reliably measured; 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 returns on historical results, taking into consideration the type of customers, the nature of transactions and the specifics of each arrangement.

Sales of products

Revenue from the sale of good directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the products by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The Group collects cash or bank acceptance notes from the customers before or upon deliveries of products through banks. Cash or bank acceptance notes collected from the customers before product delivery is recognised as contract liabilities (Note 2(15)).

Installation services income

Installation services income is recognised when the relevant services are provided.

The Group's obligation to repair or replace faulty products under the standard warranty terms, which cannot be purchased separately and serve as an assurance that the products sold comply with agreed-upon specifications at the time of sale.

2. 主要會計政策摘要(續)

(23) 收益確認及其他收入

(i) 收益確認

收入按已收及應收代價的公平價值計算，為就所供應商品或所履行的服務扣除折扣及退貨應收款項。當收入金額能夠可靠計量；未來經濟利益有可能流入實體；及本集團各項活動符合具體條件時（如下文所述），本集團會確認收入。本集團根據其過往業績並考慮客戶類別、交易性質及每項安排的特點作出回報估計。

產品銷售

直接向客戶銷售商品所得收入於存貨的控制權已轉移予客戶時（主要於客戶接受產品後）確認。客戶對產品有充分酌情權且並無未履行責任可影響客戶對該等產品的接納。本集團在產品交付之前或之後透過銀行向客戶收取現金或銀行承兌票據。在產品交付前自客戶收取的現金或銀行承兌票據確認為合約負債（附註2(15)）。

安裝服務收入

安裝服務收入乃按已提供有關服務後確認。

本集團有責任根據標準質保條款修理或更換缺陷產品（該等質保條款不可單獨購買且用作所出售產品在銷售時符合協定規格的保證）。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (23) Revenue recognition and other income (Continued)

##### (i) Revenue recognition (Continued)

Finance lease income

Interest income from the finance lease is recognised on a basis that reflect a constant periodic rate of return on the net investment in the finance lease.

##### (ii) Other income

- (a) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.
- (b) Handling and services income are recognised when services are provided.
- (c) Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVTOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(10)(i)).
- (d) Dividend income is recognised when the shareholder's right to receive payment is established prior to the end of the reporting period.

### 2. 主要會計政策摘要(續)

#### (23) 收益確認及其他收入(續)

##### (i) 收益確認(續)

融資租賃收入

融資租賃利息收入的基礎是反映融資租賃的淨投資回報之恆常週期性回報率。

##### (ii) 其他收入

- (a) 經營租賃下的應收租金收入乃按租約之年期以直線法確認，或按其他更能反映使用租賃資產所產生利益模式的方式予以確認。所給予之租賃獎勵按其作為組成應收租賃淨付款總額之組成部分於損益中確認。或然租金乃於賺取之會計期間內確認為收入。
- (b) 加工及服務收入乃按已提供服務後確認。
- (c) 利息收入乃採用實際利息法確認。對於以攤銷成本計量的金融資產或以公平價值計量且其變動計入其他全面收益(重新歸入)並無信貸減值，實際利率乃應用於資產的總帳面值。對於以信用減值的金融資產，實際利率乃應用於攤銷成本(即總帳面值扣除虧損撥備)計量的資產(見附註2(10)(i))。
- (d) 由投資所取得之股息收入之確認為當股東早於報告結算日已確立收取股息之權利。

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (24) Leases

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

#### (A) Accounting policies applied from 1 January 2019

(i) As a lessee

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

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

## 2. 主要會計政策摘要(續)

### (24) 租約

在合約開始時，本集團評估合約是否為租賃或包含租賃。倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約是租賃或包含租賃。當客戶有權從使用可識別資產獲得絕大部分經濟利益及擁有指示使用可識別資產的權利時，便傳達了控制權。

#### (A) 自二零一九年一月一日應用的會計政策

(i) 作為承租人

當合約包含租賃部分和非租賃部分，本集團選擇不將非租賃部分分開，並將所有租賃的各租賃部分和任何關聯的非租賃部分列為單個租賃部分入賬。

於租賃開始日，本集團確認使用權資產和租賃負債，但租賃期為十二個月或以下的短期租賃和低價值資產的租賃則除外。當本集團就低價值資產訂立租賃時，本集團決定是否按個別租賃基準將租賃資本化。與該等未資本化租賃相關的租賃付款於租期內按系統基準確認為開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (24) Leases (Continued)

#### (A) Accounting policies applied from 1 January 2019 (Continued)

##### (i) As a lessee (Continued)

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

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(4) and 2(10)(ii)).

## 2. 主要會計政策摘要(續)

### (24) 租約(續)

#### (A) 自二零一九年一月一日應用的會計政策(續)

##### (i) 作為承租人(續)

當租賃已資本化，租賃負債初步按租期應付租賃款現值確認，並按租賃中所隱含的利率貼現，或倘該利率不能輕易釐定，則以相關遞增借款利率貼現。於初步確認後，租賃負債按攤銷成本計量，而利息開支則採用實際利率法計量。租賃負債的計量並不包括不依賴指數或利率的可變租賃付款，因此可變租賃付款於其產生的會計期間在損益中扣除。

於資本化租賃時確認的使用權資產初步按成本計量，其中包括租賃負債的初始金額，加上於開始日期或之前作出的任何租賃付款以及任何所產生的初始直接成本。倘適用，使用權資產的成本亦包括拆卸及移除相關資產或還原相關資產或該資產所在工地而產生的估計成本，按其現值貼現並扣減任何所收的租賃優惠。使用權資產隨後按成本減累計折舊及減值虧損列賬(見附註2(4)及2(10)(ii))。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(24) Leases (Continued)**

**(A) Accounting policies applied from 1 January 2019 (Continued)**

(i) As a lessee (Continued)

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

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

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

**2. 主要會計政策摘要(續)**

**(24) 租約(續)**

**(A) 自二零一九年一月一日應用的會計政策(續)**

(i) 作為承租人(續)

倘指數或利率變化引致未來租賃付款出現變動，或本集團預期根據剩餘價值擔保應付的估計金額產化變化，或就本集團是否合理確定將行使購買、續租或終止選擇權的有關重新評估產生變化，則租賃負債將重新計量。倘以這種方式重新計量租賃負債，則應當對使用權資產的賬面值進行相應調整，而倘使用權資產的賬面值已調減至零，則應於損益列賬。

本集團在綜合財務狀況表中分別列示使用權資產和租賃負債。

(ii) 作為出租人

當本集團作為出租人時，在租賃開始時本集團判斷每份租賃是融資租賃還是經營租賃。如果租賃將其下的資產資產所有權附帶的幾乎所有風險和報酬轉移給承租人，則歸類該租賃為融資租賃。如果情況並非如此，則歸類該租賃為經營租賃。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (24) Leases (Continued)

#### (A) Accounting policies applied from 1 January 2019 (Continued)

##### (ii) As a lessor (Continued)

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 2(23)(ii)(a).

When the Group is an intermediate lessor, the sub-leases are classified as a finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described in note 2(24)(A)(i), then the Group classifies the sub-lease as an operating lease.

#### (B) Accounting policies applied until 31 December 2018

Leases of assets are classified as finance leases when the leases transfer substantially all risks and rewards incidental to ownership of the assets to the Group. All other leases are classified as operating leases.

## 2. 主要會計政策摘要(續)

### (24) 租約(續)

#### (A) 自二零一九年一月一日應用的會計政策(續)

##### (ii) 作為出租人(續)

當合約包含租賃和非租賃組成部分時，本集團以相對獨立的銷售價格為基礎將合約中的代價分配至各成分。經營租賃的租金收入根據附註2(23)(ii)(a)確認。

當本集團為中間出租人時，轉租乃根據主租賃產生的使用權資產被分為融資租賃或經營租賃。如果主租賃是本集團應用附註2(24)(A)(i)所述豁免的短期租賃，則本集團將該轉租歸類為經營租賃。

#### (B) 截至二零一八年十二月三十一日應用的會計政策

當資產租約隨資產擁有權轉撥絕大部份風險及利益至本集團時，分類為融資租約。所有其他租約均分類為經營租約。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(24) Leases (Continued)

(B) Accounting policies applied until 31 December 2018 (Continued)

(i) Leases of land and buildings

Whenever necessary, in order to classify and account for a lease of land and buildings, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

The land element is classified as an operating lease unless title is expected to pass to the lessee by the end of the lease term. The building element is classified as a finance or operating lease in the same way as leases of other assets. The payments made on acquiring land held under an operating lease are recognised in the statement of financial position as leasehold land and land use rights which are stated at cost and are amortised on a straight-line basis over the period of the lease term.

2. 主要會計政策摘要(續)

(24) 租約(續)

(B) 截至二零一八年十二月三十一日應用的會計政策(續)

(i) 土地及樓宇租約

每當於有需要將土地及樓宇租約分類及列賬時，最低租賃付款(包括任何一次過預付款項)乃按租約土地部份及樓宇部份於租約開始時之租賃權益相對公平價值比例於土地及樓宇部份之間分配。

土地部份乃分類為經營租約，除非預期所有權益會於租約期結束時轉移予承租人，則作別論，樓宇部份以與其他資產租約之相同方式分類為融資或經營租約。收購根據經營租約持有之土地而支付之款項乃於財務狀況表內確認為土地之租賃費用，有關租賃土地及土地使用權按成本列賬，並於租賃期內按直線法攤銷。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (24) Leases (Continued)

##### (B) Accounting policies applied until 31 December 2018 (Continued)

###### (i) Leases of land and buildings (Continued)

If the lease payments on a lease of land and buildings cannot be allocated reliably between the land and building elements at the inception of the lease or the relevant lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

###### (ii) Finance leases

###### Lessee

Assets held under finance leases are recognised in the statement of financial position at amounts equal to the fair value of the leased assets, or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities, net of finance charges, on the finance leases are recorded as obligations under finance leases. All assets held under finance leases are classified as property, plant and equipment, except for those properties held to earn rental income which are classified as investment property, in the statement of financial position.

Depreciation and impairment losses are calculated and recognised in the same manner as the depreciation and impairment losses on property, plant and equipment as set out in note 2(4), except for the estimated useful lives cannot exceed the relevant lease terms, if shorter.

### 2. 主要會計政策摘要(續)

#### (24) 租約(續)

##### (B) 截至二零一八年十二月三十一日應用的會計政策(續)

###### (i) 土地及樓宇租約(續)

倘土地及樓宇租約之租約付款無法於租約開始時在土地及樓宇部份之間可靠地分配或該租約已根據香港會計準則第17號列明租約轉移了土地所有權的重大風險及回報，則整份租約會分類為融資租約，除非明顯地兩個部份均為經營租約，則作別論，在此情況下，整份租約會分類為經營租約。

###### (ii) 融資租約

###### 承租人

根據融資租約持有之資產按相當於在租約訂立時釐定之租賃資產公平價值之數額，或(倘為較低者)最低租約付款之現值於財務狀況表確認入賬，融資租約之相應債項經扣除融資費用後，乃列作融資租約承擔。按融資租約持有之所有資產乃於財務狀況表內列作物業、廠房及設備，惟持有以賺取租金收入之物業則於財務狀況表內列作投資物業。

折舊及減值虧損按與物業、廠房及設備之折舊及減值虧損相同之方式(載於附註2(4))計算及確認，惟估計可使用年期不得超過相關租約期(倘較短)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(24) Leases (Continued)

(B) Accounting policies applied until 31 December 2018 (Continued)

(ii) Finance leases (Continued)

Lessee (Continued)

Minimum lease payments are apportioned between finance charge and the reduction of the outstanding liabilities. The finance charge is recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

(iii) Operating leases

Where the Group is the lessee, lease payments under an operating lease are recognised as an expense on a straight-line basis over the period of the lease term. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the income statement on a straight-line basis over the lease period. Contingent rentals are charged as an expense in the periods in which they are incurred.

2. 主要會計政策摘要(續)

(24) 租約(續)

(B) 截至二零一八年十二月三十一日應用的會計政策(續)

(ii) 融資租約(續)

承租人(續)

最低租約付款於融資費用及未償還債項減少之間分配。融資費用按租約期間確認於損益表，並藉此制定負債餘額之固定利率。

出租人

應收融資租賃承租人金額在集團的租賃投資金額中確認為應收項目。融資租賃收入被分配到會計期間，以反映本集團就租賃投資回報的固定定期利率。

(iii) 經營租約

倘本集團為承租人，則經營租約項下之租約付款以直線法於租約期內確認為開支。倘本公司為出租人，則本集團經營租賃項下之租賃資產包括於非流動資產中，而應收經營租賃項下之租金收入則於租賃期內按直線法計入收入報表內。或然租金於彼等所產生之期間內列作開支。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (25) Dividend distribution

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

### (26) Segment reporting

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

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

## 2. 主要會計政策摘要(續)

### (25) 股息分派

由董事局建議派發的末期股息在財務狀況表股東權益內作為對保留溢利的分配單獨列示，直至股東於股東大會上批准派發。這些股息被股東批准和宣派後，確認為負債。

由於本公司之公司組織章程大綱及細則授予董事權力以宣派中期股息，故中期股息會同時建議及宣派。因此，當建議及宣派中期股息時，中期股息直接被確認為負債。

### (26) 分部報告

營運分部及本財務報表所呈報之各分部項目之款項，於定期向本集團高級管理層提供之綜合財務報告中識別，管理層依據該等報告分配資源予本集團不同業務及地域以及評估該等業務及地域之表現。

就財務報告而言，個別重大營運分部不會累積計算，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外，倘並非個別重大之經營分部符合大部份此等準則，則該等營運分部可能會被累積計算。終止營運分部與持續營運分部會分別呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(27) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK dollars, which is the Company's functional and the Group's presentation currency. All values are rounded to the nearest thousand except when otherwise indicated.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 profit or loss, except those arising from qualifying cash flow hedges or qualifying net investment hedges which are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities, such as equity instruments held at fair value through profit or loss, are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale financial assets, are recognised in other comprehensive income and accumulated separately in equity in the fair value reserve.

2. 主要會計政策摘要(續)

(27) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所列之項目，乃按該實體經營所在地之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表乃以本公司之功能及呈報貨幣港元呈列。除非另有說明，所有數值都會四捨五入到最接近的千位數。

(ii) 交易及結餘

外幣交易均按交易當日之匯率換算為功能貨幣。因結算該等交易及因按年結日匯率換算以外幣為貨幣單位之貨幣資產及負債而產生之外匯損益，乃於損益表中確認，惟由現金流量對沖或投資淨額對沖所產生的，則於其他全面收入中確認。

非貨幣金融資產及負債如按公平價值持有並於損益表中處理之股本工具之換算差額，均於損益表內確認為公平價值盈虧之一部分。非貨幣金融資產如分類為可供出售金融資產之換算差額，均於其他全面收入確認並獨立累計於權益中的公平價值儲備內。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (27) Foreign currency translation (Continued)

#### (iii) 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 date of that statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve.

## 2. 主要會計政策摘要(續)

### (27) 外幣換算(續)

#### (iii) 集團公司

集團旗下所有公司(全部均非採用高通脹經濟體系之貨幣)之功能貨幣倘有別於呈報貨幣,其業績及財務狀況須按如下方式換算為呈報貨幣:

- (i) 各財務狀況表所列資產及負債按其結算日之收市匯率換算;
- (ii) 各收入報表所列收入及開支按平均匯率換算(除非此平均匯率不足以合理地概括反映於交易日期適用匯率之累計影響,則在此情況下,收入及開支則按交易日期之匯率換算);及
- (iii) 一切因此而產生之滙兌差額均於其他全面收入確認並獨立累計於權益中的滙兌儲備內。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(27) Foreign currency translation (Continued)**

**(iii) Group companies (Continued)**

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss when gain or loss on disposal is recognised.

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 year-end closing rate.

**(28) Related parties**

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

**2. 主要會計政策摘要(續)**

**(27) 外幣換算(續)**

**(iii) 集團公司(續)**

在編製綜合賬時，換算海外公司投資淨額和換算被指定為此等投資之對沖工具的借貸及其他貨幣工具而產生的滙兌差異，均於其他全面收入確認並獨立累計於權益中的滙兌儲備內。當出售海外業務時，此等滙兌差異將於確認於出售時由權益重新分類至損益表。

因收購海外公司而產生之商譽及公平價值調整，均視作為該海外公司之資產及負債處理，並按結算日的收市滙率換算。

**(28) 關連方**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (28) Related parties (Continued)

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

- (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (3) Both entities are joint ventures of the same third party.
- (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (6) The entity is controlled or jointly controlled by a person identified in note 2(28)(i).
- (7) A person identified in note 2(28)(i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

## 2. 主要會計政策摘要(續)

### (28) 關連方(續)

(ii) 倘符合下列任何條件，即實體與本集團有關連：

- (1) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
- (2) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
- (3) 兩間實體均為同一第三方的合營企業。
- (4) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
- (5) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
- (6) 實體受附註2(28)(i)所識別人士控制或受共同控制。
- (7) 於附註2(28)(i)(1)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (8) 該實體或屬該實體其中一部份的集團旗下任何成員公司為向本集團或本集團母公司提供主要管理人員服務。

任何人士之近親為與該實體交易時預期可影響該人士或受該人士影響的家庭成員。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a new HKFRS, HKFRS 16, Leases, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, Leases, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 46).

#### HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, Leases, and the related interpretations, HK(IFRIC)-Int 4, Determining whether an arrangement contains a lease, HK(SIC)-Int 15, Operating leases – incentives, and HK(SIC)-Int 27, Evaluating the substance of transactions involving the legal form of a lease. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less ("short-term leases") and leases of low-value assets. The lessor accounting requirements are brought forward from HKAS 17 which remain substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

### 3. 會計政策變動

香港會計師公會已頒布一個新的香港財務報告準則，香港財務報告準則第16號，租賃以及多項經修訂的香港財務報告準則，這些修訂在本集團的本會計期間首次生效。

除香港財務報告準則第16號，租賃，任何變動均不會對本集團本期或過往期間的業績和財務狀況的編制或呈報產生重大影響。本集團尚未應用在本會計期間尚未生效的任何新準則或詮釋（見附註46）。

#### 香港財務報告準則第16號，租賃

香港財務報告準則第16號取代香港會計準則第17號，租賃及相關詮釋、香港（國際財務報告詮釋委員會）詮釋第4號，釐定安排是否包括租賃、香港（常設詮釋委員會）詮釋第15號，經營租賃－誘因及香港（常設詮釋委員會）詮釋第27號，評估涉及租賃法律形式交易的內容。其就承租人引入單一會計模式，並規定承租人就所有租賃確認使用權資產及租賃負債，惟租期為12個月或以下的租賃（「短期租賃」）及低價值資產的租賃除外。出租人的會計規定則大致保留香港會計準則第17號的規定。

香港財務報告準則第16號亦引入額外的定性及定量披露規定，旨在使財務報表使用者能評估租賃對財務狀況，財務表現及現金流量的影響。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

### 3. CHANGES IN ACCOUNTING POLICIES (Continued)

#### HKFRS 16, Leases (Continued)

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach to recognise the right-of-use assets at the amount of the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments. As a result there was no impact to the opening balance of retained profits. Comparative information has not been restated and continues to be reported under HKAS 17.

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

#### (a) New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use. The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

### 3. 會計政策變動(續)

#### 香港財務報告準則第16號，租賃(續)

自二零一九年一月一日起，本集團已首次採納香港財務報告準則第16號。本集團已選擇採用經修訂的追溯法，以租賃負債金額確認使用權資產，並根據任何預付或應計租賃付款金額進行調整。因此，對保留溢利的期初結餘並無影響。比較資料尚未重述，並繼續根據香港會計準則第17號報告。

有關先前會計政策變更的性質和影響以及所採用的過渡方案的進一步詳情如下：

#### (a) 新的租賃定義

租賃定義的改變主要涉及控制的概念。香港財務報告準則第16號根據客戶是否在一段時間內控制已識別資產的使用而定義租約，該期限可由確定的使用量釐定。在客戶既有權指導使用已識別資產又有權從該用途獲得實質上所有經濟利益的情況下，控制權即賦予客戶。集團僅將香港財務報告準則第16號新的租約定義應用於在二零一九年一月一日或以後訂立或更改的合約。在二零一九年一月一日前訂立的合約，集團已採用過渡性可行權宜處理方法，繼續沿用先前對該等合約是否為租賃或包含租賃所作的評估。因此，先前根據香港會計準則第17號評估為租賃的合約繼續按香港財務報告準則第16號作為租賃入賬，而先前評估為非租賃服務安排的合約則繼續作為執行合約入賬。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

**3. CHANGES IN ACCOUNTING POLICIES**

*(Continued)*

**HKFRS 16, Leases** *(Continued)*

**(b) Lessee accounting and transitional impact**

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to property, plant and equipment as disclosed in note 38. For an explanation of how the Group applies lessee accounting, see note 2(24)(A).

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rates as at 1 January 2019. The weighted average of the incremental borrowing rates used for determination of the present value of the remaining lease payments was 8%.

**3. 會計政策變動(續)**

**香港財務報告準則第16號, 租賃(續)**

**(b) 承租人會計和過渡影響**

香港財務報告準則第16號取消香港會計準則第17號中承租人須將租賃分類為經營租賃或融資租賃的要求。相反,集團須在其為承租人時將所有租賃資本化,包括先前根據香港會計準則第17號分類為經營租賃的租賃,惟該等豁免的短期租賃及低價值資產租賃則除外。就本集團而言,這些新資本化的租賃主要與附註38中披露的物業,廠房和設備有關。有關本集團如何採用承租人會計的解釋,請參見附註2(24)(A)。

於過渡至香港財務報告準則第十六號當日(即二零一九年一月一日),本集團就先前分類為經營租賃的租賃按餘下租賃付款現值釐定餘下租期及計量租賃負債,並已使用二零一九年一月一日之相關增額借款利率進行貼現。用於釐定剩餘租賃付款現值之增額借款利率的加權平均數為8%。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**3. CHANGES IN ACCOUNTING POLICIES**

*(Continued)*

**HKFRS 16, Leases** *(Continued)*

**(b) Lessee accounting and transitional impact**

*(Continued)*

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

- (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) applied the recognition exemption for leases which the lease term ends within 12 months of the date of initial application;
- (iii) applied the recognition exemption for leases of low value assets;
- (iv) excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- (v) used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

**3. 會計政策變動(續)**

**香港財務報告準則第16號, 租賃(續)**

**(b) 承租人會計和過渡影響(續)**

為緩解香港財務報告準則第16號的過渡, 本集團於首次採納香港財務報告準則第16號當日採用下列簡易實務處理法:

- (i) 對有合理相似特徵的租賃組合採用單一貼現率;
- (ii) 對租賃期於首次應用日起計十二個月內屆滿的租賃應用確認豁免條款;
- (iii) 對於低價值的租賃應用確認豁免條款;
- (iv) 在首次採納日從使用權資產的計量中排除了初始直接成本; 及
- (v) 倘合約包含延長或終止租賃的選擇權, 在確定租賃期限考慮當前情況。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**3. CHANGES IN ACCOUNTING POLICIES**

(Continued)

**HKFRS 16, Leases (Continued)**

**(b) Lessee accounting and transitional impact**

(Continued)

The following table reconciles the operating lease commitments as disclosed in note 38 as at 31 December 2018 to the opening balance for lease liabilities recognised as at 1 January 2019:

**3. 會計政策變動(續)**

香港財務報告準則第16號·租賃(續)

**(b) 承租人會計和過渡影響(續)**

下表載列於二零一八年十二月三十一日之在附註38中披露的經營租賃承擔與於二零一九年一月一日已確認租賃負債之期初結餘之對賬：

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承諾	84,441
Less: adjustments as a result of different treatment of termination option	減：因終止選擇權的不同處理方式導致的調整	(814)
Less: commitments relating to leases exempt from capitalisation:	減：與免於資本化的租賃之相關承諾：	
– short-term leases with remaining lease term ending on or before 31 December 2019	– 剩餘租期於二零一九年十二月三十一日或之前結束的短期租約	(4,752)
		78,875
Less: total future interest expenses	減：未來的利息總支出	(18,130)
Present value of remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019	以本集團於二零一九年一月一日的增額借款利率貼現的餘下租賃款項之現值	60,745
Add: obligations under finance leases recognised as at 31 December 2018	加：二零一八年十二月三十一日確認的融資租賃借款	7,075
Total lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債總額	67,820
Of which are:	其中包括：	
Current lease liabilities	流動租賃負債	10,852
Non-current lease liabilities	非流動租賃負債	56,968
		67,820

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**3. CHANGES IN ACCOUNTING POLICIES**

(Continued)

**HKFRS 16, Leases (Continued)**

**(b) Lessee accounting and transitional impact**

(Continued)

The recognised right-of-use assets relate to the following types of assets:

Land use rights (note a)	土地使用權 (附註a)
Plant and machinery (note b)	廠房及機器 (附註b)
Land and buildings (note c)	土地及樓宇 (附註c)
Motor vehicle	汽車

*Note a:* Prepaid lease payment in respect of the land use right held for own use in the PRC were reclassified as right-of-use assets at the date of initial application of HKFRS 16.

*Note b:* The Group reclassified plant and machinery previously held under finance lease in accordance with HKAS 17 as right-of-use assets at the date of initial application of HKFRS 16.

*Note c:* The Group has leased several land and buildings for offices and factories. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Tenures of the leases range from 1 to 10 years.

**3. 會計政策變動 (續)**

香港財務報告準則第16號，租賃 (續)

**(b) 承租人會計和過渡影響 (續)**

已確認的使用權資產與以下類別資產有關：

31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	1 January 2019 二零一九年 一月一日 HK\$'000 千港元
37,930	40,271
6,459	7,364
55,037	60,745
547	-
<b>99,973</b>	<b>108,380</b>

*附註a:* 於首次採納香港財務報告準則第16號之日，本集團將於中國之自用土地使用權的預付租賃款重新分類為使用權資產。

*附註b:* 於首次採納香港財務報告準則第16號之日，本集團將先前根據香港會計準則第17號被歸類為融資租賃持有的廠房及機器重新分類為使用權資產。

*附註c:* 集團已租用一些土地及樓宇作辦公室及廠房用途。租賃條款是個別協商的，並包含不同的條款及條件。租賃期為一至十年。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

**3. CHANGES IN ACCOUNTING POLICIES**

*(Continued)*

**HKFRS 16, Leases** *(Continued)*

**(b) Lessee accounting and transitional impact**

*(Continued)*

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

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

**3. 會計政策變動(續)**

**香港財務報告準則第16號, 租賃(續)**

**(b) 承租人會計和過渡影響(續)**

與先前被歸類為經營租賃的租賃之相關使用權資產已按剩餘租賃負債金額的等值計量, 並根據二零一八年十二月三十一日綜合財務狀況表中確認之相關租賃的任何預付或應付租賃款項金額作出調整。

就採納香港財務報告準則第16號對先前被歸類為融資租賃之租賃造成的影響外, 本集團於首次採納香港財務報告準則第16號當日毋須作出更改結餘標題以外之任何調整。因此, 該等金額將計入「租賃負債」而非「融資租賃借款」, 而相應租賃資產折舊賬面值識別為使用權資產。其對保留溢利的期初結餘並無影響。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**3. CHANGES IN ACCOUNTING POLICIES**  
 (Continued)

**HKFRS 16, Leases (Continued)**

**(b) Lessee accounting and transitional impact**  
 (Continued)

The following table summarises the impacts of the adoption of HKFRS 16 on the Group's consolidated statement of financial position:

	Carrying amount at 31 December 2018 賬面值於二零一八年十二月三十一日 HK\$'000 千港元	Reclassification 重新分類 HK\$'000 千港元	Capitalisation of operating lease contracts 經營租賃合約資本化 HK\$'000 千港元	Carrying amount at 1 January 2019 賬面值於二零一九年一月一日 HK\$'000 千港元
Line items in the consolidated statement of financial position impacted by the adoption of HKFRS 16:	綜合財務狀況表內受採納香港財務報告準則第16號影響之項目：			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	618,271	(7,364)	-	610,907
Leasehold land and land use rights	40,271	(40,271)	-	-
Right-of-use assets	-	47,635	60,745	108,380
<b>Current liabilities</b>	<b>流動負債</b>			
Obligations under finance leases	2,547	(2,547)	-	-
Lease liabilities	-	2,547	8,305	10,852
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Obligations under finance leases	4,528	(4,528)	-	-
Lease liabilities	-	4,528	52,440	56,968

**3. 會計政策變動(續)**

**香港財務報告準則第16號，租賃(續)**

**(b) 承租人會計和過渡影響(續)**

下表概述採納香港財務報告準則第16號對本集團合併財務狀況表的影響：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

HKFRS 16, Leases (Continued)

(c) Impact on the financial results, segment results and cash flows of the Group

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

In the consolidated cash flow statement, the Group as a lessee is required to split rentals paid under capitalised leases into their capital element and interest element (see note 36). These elements are classified as financing cash outflows, similar to how leases previously classified as finance leases under HKAS 17 were treated, rather than as operating cash outflows, as was the case for operating leases under HKAS 17. Although total cash flows are unaffected, the adoption of HKFRS 16 therefore results in a significant change in presentation of cash flows within the consolidated cash flow statement (see note 36).

3. 會計政策變動(續)

香港財務報告準則第16號, 租賃(續)

(c) 對本集團財務業績, 分部業績和現金流量的影響

在於二零一九年一月一日首次確認使用權資產及租賃負債後, 本集團作為承租人須確認租賃負債的未償還餘額中產生的利息開支以及使用權資產的攤銷, 而非過往以直線基準確認租期內經營租賃產生的租賃開支的政策。與倘於年內應用香港會計準則第17號所得的業績相比, 此對本集團綜合收益表中錄得的經營溢利產生正面影響。

對於綜合現金流量表, 本集團作為承租人須將資本化租賃項下已付租金分為本金部分及利息部分(見附註36), 並以類似於先前香港會計準則第17號下的融資租賃會計處理方式分類為融資現金流出, 而不是按香港會計準則第17號下的經營租賃會計處理方式分類為經營現金流出。雖然現金流量總額不受影響, 但採納香港財務報告準則第16號導致綜合現金流量表中現金流量的呈列方式發生重大變化(見附註36)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 3. CHANGES IN ACCOUNTING POLICIES

(Continued)

HKFRS 16, Leases (Continued)

(c) Impact on the financial results, segment results and cash flows of the Group (Continued)

The following tables may give an indication of the estimated impact of the adoption of HKFRS 16 on the Group's financial results, segment results and cash flows for the year ended 31 December 2019, by adjusting the amounts reported under HKFRS 16 in these consolidated financial statements to compute estimates of the hypothetical amounts that would have been recognised under HKAS 17 if this superseded standard had continued to apply in 2019 instead of HKFRS 16, and by comparing these hypothetical amounts for 2019 with the actual 2018 corresponding amounts which were prepared under HKAS 17.

### 3. 會計政策變動(續)

香港財務報告準則第16號，租賃(續)

(c) 對本集團財務業績，分部業績和現金流量的影響(續)

下表或可顯示採納香港財務報告準則第十六號對本集團截至二零一九年十二月三十一日止年度之財務業績產生的估計影響，方法為將該等綜合財務報表中根據香港財務報告準則第16號所呈報的金額與根據香港會計準則第17號本應確認的假設金額進行比較(倘該被取代標準繼續適用於二零一九年而非香港財務報告準則第16號)，以及將該等二零一九年假設金額與根據香港會計準則第17號編製的二零一八年實際相應金額進行比較。

	2019			2018	
	Amounts reported under HKFRS 16	Add back: HKFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note a)	Hypothetical amounts for 2019 as if under HKAS 17	Compared to amounts reported for 2018 under HKAS 17
	(A)	(B)	(C)	(D=A+B-C)	
	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
Financial results for the year ended 31 December 2019 impacted by the adoption of HKFRS 16:					
Operating profit	53,894	12,962	14,149	52,707	76,987
Finance costs	(24,958)	4,774	-	(20,184)	(21,856)
Profit before tax	39,075	17,736	14,149	42,662	108,219
Profit for the year	24,884	17,736	14,149	28,471	88,752

受採納香港財務報告準則第16號影響的截至二零一九年十二月三十一日止年度之財務業績：

根據香港財務報告準則第16號呈報的金額

加回根據香港財務報告準則第16號折舊及利息開支

扣除假設根據香港會計準則第17號有關經營租賃的估計金額 (附註a)

假設根據香港會計準則第17號作出的二零一九年假設金額

根據香港會計準則第17號呈報的二零一八年金額之比較

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

3. CHANGES IN ACCOUNTING POLICIES  
(Continued)

HKFRS 16, Leases (Continued)

(c) Impact on the financial results, segment results  
and cash flows of the Group (Continued)

3. 會計政策變動(續)

香港財務報告準則第16號, 租賃(續)

(c) 對本集團財務業績, 分部業績和現金  
流量的影響(續)

	2019			2018	
	Amounts reported under HKFRS 16	Add back: HKFRS 16 depreciation and interest expense	Deduct: Estimated amounts related to operating leases as if under HKAS 17 (note a)	Hypothetical amounts for 2019 as if under HKAS 17	Compared to amounts reported for 2018 under HKAS 17
	(A)	(B)	(C)	(D=A+B-C)	
	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
Reportable segment results for the year ended 31 December 2019 (note 5(b)) impacted by the adoption of HKFRS 16:					
		受採納香港財務報告準則第16號影響的截至二零一九年十二月三十一日止年度(附註5(b))之可報告分部業績			根據香港會計準則第17號呈報的二零一八年金額之比較
- Industrial consumables	4,601	3,699	3,307	4,993	2,988
- Plastic processing products	48,608	559	584	48,583	33,173
- Machinery	(4,184)	557	634	(4,261)	30,142
- Printed circuit boards	17,986	7,718	9,159	16,545	28,493
- Other operations	10,827	429	465	10,791	20,307
- Total	77,838	12,962	14,149	76,651	115,103

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 3. CHANGES IN ACCOUNTING POLICIES

(Continued)

HKFRS 16, Leases (Continued)

(c) Impact on the financial results, segment results and cash flows of the Group (Continued)

### 3. 會計政策變動(續)

香港財務報告準則第16號, 租賃(續)

(c) 對本集團財務業績, 分部業績和現金流量的影響(續)

	2019			2018
	Amounts reported under HKFRS 16	Estimated amounts related to operating leases as if under HKAS 17 (note a & b) 假設根據香港會計準則第17號作出的有關經營租賃之估計金額 (附註a & b)	Hypothetical amounts for 2019 as if under HKAS 17 假設根據香港會計準則第17號作出的二零一九年假設金額	Compared to amounts reported for 2018 under HKAS 17 根據香港會計準則第17號呈報的二零一八年金額之比較
	(A) HK\$'000 千港元	(B) HK\$'000 千港元	(C=A+B) HK\$'000 千港元	HK\$'000 千港元
Line items in the consolidated cash flow statement for the year ended 31 December 2019 impacted by the adoption of HKFRS 16:				
		受採納香港財務報告準則第16號影響的截至二零一九年十二月三十一日止年度之綜合現金流量表項目:		
Cash generated from operations	100,821	(17,736)	83,085	3,875
Net cash generated from/(used in) operating activities	76,021	(17,736)	58,285	(18,636)
Capital element of lease rentals paid	(12,308)	9,375	(2,933)	(3,559)
Interest element of lease rentals paid	(5,114)	4,774	(340)	(206)
Net cash (used in)/generated from financing activities	(65,245)	14,149	(51,096)	1,918

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

HKFRS 16, Leases (Continued)

(c) Impact on the financial results, segment results and cash flows of the Group (Continued)

Note a: The “estimated amounts related to operating leases” is an estimate of the amounts of the cash flows in 2019 that relate to leases which would have been classified as operating leases, if HKAS 17 had still applied in 2019. This estimate assumes that there were no differences between rentals and cash flows and that all of the new leases entered into in 2019 would have been classified as operating leases under HKAS 17, if HKAS 17 had still applied in 2019. Any potential net tax effect is ignored.

Note b: In this impact table these cash outflows are reclassified from financing to operating in order to compute hypothetical amounts of net cash generated from operating activities and net cash used in financing activities as if HKAS 17 still applied.

(d) Lessor accounting

Under HKFRS 16, when the Group acts as an intermediate lessor in a sublease arrangement, the Group is required to classify the sublease as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, instead of by reference to the underlying asset. The adoption of HKFRS 16 does not have a significant impact on the Group’s financial statements in this regard.

3. 會計政策變動(續)

香港財務報告準則第16號, 租賃(續)

(c) 對本集團財務業績, 分部業績和現金流量的影響(續)

附註a: 「與經營租賃相關的估計金額」指二零一九年現金流量估計金額, 與本應分類為經營租賃(倘香港會計準則第17號於二零一九年仍然適用)的租賃相關。此估計假設租金與現金流量並無差別, 且於二零一九年訂立的所有新租賃應根據香港會計準則第17號分類為經營租賃(倘香港會計準則第17號於二零一九年仍然適用)。任何潛在淨稅項影響不予理會。

附註b: 於此影響列表中, 該等現金流出從融資重新分類為經營, 以計算經營活動產生之現金淨額及融資活動所用之現金淨額之假設金額, 猶如香港會計準則第17號仍然適用。

(d) 出租人之會計處理

根據香港財務報告準則第16號, 當本集團作為轉租安排的中間出租人時, 本集團須參考由主租約產生的使用權資產, 將轉租分類為融資租賃或經營租賃, 而非參考使用權其下的資產。在此方面採納香港財務報告準則第16號對本集團財務報表並無重大影響。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The assumptions, 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.

##### (i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2(10). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. Where the expectation is different from the original estimate, such difference will impact the carrying amount of goodwill and the impairment (if any) in the period in which such estimate has been changed.

##### (ii) Allowance for impairment of trade receivables and finance lease receivables

For trade receivables and finance lease receivables, the Group applies the simplified approach to provide for expected credit losses as prescribed by HKFRS 9, which requires the use of the lifetime expected loss allowance for all trade receivables and finance lease receivables. The loss allowances for financial assets 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. A considerable level of judgement is exercised by the directors when assessing the financial condition and credit worthiness of each customer.

#### 4. 重要會計估計及判斷

假設、估計及判斷會不斷按照歷史經驗及其他因素進行評估，包括在各情況下相信是合理之未來事件預測。

##### (i) 商譽減值估計

本集團每年按照附註2(10)所述之會計政策測試商譽是否有任何減值。現金產生單位之可收回金額按使用價值計算而釐定，該等計算須採用若干計量及假設。倘預期金額與原定估計有差異時，則該差額將會影響該估計出現變動期間內之商譽及減值撥備(如有)之賬面值。

##### (ii) 貿易應收款項及融資租賃應收款項減值撥備

就貿易應收款項及應收融資租賃款項而言，本集團應用香港財務報告準則第9號規定的簡化方法就預期信貸虧損計提撥備，該準則允許採用所有貿易應收款項及應收融資租賃款項存續期的預期虧損撥備。金融資產虧損撥備乃基於有關違約風險及預期虧損率之假設作出。於各報告期末，本集團根據其過往歷史、現時市況及前瞻性估計，通過判斷作出該等假設及選擇減值計算之輸入數據。董事於評估各獨立客戶的財務狀況及信譽時需作出一定程度的判斷。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(iii) Income taxes

The Group is subject to income taxes mainly in Hong Kong and the Mainland China. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Recognition of deferred tax assets, which principally relate to allowance for doubtful debts and tax losses, depends on the management's expectation of future taxable profits that will be available against which the tax losses can be utilised. The outcome of their actual utilisation may be different.

(iv) Provision for inventories

The Group reviews the carrying amounts of inventories at the end of each reporting period to determine whether the inventories are carried at lower of cost and net realisable value in accordance with the accounting policy set out in note 2(14). The directors estimate the net realisable value based on the current market situation and historical experience on similar inventories. Any change in the assumptions would increase or decrease the amount of inventories write-down or the related reversals of write-down and affect the Group's net asset value.

4. 重要會計估計及判斷(續)

(iii) 所得稅

本集團須繳納香港及中國內地之所得稅。釐定所得稅之撥備須作出審慎判斷。於日常業務過程中，本集團用作釐定最終稅項之多項交易及計算方法並不確定。本集團根據預期稅務審查所引致的附加稅務確認為負債。倘該最終稅項結果與初步錄得之款額不同，則有關差額將影響釐定期間之所得稅及遞延稅項撥備。

遞延稅項資產的確認主要涉及呆壞賬撥備及稅項虧損，並取決定於管理層對可用於抵銷可動用稅項虧損之日後須課稅溢利之預期。該等實際利用之結果或有不同。

(iv) 存貨撥備

本集團在每一結算日均評估存貨之賬面值，以確定有關存貨是否按照附註2(14)所述會計政策以成本及可變現值兩者中較低數額入賬。董事們根據類似存貨之現行市況及過往經驗估計可變現價值淨額。任何假設之改增變將增加或減少存貨撇減值或撇減之相應回撥，並因此影響本集團之資產價值淨額。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (v) Classification of interests in leasehold land and buildings held for own use

In accordance with HKAS 16, Property, plant and equipment, the Group chooses to apply either the cost model or the revaluation model as its accounting policy for items of property, plant and equipment held for own use on a class-by-class basis. In applying this policy, the Group has concluded that its registered ownership interests in leasehold properties and the right to use other properties leased under tenancy agreements are two separate groupings of assets which differ significantly in their nature and use. Accordingly, they are regarded by the Group as separate classes of asset for subsequent measurement policies in accordance with notes 2(4), 2(5) and 2(10)(ii). Specifically, registered ownership interests are carried under the revaluation model, while rights to use properties under tenancy agreements are carried at depreciated cost.

In making this judgement, the Group has taken into account that, as the registered owner of leasehold property, the Group is able to benefit fully from any changes in the valuation of these properties whether as holding gains or by selling the property interest to others, as well as being able to use the properties in its operation free of paying market rents. In contrast, the shorter term tenancy agreements are typically for periods of no more than 10 years and are subject to other restrictions, in particular on transferability of the Group's tenancy rights to others. These shorter term tenancy agreements are executed in order to retain operational flexibility and to reduce the Group's exposure to the property market fluctuation.

### 4. 重要會計估計及判斷(續)

#### (v) 持作自用的租賃土地及樓宇的權益之分類

根據香港會計準則第16號，物業、廠房及設備，本集團選擇採納成本模式或重估模式作為其持作自用之物業、廠房及設備的會計政策。通過應用該政策，本集團認為其持作自用之租賃物業中的註冊所有權權益和租賃協議下其他已租賃物業的使用權為兩組在性質及使用上存在明顯差異的獨立資產。因此，有關資產被本集團判定為獨立類別的資產並根據附註2(4)、2(5)及2(10)(ii)所述的會計政策作後續計量。具體而言，註冊所有權權益按重估模式列賬，而租賃協議項下的物業使用權則按折舊後成本列賬。

在作出該判斷時，本集團已考慮作為租賃物業之登記擁有人，無論是持有收益或將物業權益出售予他人，本集團均能從該等物業的估值變動中全面獲益，且能在毋需支付市場租金的情況下於其營運中使用該等物業。相反，短期租賃協議通常為期不超過十年，同時受到其他限制，尤其是本集團將租賃權轉讓予他人的可轉讓性。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)**

**(vi) Determining the lease term**

As explained in note 2(24), the lease liability is initially recognised at the present value of the lease payments payable over the lease term. In determining the lease term at the commencement date for leases that include renewal options exercisable by the Group, the Group evaluates the likelihood of exercising the renewal options taking into account all relevant facts and circumstances that create an economic incentive for the Group to exercise the option, including favourable terms, leasehold improvements undertaken and the importance of that underlying asset to the Group's operation. The lease term is reassessed when there is a significant event or significant change in circumstance that is within the Group's control. Any increase or decrease in the lease term would affect the amount of lease liabilities and right-of-use assets recognised in future years.

**4. 重要會計估計及判斷(續)**

**(vi) 釐定租賃期**

誠如附註2(24)所闡述，租賃負債以租賃期內應付租賃款的現值進行初步確認。於開始日期釐定包含本集團可行使的續租權的租賃租期時，本集團會評估行使續租權之可能性，並考慮到所有能形成經濟誘因促使本集團行使續租權之相關事實及情況（包括有利條款、已作出之租賃裝修及該相關資產對本集團經營之重要性）。倘發生重大事件或情況出現重大變動而該等事件或變動受本集團控制，則將重新評估租賃期。租賃期的任何延長或縮短均會影響於未來年度確認的租賃負債及使用權資產金額。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**5. REVENUE AND SEGMENT REPORTING**

**(a) Revenue**

Revenue, which is also the Group's turnover, represents the amounts received and receivable for goods sold to customers, less returns and discounts and interest income from finance lease receivables during the year. An analysis of revenue is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Revenue</b>	<b>收入</b>		
Sales of goods	產品銷售	<b>2,301,143</b>	2,645,710
Installation services for machinery	機械安裝服務	<b>4,466</b>	4,594
Revenue from contracts with customers	來自客戶合約之收益	<b>2,305,609</b>	2,650,304
Finance lease income	融資租賃收入	<b>39,314</b>	32,148
<b>Total revenue</b>	<b>總收入</b>	<b>2,344,923</b>	2,682,452

**Disaggregation of revenue**

Disaggregation of revenue from contracts with customers by major products is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading of industrial consumables	工業消耗品貿易	<b>326,956</b>	380,108
Sales of plastic processing products	注塑製品及加工銷售	<b>462,976</b>	509,479
Sales of machinery	機械銷售	<b>747,053</b>	897,297
Sales of printed circuit boards	印刷線路板銷售	<b>764,158</b>	858,826
Installation services for machinery	機械安裝服務	<b>4,466</b>	4,594
		<b>2,305,609</b>	2,650,304

The timing of revenue recognition of all revenue from contracts with customers is at a point in time when customers obtain control of goods or services.

**5. 收入及分部報告**

**(a) 收入**

收入，亦即本集團之銷售額，指年內本集團向集團以外客戶銷售貨品減退貨及折扣後之已收及應收款項及應收融資租賃款項產生之利息收入。本集團之收入分析如下：

**收入分類**

按主要類別分類的客戶合約收入如下：

所有來自客戶合約之收入均於客戶取得貨品或服務控制權的時間點確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

## 5. REVENUE AND SEGMENT REPORTING

(Continued)

### (b) Segment Reporting

The Group manages its business by a mixture of both business lines and geographical location. In a manner consistent with the way in which information is reported internally to the Group's top management for the purposes of assessing segment performance and allocating resources between segments, the Group has identified, on a product basis, the following four reportable segments.

- (1) trading of industrial consumables;
- (2) manufacturing of plastic processing products;
- (3) manufacturing of machinery; and
- (4) processing and trading of printed circuit boards.

#### Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's top executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables, right of use assets and property, plant and equipment. Segment revenue, expenses, assets, and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets and corporate expenses.

## 5. 收入及分部報告(續)

### (b) 分部報告

本集團按其業務及地理位置來管理業務。為使分部資料之呈報方式與提供予集團高級管理層供其評估分部之表現及分配資源內部報告更一致，本集團根據產品基準，已識別以下四項呈報分類。

- (1) 工業消耗品貿易；
- (2) 注塑製品及加工；
- (3) 機械製造；及
- (4) 印刷線路板加工及貿易。

#### 分部業績、資產及負債

在評估分部表現及分配部間資源時，集團的高級行政管理層根據以下基準監控可歸屬每一可匯報分部之業績、資產及負債：

分部收入、支出、業績、資產及負債包括一個分部直接應佔之項目，以及可按合理基準向有關分部分配之項目。例如，分部資產可包括存貨、應收貿易賬款，使用權資產及物業、廠房及設備。分部收益、支出、資產及負債在集團內公司間結餘及集團內公司間交易互相對銷（此乃綜合賬目過程之一部份）前釐定，惟倘此等集團內公司間結餘及交易乃在本集團間某單一分部內產生者，則作別論。分部間之定價乃以類似其他外界人士提供之條款為基礎。

分部資本開支乃購入且預期可使用一個期間以上之分部資產所產生之總成本。

未分配項目主要包括金融及企業資產及企業費用。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**5. REVENUE AND SEGMENT REPORTING**  
**(Continued)**

**(b) Segment Reporting (Continued)**

**Segment results, assets and liabilities (Continued)**

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. Details of the impact on adoption of HKFRS 16 can be found in note 3 to the consolidated financial statement.

The segment results for the year ended 31 December 2019 are as follows:

		Industrial consumables	Plastic processing products 注塑製品	Machinery	Printed circuit boards	Other operations	Eliminations	Consolidated
		工業消耗品 HK\$'000 千港元	及加工 HK\$'000 千港元	機械 HK\$'000 千港元	印刷線路板 HK\$'000 千港元	其他營運 HK\$'000 千港元	撇銷 HK\$'000 千港元	綜合 HK\$'000 千港元
<b>REVENUE</b>	收入							
External sales	對外銷售	326,956	462,976	751,519	764,158	39,314	-	2,344,923
Inter-segment sales (Note)	分部間銷售 (附註)	11,463	155	1,613	-	120	(13,351)	-
Total revenue	總收入	338,419	463,131	753,132	764,158	39,434	(13,351)	2,344,923
<b>Segment results</b>	分部業績	4,601	48,608	(4,184)	17,986	10,827	-	77,838
Unallocated corporate expenses	未可分配之企業費用							(23,944)
Operating profit	經營溢利							53,894
Finance costs	財務費用							(24,958)
Investment income	投資收入							4,486
Share of results of associates	應佔聯營公司業績							2,991
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利							2,662
Profit before tax	除稅前溢利							39,075
Taxation	稅項							(14,191)
Profit for the year	本年溢利							24,884

Note:

Inter-segment sales are determined at prevailing market rates.

**5. 收入及分部報告 (續)**

**(b) 分部報告 (續)**

**分部業績、資產及負債 (續)**

本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。採納香港財務報告準則第16號的影響可參閱綜合財務報告附註3。

截至二零一九年十二月三十一日止年度之分部業績如下：

附註：

分部間銷售按現行市場價格釐定。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**5. REVENUE AND SEGMENT REPORTING**

(Continued)

**(b) Segment Reporting (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment assets and liabilities as at 31 December 2019 are as follows:

**5. 收入及分部報告 (續)**

**(b) 分部報告 (續)**

**分部業績、資產及負債 (續)**

於二零一九年十二月三十一日之分部資產及負債如下：

		Industrial consumables 工業消耗品 HK\$'000 千港元	Plastic processing products 注塑製品及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>						
Segment assets	分部資產	235,248	326,493	931,957	580,582	438,770	2,513,050
Interests in associates	聯營公司權益						32,809
Unallocated corporate assets	未可分配之企業資產						58,030
Consolidated total assets	綜合資產總值						2,603,889
<b>LIABILITIES</b>	<b>負債</b>						
Segment liabilities	分部負債	56,183	107,271	418,077	236,420	7,194	825,145
Current tax payable	本期應付稅項						5,297
Borrowings	借款						353,219
Unallocated corporate liabilities	未可分配之企業負債						33,787
Consolidated total liabilities	綜合負債總值						1,217,448
<b>OTHER INFORMATION</b>	<b>其他資料</b>						
Capital additions	資本增加	5,514	13,809	17,914	18,313	1,540	57,090
Depreciation and amortisation	折舊及攤銷	5,685	20,582	22,348	31,152	6,100	85,867
Allowance for impairment of bad and doubtful debts	呆壞賬減值撥備	11	358	320	-	11,014	11,703
Other non-cash expenses/(income)	其他非現金費用/(收入)	(320)	(44)	(7,973)	-	-	(8,337)
Restructuring provision reversed	重組撥備回撥	-	-	(20,290)	-	-	(20,290)
Provision for indemnity reversed	回撥撥備賠償	-	(25,780)	-	-	-	(25,780)
Share of results of associates	應佔聯營公司業績	-	-	3,527	-	(536)	2,991
Interest income	利息收入	6	2,438	510	327	555	3,836
Finance costs	財務費用	760	4,380	10,008	5,298	4,512	24,958
Taxation	稅項	3,249	4,934	897	2,532	2,579	14,191

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**5. REVENUE AND SEGMENT REPORTING**  
**(Continued)**

**(b) Segment Reporting (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment results for the year ended 31 December 2018 are as follows:

		Industrial consumables	Plastic processing products 注塑製品 及加工	Machinery	Printed circuit boards	Other operations	Eliminations	Consolidated
		工業消耗品 HK\$'000 千港元	HK\$'000 千港元	機械 HK\$'000 千港元	印刷線路板 HK\$'000 千港元	其他營運 HK\$'000 千港元	撇銷 HK\$'000 千港元	綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收入</b>							
External sales	對外銷售	380,108	509,479	901,891	858,826	32,148	-	2,682,452
Inter-segment sales (Note)	分部間銷售 (附註)	19,174	214	3,257	-	-	(22,645)	-
Total revenue	總收入	399,282	509,693	905,148	858,826	32,148	(22,645)	2,682,452
<b>Segment results</b>	<b>分部業績</b>	2,988	33,173	30,142	28,493	20,307	-	115,103
Unallocated corporate expenses	未可分配之企業費用							(38,116)
Operating profit	經營溢利							76,987
Finance costs	財務費用							(21,856)
Investment income	投資收入							4,938
Share of results of associates	應佔聯營公司業績							1,658
Gain on disposal of a subsidiary	出售一間附屬公司之盈利							44,588
Gain on deregistration of a subsidiary	註銷一間附屬公司之盈利							1,904
Profit before tax	除稅前溢利							108,219
Taxation	稅項							(19,467)
Profit for the year	本年溢利							88,752

Note: Inter-segment sales are determined at prevailing market rates.

附註：分部間銷售按現行市場價格釐定。

**5. 收入及分部報告 (續)**

**(b) 分部報告 (續)**

**分部業績、資產及負債 (續)**

截至二零一八年十二月三十一日止年度之分部業績如下：

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**5. REVENUE AND SEGMENT REPORTING**

(Continued)

**(b) Segment Reporting (Continued)**

**Segment results, assets and liabilities (Continued)**

The segment assets and liabilities as at 31 December 2018 are as follows:

		Industrial consumables 工業 消耗品 HK\$'000 千港元	Plastic processing products 注塑製品 及加工 HK\$'000 千港元	Machinery 機械 HK\$'000 千港元	Printed circuit boards 印刷 線路板 HK\$'000 千港元	Other operations 其他營運 HK\$'000 千港元	Consolidated HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>						
Segment assets	分部資產	243,994	380,061	1,004,837	561,376	402,910	2,593,178
Interests in associates	聯營公司權益						31,139
Unallocated corporate assets	未可分配之企業資產						107,376
							2,731,693
Consolidated total assets	綜合資產總值						2,731,693
<b>LIABILITIES</b>	<b>負債</b>						
Segment liabilities	分部負債	55,695	156,608	463,458	200,024	36,725	912,510
Current tax payable	本期應付稅項						5,732
Borrowings	借款						384,238
Unallocated corporate liabilities	未可分配之企業負債						28,928
							1,331,408
Consolidated total liabilities	綜合負債總值						1,331,408
<b>OTHER INFORMATION</b>	<b>其他資料</b>						
Capital additions	資本增加	1,742	29,973	11,381	7,937	1,193	52,226
Depreciation and amortisation	折舊及攤銷	2,069	15,629	22,699	26,194	5,539	72,130
(Reversal of allowance)/allowance for impairment of bad and doubtful debts	呆壞賬減值(回撥)/ 撥備	(10)	194	(2,691)	(2,146)	(4,985)	(9,638)
Other non-cash expenses	其他非現金費用	7,869	46	5,286	-	-	13,201
Restructuring provision reversed	重組撥備回撥	-	-	(19,612)	-	-	(19,612)
Share of results of associates	應佔聯營公司業績	-	-	2,348	-	(690)	1,658
Interest income	利息收入	171	857	1,113	75	1,387	3,603
Finance costs	財務費用	373	5,077	10,461	986	4,959	21,856
Taxation	稅項	5,127	5,006	2,039	3,350	3,945	19,467

**5. 收入及分部報告(續)**

**(b) 分部報告(續)**

**分部業績·資產及負債(續)**

於二零一八年十二月三十一日之分  
部資產及負債如下:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**5. REVENUE AND SEGMENT REPORTING**

(Continued)

**(b) Segment Reporting (Continued)**

**Geographical information**

The Group's operations are located in Hong Kong, Mainland China, other Asia-Pacific countries, North America and Europe. The Group's trading of industrial consumables division is located in Hong Kong and Mainland China. The manufacturing of plastic processing products, machinery and printed circuit boards divisions are located in Mainland China.

The following table provides an analysis of the Group's sales by geographical market:

**5. 收入及分部報告(續)**

**(b) 分部報告(續)**

**地區資料**

本集團的業務位於香港、中國內地、其他亞太國家、北美洲及歐洲。本集團之工業消耗品貿易類別位於香港及中國內地。注塑製品及加工、機械及印刷線路板等製造業類別均位於中國內地。

下列載列本集團銷售收入按地區市場之分析：

		<b>Sales revenue by geographical market</b>	
		按地區市場劃分之銷售收入	
		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Hong Kong	香港	<b>392,962</b>	605,023
Mainland China	中國內地	<b>1,586,997</b>	1,795,177
Other Asia-Pacific countries	其他亞太國家	<b>288,570</b>	201,449
North America	北美洲	<b>20,207</b>	10,066
Europe	歐洲	<b>56,187</b>	70,737
		<b>2,344,923</b>	2,682,452

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**5. REVENUE AND SEGMENT REPORTING**

(Continued)

**(b) Segment Reporting (Continued)**

**Geographical information (Continued)**

The following is an analysis of the Group's fixed assets, right-of-use assets, goodwill and intangible assets ("specified non-current assets"), and additions to specified non-current assets, analysed by the geographical area in which the assets are located:

**5. 收入及分部報告 (續)**

**(b) 分部報告 (續)**

**地區資料 (續)**

本集團的固定資產、使用權資產、商譽及無形資產(指定非流動資產)及指定非流動資產之增添按地區之分析如下:

		<b>Specified Non-current assets</b>		<b>Additions to specified non-current assets</b>	
		<b>指定非流動資產</b>		<b>指定非流動資產之增添</b>	
		<b>2019</b>	2018	<b>2019</b>	2018
		二零一九年	二零一八年	二零一九年	二零一八年
		<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong	香港	<b>201,807</b>	196,967	<b>3,835</b>	2,508
Mainland China	中國內地	<b>554,137</b>	521,512	<b>53,255</b>	49,718
		<b>755,944</b>	718,479	<b>57,090</b>	52,226

**Information about major customers**

No customer of the Group has individually accounted for over 10% of the Group's total revenue during the year (2018: Nil) and no information about major customers is presented accordingly.

**主要客戶的資料**

本集團概無個別客戶佔本集團年內收入總額10%(二零一八年:無),故並無呈列主要客戶資料。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**6. OTHER INCOME AND GAINS, NET**

**6. 其他收入及收益淨額**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
	Notes 附註		
<b>Other income</b>	<b>其他收入</b>		
Unused provision for restructuring reversed	回撥未動用的重組撥備	30	20,290
Reversal of provision for indemnity	回撥賠償撥備	37	25,780
Gross rental income from properties and equipment	物業及設備之租金收益		3,292
Handling, tooling and sales of scrapped materials	處理、工裝及廢料銷售		4,191
Government grants	政府補貼		4,688
Sundry income	其他收入		6,450
		<b>64,691</b>	45,955
<b>Gains/(loss), net</b>	<b>收益／(虧損)淨額</b>		
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之盈利		566
Exchange gain/(loss), net	滙兌盈利／(虧損)淨額		1,259
		<b>1,825</b>	(753)
		<b>66,516</b>	45,202

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**7. FINANCE COSTS**

**7. 財務費用**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Interest on:	由下列借貸產生的利息:		
Bank borrowings wholly repayable within 5 years	須於五年內償還之 銀行借款	19,844	21,650
Lease liabilities	租賃負債	5,114	-
Finance lease	融資租賃	-	206
<hr/>			
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平價值計量通過 損益之金融負債之 總利息支出	24,958	21,856

*Note:* The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

*附註:* 本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

**8. INVESTMENT INCOME**

**8. 投資收入**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank and other interest income	銀行及其他利息收入	3,836	3,603
<hr/>			
Total interest income on financial assets not at fair value through profit or loss	並非按公平價值計量通過 損益之金融資產之 總利息收入	3,836	3,603
Realised gain on other financial assets	其他金融資產之已變現盈利	650	1,294
Unrealised gain on other financial assets	其他金融資產之未變現盈利	-	41
<hr/>			
		4,486	4,938

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 9. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging/ (crediting) the following:

### 9. 除稅前溢利

除稅前溢利已扣除/(計入)下列各項:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
– Salaries and other benefits	– 薪金及其他福利	<b>370,478</b>	401,547
– Retirement benefits scheme contributions	– 退休福利計劃供款	<b>38,564</b>	40,365
Total staff costs	總員工成本	<b>409,042</b>	441,912
Allowance/(reversal of allowance) for impairment of bad and doubtful debts	呆壞賬減值撥備/(回撥)	<b>11,703</b>	(9,638)
Auditors' remuneration	核數師酬金		
– Group auditor	– 集團核數師	<b>2,648</b>	2,480
Surplus on revaluation of properties held for own use	自用物業重估盈餘	–	(915)
Depreciation and amortisation on:	折舊及攤銷:		
– Property, plant and equipment	– 物業、廠房及設備		
– Ownership interest in leasehold land and buildings held for own use	– 自用租賃土地及樓宇的所有權權益	<b>14,292</b>	14,559
– Other owned assets	– 其他自置資產	<b>55,225</b>	53,861
– Assets held under finance lease	– 融資租賃資產	–	976
– Leasehold land and land use rights	– 租賃土地及土地使用權	–	1,350
– Intangible assets	– 無形資產	<b>1,383</b>	1,384
– Right-of-use assets	– 使用權資產	<b>14,967</b>	–
Research and development expenditure	研發費用	<b>17,540</b>	17,018
Exchange (gain)/loss, net	滙兌(盈利)/虧損淨額	<b>(1,259)</b>	1,199
Operating lease payments	經營租賃付款—土地及樓宇		
– Land and buildings		–	21,854
Short-term lease payments	短期租賃租金	<b>5,035</b>	–

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

附註: 本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法,比較資料不予重列。見附註3。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**10A. BENEFITS AND INTERESTS OF DIRECTORS**

**(i) Directors' emoluments**

The emoluments of each director of the Company are set out as below.

**For the year ended 31 December 2019:**

**10A. 董事福利及權益**

**(i) 董事酬金**

每名董事之酬金載列如下:

截至二零一九年十二月三十一日止年度:

		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就個人擔任董事(不論為本公司或其附屬公司業務)職務已付或應收酬金					
		Employer's contribution to a retirement benefit scheme 僱主的退休福利計劃供款					
	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Total	
	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	津貼及實物福利 HK\$'000 千港元	僱主的退休福利計劃供款 HK\$'000 千港元	合計 HK\$'000 千港元	
<b>Executive Directors</b>	<b>執行董事</b>						
Mr. Tang To	-	1,560	-	-	108	1,668	
Mr. Wong Yiu Ming	-	4,485	-	-	311	4,796	
Mr. Tang Yu, Freeman	-	2,080	-	-	18	2,098	
Mr. Mei Zheqi	-	682	227	-	17	926	
<b>Non-Executive Directors</b>	<b>非執行董事</b>						
Mr. Kan Wai Wah	60	-	-	-	-	60	
Mr. Qu Jinping (Note)	-	-	-	-	-	-	
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>						
Ms. Yeung Shuk Fan	168	-	-	-	-	168	
Mr. Cheng Tak Yin	60	-	-	-	-	60	
Mr. Ho Wei Sem (Note)	-	-	-	-	-	-	
Mr. Huang Zhi Wei (Note)	-	-	-	-	-	-	
	<b>288</b>	<b>8,807</b>	<b>227</b>	<b>-</b>	<b>454</b>	<b>9,776</b>	

Note:

During the year, Mr. Ho Wei Sem, Mr. Qu Jinping and Mr. Huang Zhi Wei agreed to waive their directors' fees under their letters of appointment.

附註:

根據何偉森先生、瞿金平先生及黃志偉先生的委任書，彼等同意於年內放棄收取董事酬金。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**10A. BENEFITS AND INTERESTS OF DIRECTORS**  
**(Continued)**

**(i) Directors' emoluments (Continued)**

For the year ended 31 December 2018:

	Fees	Salaries	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Total
	袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	津貼及 實物福利 HK\$'000 千港元	僱主的 退休福利 計劃供款 HK\$'000 千港元	合計 HK\$'000 千港元
<b>Executive Directors</b>						
Mr. Tang To 鄧燾先生	195	1,365	1,173	-	109	2,842
Mr. Wong Yiu Ming 黃耀明先生	260	4,225	5,358	-	311	10,154
Mr. Tang Yu, Freeman 鄧愚先生	-	2,080	2,347	-	18	4,445
Mr. Mei Zheqi 梅哲騏先生	-	315	236	-	5	556
<b>Non-Executive Directors</b>						
Mr. Kan Wai Wah 簡衛華先生	60	-	-	-	-	60
Mr. Qu Jinping (Note) 瞿金平先生 (附註)	-	-	-	-	-	-
<b>Independent Non-Executive Directors</b>						
Ms. Yeung Shuk Fan 楊淑芬女士	168	-	-	-	-	168
Mr. Cheng Tak Yin 鄭達賢先生	60	-	-	-	-	60
Mr. Ho Wei Sem (Note) 何偉森先生 (附註)	-	-	-	-	-	-
Mr. Huang Zhi Wei (Note) 黃志偉先生 (附註)	-	-	-	-	-	-
	743	7,985	9,114	-	443	18,285

Note:

During the year, Mr. Ho Wei Sem, Mr. Qu Jinping and Mr. Huang Zhi Wei agreed to waive their directors' fees under their letters of appointment.

附註:

根據何偉森先生、瞿金平先生及黃志偉先生的委任書，彼等同意於年內放棄收取董事酬金。

**10A. 董事福利及權益 (續)**

**(i) 董事酬金 (續)**

截至二零一八年十二月三十一日止年度:

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking  
 就個人擔任董事 (不論為本公司或其附屬公司業務) 職務已付或應收酬金

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

10A. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(i) Directors' emoluments (Continued)

None of the directors received or will receive any emoluments in respect of a person accepting office as a director during the year (2018: Nil)

(ii) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2018: same)

(iii) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: same).

(iv) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2019, there were no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2018: same).

(v) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: same).

10A. 董事福利及權益(續)

(i) 董事酬金(續)

年內，概無任何董事就接納董事職位而收取或將收取任何酬金(二零一八年：沒有)。

(ii) 董事退休福利及離職福利

年內，概無董事已經或將會收取任何退休福利或離職福利(二零一八年：相同)。

(iii) 就獲取董事服務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，本公司並無就獲取董事服務而向任何第三方支付代價(二零一八年：相同)。

(iv) 有關以董事、該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易之資料

於截至二零一九年十二月三十一日止年度，概無以董事、或該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易安排(二零一八年：相同)。

(v) 董事於交易、安排或合約之重大權益

本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或年內任何時間仍然存續的重大交易、安排或合約(二零一八年：相同)。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**10B. EMPLOYEE BENEFIT EXPENSE**

**10B. 僱員福利開支**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Wages, salaries, allowances and other benefits	薪金、工資、津貼及其他福利	370,478	401,547
Pension costs – defined contributed plans	退休福利計劃之供款	2,829	3,051
Pension costs – social securities in the PRC	退休福利計劃之位於中國的社會保障金	35,735	37,314
		<b>409,042</b>	<b>441,912</b>

**Five highest paid individuals**

Of the five individuals with the highest emoluments in the Group, three (2018: three) were directors of the Company, details of whose emoluments are included in note 10A to the consolidated financial statements. The emoluments of all of the five individuals with the highest emoluments for the years ended 31 December 2019 and 2018 were as follows:

**最高五位薪酬之僱員**

本集團最高酬金五位僱員之中，三位（二零一八年：三位）乃本公司董事，其出任為董事之酬金已詳列於綜合財務報表附註10A。截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度最高酬金的五位僱員的酬金詳列如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Fees	袍金	–	455
Salaries, allowances and other benefits	薪金、津貼及其他福利	10,537	11,586
Discretionary bonuses	表現相關的花紅	1,922	12,229
Pension costs – defined contribution plans	退休福利計劃之供款	600	584
		<b>13,059</b>	<b>24,854</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**10B EMPLOYEE BENEFIT EXPENSE (Continued)**

**Five highest paid individuals (Continued)**

Their emoluments are within the following bands:

		Number of individuals 僱員數目	
		2019 二零一九年	2018 二零一八年
Emolument bands	酬金範圍		
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至 2,000,000港元	2	–
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至 2,500,000港元	1	–
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至 3,000,000港元	1	2
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至 4,500,000港元	–	1
HK\$4,500,001 to HK\$5,000,000	4,500,001港元至 5,000,000港元	1	1
HK\$10,000,001 to HK\$10,500,000	10,000,001港元至 10,500,000港元	–	1
		<b>5</b>	<b>5</b>

For the years ended 31 December 2018 and 2019, no emoluments were paid by the Group to any of the directors or other members of the five highest paid individuals as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office.

截至二零一八年及二零一九年十二月三十一日止年度，本集團概無向任何最高五位薪酬之董事或其他成員支付酬金，以作為吸引彼等加入或於加入本集團時之獎金或作為離職補償。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**11. TAXATION**

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

Accordingly, the Hong Kong Profits Tax is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million (2018: same).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

**11. 稅項**

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「草案」)，其引入兩級制利得稅率制度。該草案於二零一八年三月二十八日簽署成為法律且於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體的首二百萬港元溢利將以8.25%的稅率徵稅，而超過二百萬港元之溢利將以16.5%的稅率徵稅。不符合利得稅兩級制之香港集團實體之溢利將繼續按16.5%的統一稅率課稅。

因此，首二百萬港元之估計應課稅溢利按8.25%計算香港利得稅，而二百萬港元以上之估計應課稅溢利則按16.5%計算香港利得稅(二零一八年：相同)。

海外附屬公司的稅項按相關國家的適用現行稅率計息。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Current tax</b>	<b>本期稅項</b>		
Hong Kong profits tax	香港利得稅		
Current year	本年度	1,633	1,601
Over-provision in prior years	往年度多提	(157)	(105)
		<b>1,476</b>	1,496
<b>Overseas tax</b>	<b>海外稅項</b>		
Current year	本年度	16,573	20,203
Over-provision in prior years	往年度多提	(708)	(3,442)
		<b>15,865</b>	16,761
<b>Deferred tax</b>	<b>遞延稅項</b>		
Deferred taxation relating to the (reversal) and origination of temporary differences (note 24)	因暫時差異(逆轉)及產生之遞延稅項(附註24)	(3,150)	1,210
		<b>14,191</b>	19,467

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**11. TAXATION (Continued)**

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the domestic taxation rates applicable to profits of the consolidated companies as follows:

**11. 稅項(續)**

本集團除稅前溢利與以適用於綜合公司溢利之本地稅率所產生之理論性金額差異如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Profit before tax	除稅前溢利	<b>39,075</b>	108,219
Tax calculated at the domestic income tax rate of 16.5% (2018: 16.5%)	以本地所得稅率16.5% (二零一八年: 16.5%) 計算	<b>6,447</b>	17,856
Tax effect of share of results of associates	應佔聯營公司業績對稅項之影響	<b>(493)</b>	(273)
Tax effect of expenses that are not deductible in determining taxable profit	評定應課稅溢利時不可扣減的開支對稅項之影響	<b>3,720</b>	8,040
Tax effect of income that is not taxable in determining taxable profit	評定應課稅溢利時無須繳稅的收入對稅項之影響	<b>(6,052)</b>	(4,756)
Under-provision of current tax in current year, net	本年度本期稅項撥備少提淨額	<b>287</b>	67
Over-provision of current tax in prior years, net	過往年度本期稅項撥備多提淨額	<b>(865)</b>	(3,547)
Tax effect of utilisation of deductible temporary differences not previously recognised	使用過往未確認之可扣減暫時性差異稅項之影響	<b>(625)</b>	(1,599)
Tax effect of temporary differences/tax losses not recognised	未確認之暫時性差異/稅項虧損對稅務之影響	<b>8,478</b>	5,143
Tax effect of utilisation of tax losses not previously recognised	使用過往未確認之稅項虧損之影響	<b>(680)</b>	(4,041)
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營之附屬公司稅率差異之影響	<b>3,974</b>	2,577
		<b>14,191</b>	19,467

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**12. EARNINGS PER SHARE**

The calculation of basic earnings per ordinary share is based on the Group's profit attributable to equity shareholders of the Company divided by the weighted average number of ordinary shares in issue during the year.

**12. 每股盈利**

本年度每股普通股基本盈利乃按本年度本公司股權持有人應佔集團溢利及年度內已發行普通股股份加權平均數計算。

		2019 二零一九年	2018 二零一八年
Weighted average number of ordinary shares in issue during the year	以加權平均數計算之本年度已發行普通股股份	<b>861,930,692</b>	791,218,363
		<b>HK\$'000</b> 千港元	HK\$'000 千港元
Profit attributable to the equity shareholders of the Company	本公司股權持有人之應佔溢利	<b>15,755</b>	74,052
		<b>HK cents</b> 港仙	HK cents 港仙
Basic earnings per share	每股基本盈利	<b>1.83</b>	9.36

No diluted earnings per share is presented as there were no potential ordinary shares in issue for both years.

由於兩個年度內並無潛在需發行之普通股，因此並無呈列每股攤薄後之盈利。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**13. OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR, NET OF TAX**

Tax effects relating to each component of other comprehensive (expense)/income are as follows:

**13. 本年扣除稅項後之其他全面(支出)／收益**

有關其他全面(支出)／收益各組成部份之稅務影響如下：

	2019 二零一九年			2018 二零一八年		
	Before tax amount 除稅前 金額 HK\$'000 千港元	Tax expenses 稅項費用 HK\$'000 千港元	Net-of-tax amount 扣除稅項 金額 HK\$'000 千港元	Before tax amount 除稅前 金額 HK\$'000 千港元	Tax expenses 稅項費用 HK\$'000 千港元	Net-of-tax amount 扣除稅項 金額 HK\$'000 千港元
Share of other comprehensive expense of associates 應佔聯營公司其他全面支出	(650)	-	(650)	(1,031)	-	(1,031)
Surplus on revaluation of properties held for own use 自用物業重估盈餘	19,763	(3,605)	16,158	14,302	(2,817)	11,485
Exchange differences arising from translation of financial statements of foreign operations 換算海外財務報表時產生之滙兌差額	(24,150)	-	(24,150)	(56,348)	-	(56,348)
Reclassification adjustments: 分類調整:						
Release of translation reserve upon disposal of a subsidiary 出售一間附屬公司時從滙兌儲備撥出	-	-	-	547	-	547
Release of translation reserve upon deregistration of a subsidiary 註銷一間附屬公司時從滙兌儲備撥出	(2,662)	-	(2,662)	(1,904)	-	(1,904)
	<b>(7,699)</b>	<b>(3,605)</b>	<b>(11,304)</b>	(44,434)	(2,817)	(47,251)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 14. DIVIDEND

#### (a) Dividends payable to equity shareholders of the Company attributable to the year

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Final dividend proposed after the end of the reporting period: Nil (2018: HK\$0.02) per share	於結算日後建議末期股息：無 (二零一八年： 每股0.02港元)	-	17,239

#### (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.02 (2018: Nil) per share	屬於上一個財政年度並於年內批准並支付之末期股息 每股0.02港元 (二零一八年：無)	17,239	-

### 14. 股息

#### (a) 應派付予本公司股東之本年度股息

#### (b) 屬於上一個財政年度，並於年內批准並支付予本公司股東之應付股息

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**15. PROPERTY, PLANT AND EQUIPMENT**

**15. 物業、廠房及設備**

		Ownership interest in leasehold land and buildings held for own use 自用租賃 土地及樓宇的 所有權權益 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Assets under construction 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>COST OR VALUATION</b>	<b>成本或估值</b>						
At 1 January 2018	於二零一八年一月一日	417,471	202,654	665,901	32,781	351	1,319,158
Exchange realignment	滙兌調整	(13,928)	(7,313)	(22,955)	(1,075)	(268)	(45,539)
Additions	添置	8,009	7,249	25,080	6,437	5,451	52,226
Disposals	出售	(36)	(5,331)	(14,553)	(5,000)	-	(24,920)
Adjustment on revaluation	重估調整	1,384	-	-	-	-	1,384
<b>At 31 December 2018 and 1 January 2019, as previously reported</b>	<b>於二零一八年十二月三十一日 及二零一九年一月一日， 按先前報告</b>	<b>412,900</b>	<b>197,259</b>	<b>653,473</b>	<b>33,143</b>	<b>5,534</b>	<b>1,302,309</b>
Impact on initial application of HKFRS 16 (note 3)	首次採納香港財務報告準則 第16號之影響(附註3)	-	-	(7,949)	-	-	(7,949)
<b>At 1 January 2019, restated</b>	<b>於二零一九年一月一日， 重列結餘</b>	<b>412,900</b>	<b>197,259</b>	<b>645,524</b>	<b>33,143</b>	<b>5,534</b>	<b>1,294,360</b>
Exchange realignment	滙兌調整	(6,151)	(3,681)	(10,964)	(463)	(324)	(21,583)
Reclassification	重新分類	9,879	686	3,833	-	(14,398)	-
Additions	添置	495	7,628	27,633	787	11,515	48,058
Disposals	出售	-	(6,760)	(11,353)	(2,193)	-	(20,306)
Adjustment on revaluation	重估調整	5,641	-	-	-	-	5,641
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	<b>422,764</b>	<b>195,132</b>	<b>654,673</b>	<b>31,274</b>	<b>2,327</b>	<b>1,306,170</b>
Analysis of cost or valuation:	成本或估值之分析:						
At 31 December 2019	於二零一九年十二月三十一日						
At cost	按成本價	-	195,132	654,673	31,274	2,327	883,406
At valuation	按估值價	422,764	-	-	-	-	422,764
		<b>422,764</b>	<b>195,132</b>	<b>654,673</b>	<b>31,274</b>	<b>2,327</b>	<b>1,306,170</b>
At 1 January 2019, restated	於二零一九年一月一日·重列結餘						
At cost	按成本價	-	197,259	645,524	33,143	5,534	881,460
At valuation	按估值價	412,900	-	-	-	-	412,900
		<b>412,900</b>	<b>197,259</b>	<b>645,524</b>	<b>33,143</b>	<b>5,534</b>	<b>1,294,360</b>
At 31 December 2018	於二零一八年十二月三十一日						
At cost	按成本價	-	197,259	653,473	33,143	5,534	889,409
At valuation	按估值價	412,900	-	-	-	-	412,900
		<b>412,900</b>	<b>197,259</b>	<b>653,473</b>	<b>33,143</b>	<b>5,534</b>	<b>1,302,309</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**15. PROPERTY, PLANT AND EQUIPMENT**  
**(Continued)**

**15. 物業、廠房及設備 (續)**

	Ownership interest in leasehold land and buildings held for own use 自用租賃土地及樓宇的所有權權益 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置及設備 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Assets under construction 在建工程 HK\$'000 千港元	Total 總值 HK\$'000 千港元	
<b>ACCUMULATED DEPRECIATION, AMORTISATION AND IMPAIRMENT</b>	<b>累計折舊、攤銷及減值</b>						
At 1 January 2018	於二零一八年一月一日	-	173,900	473,344	27,038	-	674,282
Exchange realignment	滙兌調整	(714)	(6,204)	(15,344)	(782)	-	(23,044)
Depreciation provided for the year	本年折舊撥備	14,559	10,526	42,098	2,213	-	69,396
Written back on disposals	出售後撥回	(12)	(4,278)	(13,624)	(4,849)	-	(22,763)
Eliminated on revaluation	重估撤銷	(13,833)	-	-	-	-	(13,833)
At 31 December 2018 and 1 January 2019, as previously reported	於二零一八年十二月三十一日及二零一九年一月一日，按先前報告	-	<b>173,944</b>	<b>486,474</b>	<b>23,620</b>	-	<b>684,038</b>
Impact on initial application of HKFRS 16 (note 3)	首次採納香港財務報告準則第16號之影響(附註3)	-	-	(585)	-	-	(585)
<b>At 1 January 2019, restated</b>	<b>於二零一九年一月一日，重列結餘</b>	-	<b>173,944</b>	<b>485,889</b>	<b>23,620</b>	-	<b>683,453</b>
Exchange realignment	滙兌調整	(170)	(3,168)	(7,430)	(336)	-	(11,104)
Depreciation provided for the year	本年折舊撥備	14,292	9,272	43,344	2,609	-	69,517
Written back on disposals	出售後撥回	-	(6,503)	(10,360)	(2,128)	-	(18,991)
Eliminated on revaluation	重估撤銷	(14,122)	-	-	-	-	(14,122)
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	-	<b>173,545</b>	<b>511,443</b>	<b>23,765</b>	-	<b>708,753</b>
<b>NET BOOK VALUES</b>	<b>賬面淨值</b>						
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	<b>422,764</b>	<b>21,587</b>	<b>143,230</b>	<b>7,509</b>	<b>2,327</b>	<b>597,417</b>
At 1 January 2019, restated	於二零一九年一月一日，重列結餘	412,900	23,315	159,635	9,523	5,534	610,907
At 31 December 2018	於二零一八年十二月三十一日	412,900	23,315	166,999	9,523	5,534	618,271

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3. In addition, "leasehold land held for own use under finance lease" and "buildings held for own use" is now grouped as "ownership interest in leasehold land and buildings held for own use".

附註：本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。此外，「按融資租賃持有之自用租賃土地」和「自用樓宇」現在被歸類為「自用租賃土地及樓宇的所有權權益」。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

**15. PROPERTY, PLANT AND EQUIPMENT**  
(Continued)

The ownership interest in leasehold land and buildings of the Group were revalued as at 31 December 2019 on the open market existing use basis by Cushman & Wakefield Limited, independent firms of professional valuers. The surplus arising on revaluation attributable to the Group has been credited to the other comprehensive income for the year and is accumulated separately in equity in property revaluation reserve.

Depreciation expense of approximately HK\$54,736,000 (2018: HK\$53,482,000) has been expensed in cost of sales, HK\$955,000 (2018: HK\$900,000) in selling and distribution costs and HK\$13,826,000 (2018: HK\$15,014,000) in administrative expenses.

Had ownership interest in leasehold land and buildings been carried at cost less accumulated depreciation and amortisation, the carrying value of leasehold land and buildings would have been approximately HK\$310,034,000 (2018: HK\$316,547,000).

At 31 December 2018, net book value of the Group's plant and machinery included an amount of approximately HK\$7,364,000 in respect of assets held under finance leases (note 42).

During the year, the Group acquired property, plant and equipment with an aggregate cost of HK\$48,058,000 (2018: HK\$52,226,000 of which HK\$8,004,000 was acquired by means of finance leases). Cash payments of HK\$48,058,000 (2018: HK\$44,222,000) were made to purchase property, plant and equipment.

**15. 物業、廠房及設備 (續)**

戴德梁行有限公司(獨立之專業估值師)於二零一九年十二月三十一日,以現行公開市場之基準,為本集團租賃土地及樓宇的所有權權益進行重估。因重估而產生之盈餘已轉入本年度其他全面收入及獨立累計於物業重估儲備內。

折舊費用約為54,736,000港元(二零一八年:53,482,000港元)已被計入於銷售成本,955,000港元(二零一八年:900,000港元)於分銷費用及13,826,000港元(二零一八年:15,014,000港元)於行政費用。

假設租賃土地及樓宇的所有權權益以成本減除累計折舊及攤銷,租賃土地及樓宇之現行賬面值約為310,034,000港元(二零一八年:316,547,000港元)。

於二零一八年十二月三十一日,本集團廠房及機器之賬面淨值包括按融資租賃安排之固定資產約為7,364,000港元(附註42)。

本年度本集團購買物業、廠房及設備總額48,058,000港元(二零一八年:52,226,000港元)中有8,004,000港元是以訂立融資租賃模式支付)而以現金購買物業、廠房及設備為48,058,000港元(二零一八年:44,222,000港元)。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 15. PROPERTY, PLANT AND EQUIPMENT (Continued)

At 31 December 2019, certain of the Group's ownership interest in leasehold land and buildings held for own use with an aggregate carrying value of HK\$156,873,000 (2018: HK\$152,214,000) were pledged to secure certain bank borrowings granted to the Group (note 42).

### 16. FAIR VALUE MEASUREMENT OF PROPERTIES

#### (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

### 15. 物業、廠房及設備(續)

於二零一九年十二月三十一日，本集團已抵押部份自用租賃土地及樓宇的所有權權益，其賬面值為156,873,000港元(二零一八年：152,214,000港元)，作為授予本集團有關銀行借款之擔保(附註42)。

### 16. 物業公平價值計量

#### (i) 公平價值架構

下表呈列於報告結算日所計算本集團的物業之公平價值，並按香港財務報告準則第13號，公平價值計量所界定之公平價值三層架構中持續性基礎計算。將公平價值計量分類之等級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

第一層次估值：僅使用第一層次輸入數據(即於計量日同類資產或負債於活躍市場之未經調整報價)計量之公平價值。

第二層次估值：使用第二層次輸入數據(即未能達到第一層次之可觀察輸入數據，且並未使用重大不可觀察輸入數據)計量之公平價值。不可觀察輸入數據為無市場數據之輸入數據。

第三層次估值：採用重大不可觀察數據計量之公平價值。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**16. FAIR VALUE MEASUREMENT OF PROPERTIES**

(Continued)

(i) Fair value hierarchy (Continued)

**Recurring fair value measurement of assets:**

Ownership interest in leasehold land and buildings held for own use

持續的公平價值計量資產：  
自用土地及樓宇的所有權權益

**Recurring fair value measurement of assets:**

Ownership interest in leasehold land and buildings held for own use

持續的公平價值計量資產：  
自用土地及樓宇的所有權權益

**16. 物業公平價值計量 (續)**

(i) 公平價值架構 (續)

Fair value measurement at 31 December 2019 categorised into 於二零一九年十二月三十一日 公平價值計量作以下分類				
31 December 2019 於二零一八年 十二月三十一日 HK\$'000 千港元	Level 1 第一層次 HK\$'000 千港元	Level 2 第二層次 HK\$'000 千港元	Level 3 第三層次 HK\$'000 千港元	
<b>422,764</b>	-	-	<b>422,764</b>	

Fair value measurement at 31 December 2018 categorised into 於二零一八年十二月三十一日 公平價值計量作以下分類				
31 December 2018 於二零一八年 十二月三十一日 HK\$'000 千港元	Level 1 第一層次 HK\$'000 千港元	Level 2 第二層次 HK\$'000 千港元	Level 3 第三層次 HK\$'000 千港元	
412,900	-	-	412,900	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**16. FAIR VALUE MEASUREMENT OF PROPERTIES**  
 (Continued)

**(i) Fair value hierarchy (Continued)**

During the years ended 31 December 2018 and 2019, there were no transfers into or out of level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's ownership interest in leasehold land and buildings held for own use were revalued as at 31 December 2019. The valuations were carried out by independent firm of professional valuers, Cushman & Wakefield Limited, which is a world-wide commercial real estate services firm with recent experience in the location and category of property being valued. The Group's property manager and the chief financial officer have discussion with the valuers on the valuation assumptions and valuation results when the valuations are performed at the annual reporting date.

**(ii) Information about Level 3 fair value measurement**

**16. 物業公平價值計量 (續)**

**(i) 公平價值架構 (續)**

於二零一八年及二零一九年十二月三十一日年度內並沒有轉撥到第三層次或從第三層次轉出。當有公平價值架構層間之轉撥發生，會按照本集團之政策，於報告結算日確認。

所有本集團之自用租賃土地及自用樓宇的所有權權益於二零一九年十二月三十一日進行重估。該重估工作由獨立之專業估值師－戴德梁行有限公司(全球性的商業房地產服務公司並擁有對當地及物業種類的近期重估經驗)完成。於年度報告日，本集團之物業經理及首席財務總監曾就年度重估之假設及評估結果與估值師討論。

**(ii) 第三層次公平價值計量資料**

	Valuation techniques 估值技術	Unobservable input 不可觀察數據	Range 範圍
Ownership interest in leasehold land and buildings held for own use 自用租賃土地及樓宇的所有權權益	(a) Direct comparison approach 直接比較計算法	(Discount)/premium on quality of building 樓宇質量的(折扣)/溢價	-10% to 10% -10%至10%
	(b) Income approach 收入計算法	Capitalisation rate 資本化率	4% to 8% 4%至8%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

**16. FAIR VALUE MEASUREMENT OF PROPERTIES**

*(Continued)*

**(ii) Information about Level 3 fair value measurement**

*(Continued)*

- (a) The fair value of properties located in Hong Kong is determined using direct comparison approach by reference to recent sales price of comparable properties on a price per square foot basis, adjusted for a premium or a discount specific to the quality of the Group's properties compared to the recent sales. The valuations take into account the characteristic of the properties which included the location, size, view, floor level, year of completion and other factors collectively. Higher premium for higher quality properties will result in a higher fair value measurement.
- (b) The fair value of properties in the PRC is determined using income approach by the capitalisation of the net rental income derived from the existing leases and/or achievable in existing market with reversionary income potential by adopting appropriate capitalisation rates. Capitalisation is estimated by the valuer based on the risk profile of the properties being valued. The higher the rates, the lower the fair value. Prevailing market rents are estimated based on recent lettings within the subject properties and other comparable properties. The lower the rents, the lower the fair value.

**16. 物業公平價值計量 (續)**

**(ii) 第三層次公平價值計量資料 (續)**

- (a) 位於香港的物業之公平價值是按直接比較計算法釐定，當中已參考可比較物業近期銷售之每平方英尺售價，並按本集團物業質量作出調整。估值方法會顧及物業之特性，包括物業之地點、面積、景觀、樓層、落成年份及其他因素等，一併加以考慮。由於高質量物業可享較高溢價，所以會得出較高之公平價值計量數值。
- (b) 在中國的物業之公平值採用收入計算法按適當資本化率將現有租約及／或當前市況假設的未來租約的淨租金收入資本化。資本化由估值師按投資物業的風險因素評估。利率越高，公平價值越低。現行市場租金按該物業及類似物業的當前市場租值估計。租金越低，公平價值越低。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**16. FAIR VALUE MEASUREMENT OF PROPERTIES**  
 (Continued)

**(ii) Information about Level 3 fair value measurement**  
 (Continued)

(b) (Continued)

The movements during the year in the balance of these Level 3 fair value measurements are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Ownership interest in leasehold land and buildings held for own use:	自用租賃土地及樓宇的所有權權益：		
At 1 January	於一月一日	<b>412,900</b>	417,471
Additions	添置	<b>495</b>	8,009
Reclassification	重新分類	<b>9,879</b>	-
Exchange realignment	滙兌調整	<b>(5,981)</b>	(13,214)
Depreciation provided for the year	本年度折舊撥備	<b>(14,292)</b>	(14,559)
Disposals	出售	-	(24)
Surplus on revaluation	重估盈餘	<b>19,763</b>	15,217
At 31 December	於十二月三十一日	<b>422,764</b>	412,900

Surplus on revaluation and currency adjustment of ownership interest in leasehold land and buildings held for own use is recognised in other comprehensive income in "property revaluation reserve" and "translation reserve" respectively.

(b) (續)

第三層次公平價值計量的結算於本年度內之變動如下：

自用租賃土地及樓宇的所有權權益之重估盈餘及貨幣調整已分別確認於其他全面收入中的「物業重估儲備」和「滙兌儲備」。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**17. LEASEHOLD LAND AND LAND USE RIGHTS**

**17. 租賃土地及土地使用權**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>COST</b>	<b>成本</b>		
At 1 January, as previously reported	於一月一日·按先前報告	<b>55,431</b>	57,703
Impact on initial application of HKFRS 16 (note 3)	首次採納香港財務報告準則第16號之影響(附註3)	<b>(55,431)</b>	-
At 1 January, restated	於一月一日·重列結餘	-	57,703
Exchange realignment	滙兌調整	-	(2,272)
At 31 December	於十二月三十一日	-	55,431
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>		
At 1 January, as previously reported	於一月一日·按先前報告	<b>15,160</b>	14,383
Impact in initial application of HKFRS 16 (note 3)	首次採納香港財務報告準則第16號之影響(附註3)	<b>(15,160)</b>	-
At 1 January, restated	於一月一日·重列結餘	-	14,383
Exchange realignment	滙兌調整	-	(573)
Amortisation for the year	本年度攤銷	-	1,350
At 31 December	於十二月三十一日	-	15,160
<b>NET BOOK VALUE</b>	<b>賬面淨值</b>		
At 31 December	於十二月三十一日	-	40,271
At 1 January, restated	於一月一日·重列結餘	-	43,320
At 1 January, as previously reported	於一月一日·按先前報告	<b>40,271</b>	43,320

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 17. LEASEHOLD LAND AND LAND USE RIGHTS

(Continued)

At 31 December 2018, the Group's interests in leasehold land and land use rights represented prepaid operating lease payments and their net book values were analysed as follows:

Outside Hong Kong held on:

Medium-term leases

在香港以外地區持有:

中期租約

40,271

At 31 December 2018, certain of the Group's leasehold land and land use rights with an aggregate carrying value of approximately HK\$3,644,000 were pledged to secure certain bank borrowings granted to the Group (note 42).

### 17. 租賃土地及土地使用權(續)

於二零一八年十二月三十一日,本集團於租賃土地及土地使用權的權益乃指預付經營租賃付款及其賬面淨值,其分析如下:

**2018**  
二零一八年  
HK\$'000  
千港元

於二零一八年十二月三十一日,本集團賬面值總額約3,644,000港元的部份租賃土地及土地使用權已作抵押,作為授予本集團有關銀行借款之擔保(附註42)。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**18. RIGHT-OF-USE ASSETS**

**18. 使用權資產**

		Land use rights (note a) 土地使用權 (附註a) HK\$'000 千港元	Plant and machinery (note b) 廠房及機器 (附註b) HK\$'000 千港元	Land and buildings (note c) 土地及樓宇 (附註c) HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總值 HK\$'000 千港元
<b>COST</b>	<b>成本</b>					
At 31 December 2018, as previously reported	於二零一八年 十二月三十一日， 按先前報告	-	-	-	-	-
Impact on initial application of HKFRS 16 (note 3)	首次採納香港財務 報告準則第16號之 影響(附註3)	55,431	7,949	60,745	-	124,125
At 1 January 2019, restated	於二零一九年 一月一日，重列結餘	55,431	7,949	60,745	-	124,125
Exchange realignment Additions	滙兌調整 添置	(1,398)	(174)	(1,365)	-	(2,937)
		-	-	8,424	608	9,032
At 31 December 2019	於二零一九年 十二月三十一日	54,033	7,775	67,804	608	130,220
<b>ACCUMULATED DEPRECIATION</b>	<b>累計折舊</b>					
At 31 December 2018, as previously reported	於二零一八年 十二月三十一日， 按先前報告	-	-	-	-	-
Impact on initial application of HKFRS 16 (note 3)	首次採納香港財務 報告準則第16號之 影響(附註3)	15,160	585	-	-	15,745
At 1 January 2019, restated	於二零一九年 一月一日，重列結餘	15,160	585	-	-	15,745
Exchange realignment Depreciation provided for the year	滙兌調整 本年折舊撥備	(244)	(26)	(195)	-	(465)
		1,187	757	12,962	61	14,967
At 31 December 2019	於二零一九年 十二月三十一日	16,103	1,316	12,767	61	30,247
<b>NET BOOK VALUES At 31 December 2019</b>	<b>賬面淨值 於二零一九年 十二月三十一日</b>	37,930	6,459	55,037	547	99,973
At 1 January 2019, restated	於二零一九年 一月一日，重列結餘	40,271	7,364	60,745	-	108,380
At 31 December 2018, as previously reported	於二零一八年 十二月三十一日， 按先前報告	-	-	-	-	-



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

#### 18. RIGHT-OF-USE ASSETS (Continued)

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

*Note a:* Prepaid lease payment in respect of the land use rights held for own use in the PRC were reclassified as right-of-use assets at the date of initial application of HKFRS 16. See note 17. The land use rights had a remaining lease term of between 10 to 50 years. At 31 December 2019, certain of the Group's land use rights with an aggregate carrying value of approximately HK\$3,349,000 (2018: Refer to note 17 for details) were pledged to secure certain bank borrowings granted to the Group (note 42).

*Note b:* The Group reclassified plant and machinery previously held under finance lease in accordance with HKAS 17 as right-of-use assets at the date of initial application of HKFRS 16. See note 15. At 31 December 2019, Lease liabilities of HK\$4,507,000 (2018: HK\$7,075,000) are secured by the lessors' charges over the leased assets with carrying value of approximately HK\$6,460,000 (2018: Refer to note 15 for details).

*Note c:* The Group has leased several land and buildings for offices and factories. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. Tenures of the leases range from 1 to 10 years.

#### 18. 使用權資產(續)

本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

*附註a:* 於首次採納香港財務報告準則第16號之日，本集團將於中國之自用土地使用權的預付租賃款重新分類為使用權資產。見附註17。土地使用權的剩餘租賃期為10至50年。於二零一九年十二月三十一日，本集團賬面值總額約3,349,000港元(二零一八年：詳見附註17)的部份土地使用權已作抵押，作為授予本集團有關銀行借款之擔保(附註42)。

*附註b:* 於首次採納香港財務報告準則第16號之日，本集團將先前根據香港會計準則第17號被歸類為融資租賃持有的廠房及機器重新分類為使用權資產。見附註15。於二零一九年十二月三十一日，本集團之租賃負債中有4,507,000港元(二零一八年：7,075,000港元)是以租賃資產抵押予出租人。該租賃資產賬面值為6,460,000港元(二零一八年：詳見附註15)。

*附註c:* 集團已租用一些土地及樓宇作辦公室及廠房用途。租賃條款是個別協商的，並包含不同的條款及條件。租賃期為1至10年。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**19. GOODWILL**

**19. 商譽**

*HK\$'000*  
千港元

<b>COST</b>	<b>成本</b>	
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日, 二零一八年十二月三十一日及 二零一九年十二月三十一日	53,483
<hr/>		
<b>ACCUMULATED IMPAIRMENT</b>	<b>累計減值</b>	
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日, 二零一八年十二月三十一日及 二零一九年十二月三十一日	-
<hr/>		
<b>CARRYING AMOUNT</b>	<b>賬面值</b>	
At 31 December 2019	於二零一九年十二月三十一日	<b>53,483</b>
<hr/>		
At 31 December 2018	於二零一八年十二月三十一日	53,483
<hr/>		

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

#### 19. GOODWILL (Continued)

The amount represents goodwill arising from the acquisition of 100% equity interest in KFE Hong Kong Co., Limited ("KFE") in 2013. For the purpose of impairment testing, goodwill has been allocated to an individual cash generating unit ("CGU"), representing KFE, a subsidiary in the processing and trading of printed circuit boards segment.

The recoverable amount of this CGU is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by management covering a five-year period and a pre-tax discount rate of 18.4% (2018: 19.5%) per annum. The cash flows beyond that five-year period have been extrapolated using a steady 3% (2018: 3%) per annum growth rate. This growth rate is based on the printed circuit boards industry growth forecasts and does not exceed the average long-term growth rate for the printed circuit boards industry. Other key assumptions for the value in use calculation relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimations are based on KFE's past performance and management's expectations for the market development. The directors believe that any reasonably possible change in any of these assumptions would not cause the carrying amount of KFE to exceed the aggregate recoverable amount of KFE.

The directors reviewed the carrying value of the goodwill, taking into account an independent valuation report prepared by a professional valuer, Cushman & Wakefield Limited. Based on the assessment and the valuation report, the directors are of the opinion that no impairment loss is necessary as at 31 December 2019.

#### 19. 商譽(續)

此商譽為於二零一三年因收購協榮二葉科技香港有限公司(「KFE」)其100%股本權益而產生。減值測試是以商譽已分配至個別現金產生單位(「現金產生單位」),即印刷線路板加工及貿易分部的附屬公司KFE。

該可收回金額乃按現金產生單位的使用價值,其採用基於管理層批准的五年期財務預算,年利率為18.4%(二零一八年:19.5%)的稅前貼現率。之後的每年現金流每年增長速度採用3%(二零一八年:3%)的平穩五年期推算。該增長率是基於印刷線路板加工行業增長預測,並不超過印刷線路板加工行業的平均長期增長率。其他計算使用的價值主要與現金流入/流出的假設有關係其中包括預算銷售及毛利率的估算。此估計是基於KFE之過往表現及管理層對市場發展的預期。董事相信,在任何合理的可變動情況下,任何該等假設不會造成KFE的賬面價值超過KFE之可收回金額。

董事已審閱商譽的賬面價值,同時考慮到由專業估值師—戴德梁行有限公司之獨立估值報告。根據評估及估值報告,於二零一九年十二月三十一日,董事認為其無減值虧損需要。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**20. INTANGIBLE ASSETS**

**20. 無形資產**

		Customer relationship 客戶關係 HK\$'000 千港元
<b>COST</b>	<b>成本</b>	
At 1 January 2018, 31 December 2018 and 31 December 2019	於二零一八年一月一日, 二零一八年十二月三十一日及 二零一九年十二月三十一日	13,831
<b>ACCUMULATED AMORTISATION</b>	<b>累計攤銷</b>	
At 1 January 2018	於二零一八年一月一日	5,993
Amortisation for the year	本年度攤銷	1,384
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	<b>7,377</b>
Amortisation for the year	本年度攤銷	<b>1,383</b>
At 31 December 2019	於二零一九年十二月三十一日	<b>8,760</b>
<b>CARRYING AMOUNT</b>	<b>賬面值</b>	
At 31 December 2019	於二零一九年十二月三十一日	<b>5,071</b>
At 31 December 2018	於二零一八年十二月三十一日	6,454

Customer relationship is amortised on a straight-line basis over its useful life of 10 years.

客戶關係採用直線法按10年使用年期攤銷。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**21. INTERESTS IN ASSOCIATES**

**21. 聯營公司權益**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份·成本值	7,747	7,747
Share of post-acquisition profits and reserves, net of dividends received	分佔收購後之溢利及儲備 (扣除已收股息)	22,830	21,208
		<b>30,577</b>	28,955
Amounts due from associates	應收聯營公司款項	8,510	8,852
Less: allowance for impairment of bad and doubtful debts	減: 呆壞賬減值撥備	(6,278)	(6,668)
		<b>2,232</b>	2,184
		<b>32,809</b>	31,139

- (a) Amounts due from associates are unsecured, interest free and have no fixed terms of repayment. In the opinion of the directors, the amounts will not be repayable within 12 months of the end of the reporting period and are accordingly classified as non-current. The individually impaired receivable of approximately HK\$6,278,000 (2018: HK\$6,668,000) is mainly a debt due from an associate which is of age over three years. The other amounts due from associates do not contain impaired assets.
- (b) Interests in associates at the end of the reporting period include goodwill of approximately HK\$313,000 (2018: HK\$313,000).

- (a) 應收聯營公司之款項並沒有抵押，不計算利息及沒有固定償還條款。董事認為，此款項並不會於報告結算日十二個月內償還，故列作非流動資產。該個別應收聯營公司款項減值約6,278,000港元(二零一八年: 6,668,000港元)，主要由於該聯營公司欠款賬齡已超過三年期以上。其他應收聯營公司款項並不包含已減值資產。
- (b) 於報告結算日，聯營公司權益已包括商譽約313,000港元(二零一八年: 313,000港元)。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**21. INTERESTS IN ASSOCIATES (Continued)**

Details of the principal associates of the Group at 31 December 2019 are as follows:

**21. 聯營公司權益 (續)**

於二零一九年十二月三十一日主要聯營公司詳情如下：

Name of associate 聯營公司名稱	Place of incorporation/ registration and operation 成立/ 註冊及營業 所在地方	Proportion of nominal value of registered capital attributable to the Group 本集團應佔 註冊資本 面值之比例 %	Principal activities 主要業務
Suzhou Sanguang Science & Technology Co., Ltd. 蘇州三光科技股份有限公司	The PRC 中國	21.1	Manufacturing of industrial machinery, equipment and supplies 工業機械、設備及工業用品製造
廣州市普同實驗分析儀器有限公司	The PRC 中國	22.5	Manufacturing and trading of the experimental analysis instrument 實驗分析儀製造及貿易
Cosmos i-Tech Solutions Limited 大同信息科技有限公司	Hong Kong 香港	30.0	Providing information technology consultancy service 提供資訊科技諮詢服務

The above table lists out the associates of the Group which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the net assets of the Group at the end of the year.

以上聯營公司乃基於董事認為其對本年度業績或本集團年末淨資產有重要影響性而表列。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**21. INTERESTS IN ASSOCIATES (Continued)**

In the opinion of the directors, the associates of the Group are all individually not material. Aggregate financial information in respect of the Group's associates is set out below:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	於綜合財務報表中個別非重大聯營公司綜合賬面值	<b>30,577</b>	28,955
Aggregate amounts of the Group's share of those associates	本集團應佔聯營公司綜合價值		
Profit from continuing operations	持續經營之盈利	<b>2,991</b>	1,658
Other comprehensive expense	其他全面支出	<b>(650)</b>	(1,031)
Total comprehensive income	總全面收益	<b>2,341</b>	627

**22. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

The Group's financial assets at fair value through other comprehensive income represent investments in unlisted equity securities which are not held for trading, and the Group has irrevocably elected at initial recognition in this category. These are strategic investments and the Group considers this classification more relevant.

**21. 聯營公司權益(續)**

董事認為本集團之聯營公司全部為個別非重大。本集團之聯營公司綜合財務資料表列如下：

**22. 公平價值計入其他全面收益之金融資產**

於二零一九年十二月三十一日，本集團計入其他全面收益之金融資產為未上市權益證券，並不作出售，以及本集團於初始確認時選擇確認為此類別並不可撤回。此乃策略性投資，本集團認為此分類更有關聯性。

		HK\$'000 千港元
Balance at 31 December 2018 and 31 December 2019	於二零一八年十二月三十一日及二零一九年十二月三十一日結餘	—

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**23. FINANCE LEASE RECEIVABLES**

**23. 應收融資租賃款項**

		Minimum lease receipts 最低租賃收入		Present value of Minimum lease receipts 最低租賃收入之現值	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amounts receivable under finance leases:	應收融資租賃款項金額：				
Not later than one year	一年內	<b>35,699</b>	121,443	<b>31,428</b>	107,037
Later than one year and not later than five years	第二至五年	<b>44,109</b>	49,632	<b>41,530</b>	45,378
		<b>79,808</b>	171,075	<b>72,958</b>	152,415
Less: Unearned finance income	減：未實現財務收入	<b>(6,850)</b>	(18,660)	N/A 不適用	N/A 不適用
		<b>72,958</b>	152,415	<b>72,958</b>	152,415
Overdue finance lease receivables	逾期應收融資租賃款項	<b>84,657</b>	7,483	<b>84,657</b>	7,483
Present value of minimum lease receipts	最低租賃收入之現有價值	<b>157,615</b>	159,898	<b>157,615</b>	159,898
Less: Allowance for impairment of bad and doubtful debts	減：呆壞賬減值撥備	<b>(15,008)</b>	(6,198)	<b>(15,008)</b>	(6,198)
		<b>142,607</b>	153,700	<b>142,607</b>	153,700
Less: Current finance lease receivables under current assets	減：列入流動資產之應收融資租賃款項			<b>(102,432)</b>	(109,249)
Non-current finance lease receivables	非流動應收融資租賃款項			<b>40,175</b>	44,451

The Group has entered into finance lease arrangements with their customers. The terms of finance leases entered into for periods ranged from one to four years.

集團有安排融資租賃給客戶。融資租賃租約簽訂期限為一年到四年。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**23. FINANCE LEASE RECEIVABLES (Continued)**

The movements on the allowance for impairment of bad and doubtful debts are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at 1 January	於一月一日結餘	6,198	17,074
Exchange realignment	滙兌調整	(296)	(57)
Unused amount reversed	回撥未動用數額	(3,827)	(14,164)
Impairment loss recognised	確認之減值虧損	13,420	3,345
Uncollectible amounts written off	撤銷不可收回的款項	(487)	-
Balance at 31 December	於十二月三十一日結餘	<b>15,008</b>	6,198

At 31 December 2019, the allowance for credit loss represents lifetime expected credit loss recognised for finance lease receivables under simplified approach. Details of impairment assessment of finance lease receivables for the year ended 31 December 2019 are set out in note 43(b) (iv).

All leases are on a fixed repayment basis and there were no unguaranteed residual values in connection with finance lease arrangements or contingent lease arrangements of the Group that need to be recorded as at 31 December 2019 (2018: Nil).

Finance lease receivable balances are secured over the plant and equipment leased. The Group is not permitted to sell or re-pledge the collateral in the absence of default by the lessee.

The interest rate inherent in the leases is fixed at the contract date for the entire lease term. The effective interest rates are ranging from 3.7% to 27.3% per annum (2018: from 7.4% to 19.0% per annum).

**23. 應收融資租賃款項 (續)**

呆壞賬減值撥備變動情況如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Balance at 1 January	於一月一日結餘	6,198	17,074
Exchange realignment	滙兌調整	(296)	(57)
Unused amount reversed	回撥未動用數額	(3,827)	(14,164)
Impairment loss recognised	確認之減值虧損	13,420	3,345
Uncollectible amounts written off	撤銷不可收回的款項	(487)	-
Balance at 31 December	於十二月三十一日結餘	<b>15,008</b>	6,198

於二零一九年十二月三十一日，信貸虧損撥備代表根據簡化法就應收融資租賃款項確認的使用年期預期信貸虧損。截至二零一九年十二月三十一日止年度有關應收融資租賃款項之減值評估詳載於附註43(b)(iv)。

所有租約都依據一個固定的還款基準，於二零一九年十二月三十一日本集團並無需要被記錄與安排融資租賃或或然租賃安排的任何未擔保餘值（二零一八年：無）。

應收融資租賃款項餘額獲得租賃之機械及設備作抵押。若承租人沒有違約，本集團不得出售或重新抵押該等抵押品。

內含租賃利率於合同日釐定，並適用於整個租賃期合同期內。實際年利率從3.7%至27.3%（二零一八年：年利率7.4%至19.0%）。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**24. DEFERRED TAX ASSETS/LIABILITIES**

The following are the major components of deferred tax assets/(liabilities) recognised by the Group and movements thereon during the current and prior years:

**24. 遞延稅項資產／負債**

以下為本集團已確認的主要遞延稅項資產／(負債)於本年度及上年度之變動：

		Intangible assets arising from business combination 業務合併 產生之 無形資產 HK\$'000 千港元	(Accelerated)/ decelerated tax depreciation (加速)／ 減速 折舊免稅額 HK\$'000 千港元	Revaluation of land and building 土地及 樓宇重估 HK\$'000 千港元	Tax losses 稅務虧損 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	(1,294)	501	(11,259)	1,350	15,813	5,111
Exchange realignment	滙兌調整	-	-	135	(14)	(634)	(513)
Charged to equity	於權益扣除	-	-	(2,817)	-	-	(2,817)
Credited/(charged) to income statement (note 11)	於收益表列入／(扣除) (附註11)	228	57	-	55	(1,550)	(1,210)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日 及二零一九年一月一日	(1,066)	558	(13,941)	1,391	13,629	571
Exchange realignment	滙兌調整	-	-	117	(20)	(269)	(172)
Charged to equity	於權益扣除	-	-	(3,605)	-	-	(3,605)
Credited/(charged) to income statement (note 11)	於收益表列入／(扣除) (附註11)	228	(117)	-	(33)	3,072	3,150
At 31 December 2019	於二零一九年十二月三十一日	(838)	441	(17,429)	1,338	16,432	(56)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**24. DEFERRED TAX ASSETS/LIABILITIES**  
**(Continued)**

For the purposes of consolidated statement of financial position presentation, certain deferred tax assets/(liabilities) have been offset in accordance with the conditions set out in HKAS 12. The following is the analysis of the deferred tax balances shown in the consolidated statement of financial position:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	29,577	26,419
Deferred tax liabilities	遞延稅項負債	(29,633)	(25,848)
		<b>(56)</b>	571

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2019, the Group has unrecognised tax losses of approximately HK\$565,874,000 (2018: HK\$570,184,000) available for offset against future profits. Included in unrecognised tax losses are losses of approximately HK\$179,216,000 (2018: HK\$212,660,000) that will expire in five years and the remaining balance does not expire under the current tax legislation.

Temporary differences arising in connection with interests in associates are insignificant.

**24. 遞延稅項資產／負債 (續)**

於綜合財務狀況表之陳述，乃根據香港會計準則第12號之條件有相當程度的遞延稅項資產／(負債)經已抵銷，下列是已呈列於綜合財務狀況表內的遞延稅項餘額分析：

有關承前稅項虧損的遞延稅項資產，只會在相關稅項收益有可能透過未來應課稅溢利變現時才會確認。於二零一九年十二月三十一日，本集團有未動用稅務虧損約為565,874,000港元(二零一八年：570,184,000港元)用作抵銷未來溢利。於未動用稅務虧損中，包括虧損約為179,216,000港元(二零一八年：212,660,000港元)將於五年後到期，而根據現行稅例餘下結餘將不會有期限。

於聯營公司權益相關的暫時性差異並不重大。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**25. INVENTORIES**

- (a) Inventories in the consolidated statement of financial position comprise:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading inventories and finished goods	貿易存貨及製成品	179,973	219,038
Work in progress	在製品	110,949	111,271
Raw materials	原材料	143,718	161,628
		<b>434,640</b>	<b>491,937</b>

At 31 December 2019, the carrying amount of inventories that were stated at fair value less costs to sell is approximately HK\$62,471,000 (2018: HK\$14,693,000).

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount of inventories sold	已出售商品的賬面值	1,975,720	2,232,093
Write-down of inventories	存貨撇賬	24,729	30,063
Reversal of write-down of inventories	存貨撇減回撥	(33,066)	(16,862)
		<b>1,967,383</b>	<b>2,245,294</b>

**25. 存貨**

- (a) 綜合財務狀況表中的存貨包括：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trading inventories and finished goods	貿易存貨及製成品	179,973	219,038
Work in progress	在製品	110,949	111,271
Raw materials	原材料	143,718	161,628
		<b>434,640</b>	<b>491,937</b>

於二零一九年十二月三十一日，存貨之賬面值乃按公平價值減銷售成本淨值約為62,471,000港元（二零一八年：14,693,000港元）列賬。

- (b) 確認為開支並計入損益的存貨金額分析如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount of inventories sold	已出售商品的賬面值	1,975,720	2,232,093
Write-down of inventories	存貨撇賬	24,729	30,063
Reversal of write-down of inventories	存貨撇減回撥	(33,066)	(16,862)
		<b>1,967,383</b>	<b>2,245,294</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**26. TRADE AND OTHER RECEIVABLES**

**26. 貿易及其他應收款項**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bills receivables	貿易及應收票據款項	<b>867,976</b>	876,879
Less: allowance for impairment of bad and doubtful debts	減：呆壞賬減值撥備	<b>(103,553)</b>	(106,864)
		<b>764,423</b>	770,015
Other receivables	其他應收款項	<b>115,053</b>	150,333
Less: allowance for impairment of bad and doubtful debts	減：呆壞賬減值撥備	<b>(16,486)</b>	(22,160)
		<b>98,567</b>	128,173
Prepayments	預付款	<b>27,646</b>	35,398
Amounts due from related parties	應收關連方之款項	<b>351</b>	585
		<b>890,987</b>	934,171

The directors consider that the carrying amounts of trade and other receivables approximate to their fair values. All trade and other receivables are expected to be recovered or recognised as expense within one year.

董事們認為貿易與其他應收款之賬面值與其公平價值相近，所有貿易及其他應收款項預期將於一年內收回或確認為開支。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**26. TRADE AND OTHER RECEIVABLES (Continued)**

The Group grants an average credit period of 90 days to 120 days for customers. Further details on the Group's credit policy and credit risk arising from trade debtors and bills receivable are set out in note 43(b)(iv). An aging analysis of the trade and bills receivables at the end of the reporting period based on the invoice date and net of allowance for impairment of bad and doubtful debts, is as follows:

		<b>2019</b> 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
0 to 3 months	零至三個月	<b>534,352</b>	525,742
4 to 6 months	四至六個月	<b>115,156</b>	120,390
7 to 9 months	七至九個月	<b>50,413</b>	55,787
Over 9 months	超過九個月	<b>64,502</b>	68,096
		<b>764,423</b>	770,015

The movements on the allowance for impairment of bad and doubtful debts of the Group are as follows:

**26. 貿易及其他應收款項(續)**

本集團給予其客戶之平均信貸期為90天至120天。關於集團之信貸政策及由貿易及應收票據款產生之信貸風險，詳細見附註43(b)(iv)。於報告結算日，按發票日期之已扣除呆壞賬減值撥備的貿易及應收票據款項賬齡分析如下：

呆壞賬減值撥備之變動載列如下：

		<b>Trade receivables</b> 貿易應收款項	
		<b>2019</b> 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Balance at 1 January	於一月一日結餘	<b>106,864</b>	114,032
Exchange realignment	滙兌調整	<b>(2,621)</b>	(4,789)
Impairment loss recognised	確認之減值虧損	<b>11,623</b>	7,267
Unused amounts reversed	回撥未動用數額	<b>(8,811)</b>	(6,147)
Uncollectible amounts written off	撇銷不可收回的款項	<b>(3,502)</b>	(3,499)
Balance at 31 December	於十二月三十一日結餘	<b>103,553</b>	106,864

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**26. TRADE AND OTHER RECEIVABLES (Continued)**

**26. 貿易及其他應收款項 (續)**

		<b>Other receivables</b>	
		其他應收款項	
		<b>2019</b>	2018
		二零一九年	二零一八年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
Balance at 1 January	於一月一日結餘	<b>22,160</b>	26,921
Exchange realignment	滙兌調整	<b>(508)</b>	(1,218)
Impairment loss recognised	確認之減值虧損	<b>858</b>	6,561
Unused amounts reversed	回撥未動用數額	<b>(1,170)</b>	(5,374)
Uncollectible amounts written off	撇銷不可收回的款項	<b>(4,854)</b>	(4,730)
<hr/>			
At 31 December	於十二月三十一日	<b>16,486</b>	22,160

The above allowance for impairment of bad and doubtful debts is a provision for individually impaired trade receivables and impaired other receivables. The individually impaired trade receivables mainly represent sales made to the PRC customers which have remained long overdue. The impaired other receivables relate to debtors that have been long outstanding without settlement or having any business relationship with the Group. The Group does not hold any collateral or other credit enhancements over these balances.

Included in trade and other receivables are the following amounts denominated in the following currencies:

上述呆壞賬減值撥備為個別已減值應收款項及已減值其他應收款項撥備。個別已減值應收款項撥備主要為銷售予中國客戶之逾期欠款額。已減值的其他應收款項欠款已長期逾期及與本集團沒有任何業務關係。本集團對上述應收款項沒有獲得任何抵押或增強之信用安排。

貿易及其他應收款項原屬貨幣如下：

		<b>2019</b>	2018
		二零一九年	二零一八年
United States Dollars	美元	<b>23,884,000</b>	28,319,000
Renminbi	人民幣	<b>605,995,000</b>	598,489,000
Japanese Yen	日元	<b>140,560,000</b>	88,171,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**27. OTHER FINANCIAL ASSETS**

**27. 其他金融資產**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Measured at fair value through profit or loss	按公平價值計入損益		
Unlisted equity investment (note a)	非上市權益投資(附註a)	4,465	-
Unlisted unit trust funds (note b)	非上市單位信託基金(附註b)	222	219
Wealth management products	理財產品	-	33,711
		<b>4,687</b>	<b>33,930</b>

Notes:

- (a) During the year, the Group entered into a subscription agreement pursuant to which the Group agreed to subscribe for shares of a limited partnership incorporated in PRC (the "Investment"), as a limited partner, for an aggregate consideration of approximately HK\$4,465,000 in cash. The Investment principally invests in a private entity engaged in providing environmental service in PRC. The Group, as a limited partner in the Investment, does not have the power to participate in the financial and operating policy decisions of the Investment. As such, the Group does not have significant influence over the Investment.

The Investment is accounted for as a financial asset at fair value through profit or loss in accordance with HKFRS 9. As at 31 December 2019, the fair value of the Investment is approximately HK\$4,465,000. No fair value gain or loss was recognised in profit or loss during the year ended 31 December 2019.

- (b) The fair values of the unlisted unit trust funds were based on net assets value of the investment funds at the end of the reporting period provided by the financial institutions.

附註：

- (a) 於本年度內，本集團訂立了一份認購協議，據此，本集團同意作為有限合夥人，以約4,465,000港元之總代價認購一間於中國註冊成立的有限合夥企業（「投資事項」）之股份。投資事項主要投資於在中國從事提供環境服務的私營實體。本集團作為投資事項的有限合夥人，無權參與投資事項之財務及經營政策決定。因此，本集團對投資事項並無重大影響力。

根據香港財務報告準則第9號，投資事項入賬為按公平價值計入損益之金融資產。於二零一九年十二月三十一日，投資事項之公平價值為4,465,000港元。於截至二零一九年十二月三十一日止年度內，並無公平價值收益或虧損於損益中確認。

- (b) 非上市單位信託基金的公平價值是基於金融機構提供在報告結算日當天投資基金的淨資產價值。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**28. CASH AND BANK BALANCES**

**28. 現金及銀行結餘**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Pledged bank deposits (Note (a)) (Note 42)	已抵押之銀行存款 (附註(a)) (附註42)	2,902	52,159
Cash and cash equivalents (Note (b))	現金及現金等值(附註(b))	309,731	287,543
		<b>312,633</b>	<b>339,702</b>

**(a) Pledged bank deposits**

Included in pledged bank deposits in the consolidated statement of financial position are the following amounts denominated in the following currency:

**(a) 已抵押之銀行存款**

於綜合財務狀況表中已抵押之銀行存款之原屬貨幣如下：

		2019 二零一九年	2018 二零一八年
Renminbi	人民幣	2,600,000	45,702,000

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綜合財務報表附註(續)

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

**28. CASH AND BANK BALANCES (Continued)**

**(b) Cash and cash equivalents**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	<b>309,731</b>	287,543

Cash and cash equivalents include the following for the purpose of the consolidated statement of cash flows:

現金及現金等值包括下列各項作綜合現金流量表的用途：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank balances and cash per above	銀行結餘及現金，如上	<b>309,731</b>	287,543
Less: Bank overdrafts (note 31)	減：銀行透支(附註31)	-	(4,865)
		<b>309,731</b>	282,678

Included in bank balances and cash in the consolidated statement of financial position are the following amounts denominated in the following currencies:

於綜合財務狀況表中銀行結餘及現金之原屬貨幣如下：

		2019 二零一九年	2018 二零一八年
United States Dollars	美元	<b>11,495,000</b>	6,941,000
Renminbi	人民幣	<b>155,120,000</b>	134,983,000
Japanese Yen	日元	<b>29,710,000</b>	25,145,000
Euro Dollars	歐元	<b>23,000</b>	51,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**29. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES**

**(i) Trade and other payables**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade and bills payables	貿易及應付票據款項	553,041	611,433
Accruals and other payables	應付未付及其他應付款項	137,005	171,512
Amounts due to non-controlling interests	結欠非控股權益之款項	9,600	9,600
		<b>699,646</b>	<b>792,545</b>

The directors consider that the carrying amount of trade and other payables approximates to their fair values. All trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The aging analysis of the Group's trade and bills payables at the end of the reporting period based on the date of invoice is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 to 3 months	零至三個月	376,909	449,779
4 to 6 months	四至六個月	108,968	99,822
7 to 9 months	七至九個月	34,792	38,042
Over 9 months	超過九個月	32,372	23,790
		<b>553,041</b>	<b>611,433</b>

**29. 貿易及其他應付款項／合約負債**

**(i) 貿易及其他應付款項**

董事們認為貿易及其他應付款項之賬面值與其公平價值相近。所有貿易及其他應付款項預期將於一年內支付或確認為收益或按要求支付。

於報告結算日，本集團按發票日期的貿易及應付票據款項之賬齡分析如下：

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**29. TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES (Continued)**

**(i) Trade and other payables (Continued)**

Included in trade and other payables are the following amounts denominated in the following currencies:

		2019 二零一九年	2018 二零一八年
United States Dollars	美元	5,782,000	7,648,000
Renminbi	人民幣	530,240,000	572,040,000
Japanese Yen	日元	124,498,000	172,900,000
Euro Dollars	歐元	10,000	90,000

**(ii) Contract liabilities**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Billings in advance of performance	預收款項	66,202	66,323

When the Group receives a deposit before the production activity commences this will give rise to contract liabilities at the start of a contract, until the revenue is recognised. The Group receives deposits on acceptance of orders on a case by case basis with customers before work commences.

The balance of contract liabilities at 1 January 2019 was all recognised as revenue during the year of 2019. The amount of billings in advance of performance received is expected to be recognised as income within one year.

**29. 貿易及其他應付款項／合約負債 (續)**

**(i) 貿易及其他應付款項 (續)**

貿易及其他應付款項原屬貨幣如下：

		2019 二零一九年	2018 二零一八年
United States Dollars	美元	5,782,000	7,648,000
Renminbi	人民幣	530,240,000	572,040,000
Japanese Yen	日元	124,498,000	172,900,000
Euro Dollars	歐元	10,000	90,000

**(ii) 合約負債**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Billings in advance of performance	預收款項	66,202	66,323

當本集團在生產活動開始前收取訂金，合約負債將在合約開始時產生，直至收入確認為止。本集團在接受訂單在生產前收取訂金是按情況而定的。

於二零一九年一月一日的合約負債結餘已全數於二零一九年度內確認為收入。預收款項之金額預期在一年內會確認為收入。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 30. PROVISION FOR RESTRUCTURING

The Group recorded its restructuring costs provision when it has a present legal or constructive obligation as a result of restructuring actions.

Restructuring costs provision mainly comprised provision for employees compensation and relocation expenses, arising from a series of restructuring actions to reduce costs and enhance operational efficiency. The restructuring was completed during the current year.

The following are restructuring provision of the Group and movements thereon during the current and prior years:

### 30. 重組撥備

本集團因重組方案而產生現行法律或推定之責任時，將重組費用撥備入賬。

重組費用撥備主要包括由一系列重組方案以降低成本及提高營運效率而產生的僱員補償及搬遷開支方面的撥備。重組已於本年度結束。

以下為本集團的重組撥備於以往年度及本年度內之變動：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
At 1 January	於一月一日	30,238	52,956
Exchange realignment	滙兌調整	(662)	(1,474)
Restructuring costs paid	已付重組費用	(9,286)	(1,632)
Unused provision for restructuring reversed	回撥未動用重組撥備	(20,290)	(19,612)
<b>At 31 December</b>	<b>於十二月三十一日</b>	<b>-</b>	<b>30,238</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**31. BANK BORROWINGS**

**31. 銀行借款**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current</b>	<b>非流動</b>		
Bank loans	銀行貸款		
– secured	– 有抵押	48,376	4,000
– unsecured	– 無抵押	5,000	16,111
		<b>53,376</b>	20,111
<b>Current</b>	<b>流動</b>		
Bank loans	銀行貸款		
– secured	– 有抵押	55,558	103,512
– unsecured	– 無抵押	244,285	248,675
Bank overdrafts (note 28)	銀行透支(附註28)		
– unsecured	– 無抵押	–	4,865
		<b>299,843</b>	357,052
Total borrowings	總借款	<b>353,219</b>	377,163

The aggregate carrying amount of the Group's bank loans as at 31 December 2019 (that are repayable more than one year after the end of the reporting period but contain a repayment on demand clause) that have been reclassified as current liabilities is approximately HK\$2,223,000 (2018: HK\$17,223,000).

These loans are callable by the lenders, but the management does not expect the lenders to exercise their rights to demand repayment in normal circumstances.

於二零一九年十二月三十一日，本集團總賬面值約2,223,000港元(二零一八年：17,223,000港元)之銀行貸款(須於報告結算日後的一年後償還，但載有按要求還款條款)已從非流動負債分類為流動負債。

放款人可按要求償還貸款，但管理層預期放款人在一般情況下不會行使有關權利要求償還貸款。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**31. BANK BORROWINGS (Continued)**

The maturity of the bank borrowings based on the scheduled repayment date set out in the loan agreements ignoring the effect of any repayment on demand clause are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Within 1 year	一年內	<b>297,620</b>	339,829
Between 1 and 2 years	一至二年	<b>30,434</b>	32,334
Between 2 and 5 years	二至五年	<b>25,165</b>	5,000
		<b>353,219</b>	377,163

The non-current bank borrowings are stated at amortised cost.

The effective interest rate as at 31 December 2019 for bank borrowings and overdrafts is 4.65% per annum (2018: 4.42% per annum).

**31. 銀行借款(續)**

根據貸款協議無視按要求還款條款影響，按還款計劃日程之應償還金額如下：

非流動銀行借款以攤分成本入賬。

銀行借款及透支於二零一九年十二月三十一日之有效年息率為4.65厘(二零一八年：年息率為4.42厘)。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**31. BANK BORROWINGS (Continued)**

The carrying amounts of borrowings are denominated in the following currencies:

		<b>2019</b> 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Hong Kong Dollars	港元	<b>241,069</b>	279,633
Renminbi	人民幣	<b>112,150</b>	97,530
		<b>353,219</b>	377,163

**31. 銀行借款 (續)**

借款的賬面值以原貨幣列值如下：

The Group has the following undrawn borrowing facilities:

集團未動用之借貸額度如下：

		<b>2019</b> 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Floating rate	浮息		
– expiring within one year	– 於一年內到期	<b>339,098</b>	348,186

The facilities expiring within one year are annual facilities subject to review at various dates during 2019.

一年內到期融資額度乃年度額度，須於二零一九年期內不同日期進行檢討。

Bank borrowings are secured by certain ownership interest in leasehold land and buildings held for own use and land use rights of the Group (notes 15 and 18).

銀行借款以本集團部份自用租賃土地及樓宇的所有權權益及土地使用權作抵押(附註15及18)。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**32. LEASE LIABILITIES/OBLIGATIONS UNDER FINANCE LEASES**

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

		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)		31 December 2018 (Note) 二零一八年 十二月三十一日 (附註)	
		Present value of the minimum lease payments 最低租賃 支出之現值 HK\$'000 千港元		Present value of the minimum lease payments 最低租賃 支出之現值 HK\$'000 千港元		Present value of the minimum lease payments 最低租賃 支出之現值 HK\$'000 千港元	
Within 1 year	一年內	14,052	18,455	10,852	15,771	2,547	2,880
After 1 year but within 2 years	一年後但二年內	12,943	16,389	10,998	15,153	2,699	2,887
After 2 years but within 5 years	二年後但五年內	26,639	32,451	26,986	34,923	1,829	1,873
After 5 years	五年後	9,668	10,108	18,984	20,668	-	-
		49,250	58,948	56,968	70,744	4,528	4,760
		63,302	77,403	67,820	86,515	7,075	7,640
Less: total future interest expenses	減：未來利息總支出		(14,101)		(18,695)		(565)
Present value of lease liabilities	租賃負債現值		63,302		67,820		7,075

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as obligations under finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as obligations under finance leases. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

**32. 租賃負債／融資租賃借款**

以下圖表說明本集團在當前和先前報告期末以及過渡至香港財務報告準則第16號之日的租賃負債的剩餘合約餘下到期期限：

附註：

本集團已應用經修訂的追溯法首次採納香港財務報告準則第16號，並於二零一九年一月一日調整期初餘額，以確認與先前根據香港會計準則第17號被歸類為經營租賃的租賃有關的租賃負債。這些負債已與以前被歸類為融資租賃借款的餘額結合。截至二零一八年十二月三十一日的比較信息尚未重述及僅與先前被歸類為融資租賃借款的租賃有關。過渡至香港財務報告準則第16號的影響的進一步詳情載於附註3。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**32. LEASE LIABILITIES/OBLIGATIONS UNDER  
FINANCE LEASES (Continued)**

The Group leases office properties, factories and plant and machinery. Leases are negotiated mostly for terms ranging from 1 to 10 years and rentals are almost fixed for the said term.

At 31 December 2019, lease liabilities of HK\$4,931,000 (2018: HK\$7,075,000) are secured by the lessors' charges over the leased assets.

**32. 租賃負債／融資租賃借款(續)**

本集團租用辦公物業，工廠以及廠房和機械。租約年期乃以1至10年進行商討，而租金通常於租約年期中固定。

於二零一九年十二月三十一日，本集團之租賃負債中有4,931,000港元(二零一八年：7,075,000港元)是以租賃資產抵押予出租人。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 33. SHARE CAPITAL

### 33. 股本

		2019 二零一九年		2018 二零一八年	
		Number of ordinary shares 普通股股數	Amount 總額 HK\$'000 千港元	Number of ordinary shares 普通股股數	Amount 總額 HK\$'000 千港元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1 January	於一月一日	861,930,692	609,027	716,930,692	532,903
Shares issued upon subscription	認購而發行之股份	-	-	145,000,000	76,124
At 31 December	於十二月三十一日	861,930,692	609,027	861,930,692	609,027

All ordinary shares rank equally with regard to the Company's residual assets.

所有普通股享有同等關於本公司的剩餘資產。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**34. OTHER RESERVES**

**34. 其他儲備**

		Property revaluation reserve 物業重估儲備 HK\$'000 千港元	Translation reserve 滙兌儲備 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日結餘	61,608	91,081	679	153,368
Share of reserves of associates	應佔聯營公司儲備	-	(1,031)	-	(1,031)
Surplus on revaluation of properties held for own use	自用物業重估盈餘	13,200	-	-	13,200
Deferred taxation adjustment	遞延稅項調整	(2,650)	-	-	(2,650)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時產生之滙兌差額	-	(49,314)	-	(49,314)
Release of translation reserve upon disposal of a subsidiary	出售一間附屬公司時從滙兌儲備撥出	-	547	-	547
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時從滙兌儲備撥出	-	(1,904)	-	(1,904)
Release of revaluation reserve upon disposal of a subsidiary	出售一間附屬公司時從重估值儲備撥出	(9,028)	-	-	(9,028)
<b>Balance at 31 December 2018 and 1 January 2019</b>	<b>於二零一八年十二月三十一日及二零一九年一月一日結餘</b>	<b>63,130</b>	<b>39,379</b>	<b>679</b>	<b>103,188</b>
Share of reserves of associates	應佔聯營公司儲備	-	(650)	-	(650)
Surplus on revaluation of properties held for own use	自用物業重估盈餘	18,044	-	-	18,044
Deferred taxation adjustment	遞延稅項調整	(3,344)	-	-	(3,344)
Exchange differences arising from translation of financial statements of foreign operations	換算海外業務財務報表時產生之滙兌差額	-	(21,804)	-	(21,804)
Release of translation reserve upon deregistration of a subsidiary	註銷一間附屬公司時從滙兌儲備撥出	-	(2,662)	-	(2,662)
<b>Balance at 31 December 2019</b>	<b>於二零一九年十二月三十一日結餘</b>	<b>77,830</b>	<b>14,263</b>	<b>679</b>	<b>92,772</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY**

**(a) Company-level statement of financial position**

**35. 本公司財務狀況表**

**(a) 本公司財務狀況表**

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
<b>Non-current Assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	210	776
Interests in subsidiaries	附屬公司權益	1,253,970	1,243,399
		<b>1,254,180</b>	1,244,175
<b>Current Assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	2,619	1,263
Amount due from an associate	應收一間聯營公司款項	785	983
Cash and bank balances	現金及銀行結餘	25,873	76,956
		<b>29,277</b>	79,202
<b>Current Liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	1,073	12,425
Amounts due to subsidiaries	結欠附屬公司款項	94,334	180,262
Bank borrowings	銀行借款	55,000	13,000
		<b>150,407</b>	205,687
<b>Net Current Liabilities</b>	<b>淨流動負債</b>	<b>(121,130)</b>	(126,485)
Total Assets less Current Liabilities	總資產減流動負債	<b>1,133,050</b>	1,117,690
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Bank borrowings	銀行借款	33,213	-
<b>Net Assets</b>	<b>淨資產</b>	<b>1,099,837</b>	1,117,690
<b>Capital and Reserves (note 35(b))</b>	<b>資本及儲備 (附註35(b))</b>		
Share capital	股本	609,027	609,027
Proposed final dividend	建議末期股息	-	17,239
Retained profits	保留溢利	490,810	491,424
<b>Total Equity</b>	<b>權益總值</b>	<b>1,099,837</b>	1,117,690

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 30 March 2020 and is signed on its behalf by:

**TANG TO**  
 鄧燾  
 DIRECTOR  
 董事

本公司財務狀況表於二零二零年三月三十日獲董事會批准並授權刊發，並由下列董事代表簽署：

**TANG YU, FREEMAN**  
 鄧愚  
 DIRECTOR  
 董事

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)**

**(b) Movement in components of equity of the Company**

		Share capital 股本 HK\$'000 千港元	Proposed final dividend 建議末期股息 HK\$'000 千港元	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日 結餘	532,903	-	524,193	1,057,096
Loss for the year	本年度虧損	-	-	(15,530)	(15,530)
Issue of ordinary shares	發行普通股	76,124	-	-	76,124
Proposed final dividend (note 14)	建議末期股息(附註14)	-	17,239	(17,239)	-
Balance at 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日 結餘	609,027	17,239	491,424	1,117,690
Loss for the year	本年度虧損	-	-	(614)	(614)
Dividends approved in respect of the previous year (note 14)	過往年度已批准股息 (附註14)	-	(17,239)	-	(17,239)
<b>Balance at 31 December 2019</b>	<b>於二零一九年 十二月三十一日結餘</b>	<b>609,027</b>	<b>-</b>	<b>490,810</b>	<b>1,099,837</b>

**(c) Distributability of reserves**

At 31 December 2019, the aggregate amount of reserves available for distribution to equity shareholders of the Company, as calculated under the provisions of Part 6 of Hong Kong Companies Ordinance, was approximately HK\$490,810,000 (2018: HK\$508,663,000). After the end of the reporting period, the Board did not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: HK\$0.02 per share amounting to approximately HK\$17,239,000).

**35. 本公司財務狀況表(續)**

**(b) 本公司權益變動**

**(c) 儲備分派**

於二零一九年十二月三十一日，根據《公司條例》第六部分的條文計算，本公司可供分派予股權持有人的儲備約為490,810,000港元(二零一八年：508,663,000港元)。於結算日後，董事會不建議派發截至二零一九年十二月三十一日年度末期股息(二零一八年：每股2港仙金額約為17,239,000港元)。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the Group's liabilities from financing activities, including both cash and noncash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

**36. 來自融資活動的負債及相關資產的對賬**

下表詳列集團的負債及來自融資活動的相關資產的變動，包括現金及非現金的變動。來自融資活動的負債是指其現金流量或未來的現金流量會於集團的綜合現金流量表中被分類為來自融資活動的現金流量。

		Bank loans	Lease liabilities/finance lease	Amount due to an associate	Amounts due to non-controlling interests	Total
		銀行貸款	租賃負債/融資租賃借款	結欠一間聯營公司款項	非控股權益之款項	合計
		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
			(Note)			
			(附註)			
At 1 January 2018	於二零一八年一月一日	422,555	2,696	865	10,345	436,461
<b>Changes from financing cash flow</b>	<b>來自融資活動現金流之變動</b>					
New bank loans raised	新增銀行貸款	245,338	-	-	-	245,338
Repayment of bank loans	償還銀行貸款	(290,256)	-	-	-	(290,256)
Bank loans interest paid	已付銀行貸款利息	(21,650)	-	-	-	(21,650)
Dividend paid to the non-controlling shareholders	已付非控股股東股息	-	-	-	(2,967)	(2,967)
Capital element on obligation under finance lease paid	已付融資租賃借款本金	-	(3,559)	-	-	(3,559)
Finance charges on obligations under finance leases paid	已付融資租賃借款利息	-	(206)	-	-	(206)
Advance to an associate	墊付一間聯營公司之款項	-	-	(161)	-	(161)
Repayment to the non-controlling shareholders	償還結欠非控股股東款項	-	-	-	(745)	(745)
<b>Total changes from financing cash flows</b>	<b>來自融資活動現金流之變動總額</b>	<b>(66,568)</b>	<b>(3,765)</b>	<b>(161)</b>	<b>(3,712)</b>	<b>(74,206)</b>
Exchange adjustments	滙兌調整	(5,339)	(66)	-	-	(5,405)
<b>Other changes</b>	<b>其他變動</b>					
Inception of finance leases	新增融資租賃借款	-	8,004	-	-	8,004
Interest expenses (note 7)	利息費用 (附註7)	21,650	206	-	-	21,856
Dividend to the non-controlling shareholders	給非控股股東股息	-	-	-	2,967	2,967
<b>Total other changes</b>	<b>其他變動總額</b>	<b>21,650</b>	<b>8,210</b>	<b>-</b>	<b>2,967</b>	<b>32,827</b>
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>372,298</b>	<b>7,075</b>	<b>704</b>	<b>9,600</b>	<b>389,677</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)**

**36. 來自融資活動的負債及相關資產的對賬(續)**

		Bank loans	Lease liabilities/finance lease	Amount due to an associate	Amounts due to non-controlling interests	Total
		銀行貸款 HK\$'000 千港元	租賃負債/ 融資租賃 借款 HK\$'000 千港元 (Note) (附註)	結欠一間 聯營公司 款項 HK\$'000 千港元	結欠 非控股權益 之款項 HK\$'000 千港元	合計 HK\$'000 千港元
At 31 December 2018	於二零一八年十二月三十一日	372,298	7,075	704	9,600	389,677
Impact on initial application of HKFRS 16 (Note)	首次採納香港財務報告準則第16號之影響 (附註)	-	60,745	-	-	60,745
At 1 January 2019	於二零一九年一月一日	372,298	67,820	704	9,600	450,422
<b>Changes from financing cash flow</b>	<b>來自融資活動現金流之變動</b>					
New bank loans raised	新增銀行貸款	321,299	-	-	-	321,299
Repayment of bank loans	償還銀行貸款	(338,540)	-	-	-	(338,540)
Bank loans interest paid	已付銀行貸款利息	(19,844)	-	-	-	(19,844)
Dividend paid to the non-controlling shareholders	已付非控股股東股息	-	-	-	(10,433)	(10,433)
Capital element of lease rentals paid	已付租賃租金的本金部分	-	(12,308)	-	-	(12,308)
Interest element of lease rentals paid	已付租賃租金的利息部份	-	(5,114)	-	-	(5,114)
Advance to an associate	墊付一間聯營公司之款項	-	-	(553)	-	(553)
Total changes from financing cash flows	來自融資活動現金流之變動總額	(37,085)	(17,422)	(553)	(10,433)	(65,493)
Exchange adjustments	滙兌調整	(1,838)	(1,242)	(2)	-	(3,082)
<b>Other changes</b>	<b>其他變動</b>					
Increase in lease liabilities from entering into new leases during the year	本年度因訂立新租賃而增加的租賃負債	-	9,032	-	-	9,032
Interest expenses (note 7)	利息費用(附註7)	19,844	5,114	-	-	24,958
Dividend to the non-controlling shareholders	給非控股股東股息	-	-	-	10,433	10,433
<b>Total other changes</b>	<b>其他變動總額</b>	19,844	14,146	-	10,433	44,423
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>	<b>353,219</b>	<b>63,302</b>	<b>149</b>	<b>9,600</b>	<b>426,270</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

### 36. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (Continued)

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as obligations under finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as obligations under finance leases. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

### 37. PROVISION FOR INDEMNITY

The provision represented indemnity for potential liabilities in relation to the disposal of MS Plasticorp ("Disposed Subsidiary") to the purchaser of the Disposed Subsidiary during the year ended 31 December 2018.

During the year ended 31 December 2019, the provision for indemnity was reversed upon the expiration of indemnification.

### 38. OPERATING LEASE COMMITMENTS

#### The Group as lessee

At 31 December 2018, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018
		二零一八年
		HK\$'000
		千港元
Not later than one year	一年內	17,833
Later than one year and not later than five years	第二至五年	45,940
Later than five years	超過五年	20,668
		84,441

### 36. 來自融資活動的負債及相關資產的對賬(續)

附註:

本集團已應用經修訂的追溯法首次採納香港財務報告準則第16號，並於二零一九年一月一日調整期初餘額，以確認與先前根據香港會計準則第17號被歸類為經營租賃的租賃有關的租賃負債。這些負債已與以前被歸類為融資租賃借款的餘額結合。截至二零一八年十二月三十一日的比較信息尚未重述及僅與先前歸類為融資租賃債務的租賃有關。過渡至香港財務報告準則第16號的影響的進一步詳情載於附註3。

### 37. 賠償撥備

賠償撥備為於二零一八年十二月三十一日止年度中就有關出售群力實業有限公司(「出售附屬公司」)向出售附屬公司的買方提供潛在的彌償保證負債。

於截至二零一九年十二月三十一止年度，賠償撥備在合約責任彌償的保證期滿後已被回撥。

### 38. 經營租賃承擔

#### 本集團為承租人

於二零一八年十二月三十一日，本集團尚有不可撤銷之經營租賃中未來最少應付租金如下：

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**38. OPERATING LEASE COMMITMENTS**

*(Continued)*

**The Group as lessee (Continued)**

The Group is the lessee in respect of a number of office properties, factories and plant and machinery held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 3). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 2(24), and the details regarding the Group's future lease payments are disclosed in note 32.

**The Group as lessor**

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receipts under non-cancellable operating leases:

**38. 經營租賃承擔 (續)**

**本集團為承租人 (續)**

本集團乃根據先前根據香港會計準則第17號分類為經營租賃的租賃持有的多項寫字樓物業、廠房及機器的承租人。本集團最初使用經修訂追溯法應用香港財務報告準則第16號。本集團按照該方法調整於二零一九年一月一日的年初結餘以確認有關該等租賃的租賃負債(見附註3)。自二零一九年一月一日起,未來租賃付款根據附註2(24)所載的政策於綜合財務狀況表內確認為租賃負債,而有關本集團未來租賃付款的詳情則在附註32中披露。

**本集團為出租人**

於報告結算日,本集團尚有不可撤銷之租賃合同下的未來最少租賃收入如下:

		<b>2019</b> 二零一九年 <i>HK\$'000</i> 千港元	2018 二零一八年 <i>HK\$'000</i> 千港元
Not later than one year	一年內	<b>165</b>	310
Later than one year and not later than five years	第二至五年	<b>445</b>	176
After five years	五年後	<b>348</b>	-
		<b>958</b>	486

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

### 39. CAPITAL COMMITMENTS

Capital expenditure: 資本支出:  
Contracted but not provided for 已簽約但未作出撥備

2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
4,755	5,307

### 40. CONTINGENT LIABILITIES

The Group does not have any litigations or claims of material importance and, so far as the directors are aware, no litigation or claims of material importance are pending or threatened by or against any companies of the Group.

### 41. RETIREMENT BENEFITS SCHEMES

The Group participates in both a defined contribution scheme which is registered under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance in December 2000. The assets of the schemes are held separately from those of the Group in funds under the control of trustees. Employees who were members of the ORSO Scheme prior to the establishment of the MPF Scheme were offered a choice of staying within the ORSO Scheme or switching to the MPF Scheme, whereas all new employees joining the Group on or after 1 December 2000 are required to join the MPF Scheme.

For members of the MPF Scheme, the Group contributes 5.0% of relevant payroll costs to the Scheme, which contribution is matched by the employee.

The ORSO Scheme is funded by monthly contributions from both employees and the Group at rates ranging from 5.0% to 7.5% of the employee's basic salary, depending on the length of service with the Group.

### 39. 資本承擔

### 40. 或然負債

本集團並無涉及任何訴訟或重要申索。而據董事所知，並無待審或對集團內公司構成威脅的訴訟或重要申索。

### 41. 退休福利計劃

本集團同時參與根據職業退休計劃條例下註冊的定額供款計劃(職業退休計劃)及於二零零零年十二月根據強制性公積金計劃條例成立的強制性供款計劃(強積金計劃)。此兩項計劃的資產與本集團之資產分開，及由信託人管理。於強積金計劃成立之前的職業退休計劃成員之僱員，可給予選擇保留於職業退休計劃或轉移到強積金計劃。但於二零零零年十二月一日或之後加入本集團的僱員，必須加入強積金計劃。

強積金計劃之成員，本集團以相關工資成本的百分之五向計劃供款，僱員亦按同一比率供款。

職業退休計劃則每月由僱員及集團，按僱員的基本工資供款比例由百分之五至七點五，按服務年資而定。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**41. RETIREMENT BENEFITS SCHEMES (Continued)**

Employees who are employed by subsidiaries in the PRC are members of the state-managed pension scheme operated by the PRC government. These subsidiaries are required to contribute 16% – 20% of payroll costs to the pension scheme to fund the benefits. The only obligation of the Group with respect to the pension scheme is to make the required contributions under the scheme.

The total cost charged to the consolidated income statement of approximately HK\$38,564,000 (2018: HK\$40,365,000) represents contributions payable to these schemes by the Group in respect of the current accounting period. As at 31 December 2019, contributions of approximately HK\$331,000 (2018: HK\$184,000) due in respect of the reporting period had not been paid over to the schemes.

**42. PLEDGE OF ASSETS**

At the end of the reporting period, assets with the following carrying amounts were pledged by the Group to secure general banking facilities:

**41. 退休福利計劃(續)**

本集團在中國之附屬公司的僱員為中國政府管理之國家資助公積金計劃之會員。此等附屬公司須以其工資成本的百分之十六至二十向公積金計劃供款。本集團之唯一承擔乃按此公積金計劃提供所需供款。

已列支於綜合收益表內之總供款約為38,564,000港元(二零一八年: 40,365,000港元),代表集團於本會計期間應向這些計劃的供款。於二零一九年十二月三十一日,約331,000港元(二零一八年: 184,000港元)的供款於呈報期間已到期仍未向這些計劃付款。

**42. 資產抵押**

於報告結算日,本集團已將下列以賬面值計算的資產作抵押,以取得給予本集團之一般銀行信貸額:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Ownership interest in leasehold land and buildings held for own use	自用租賃土地及樓宇的所有權權益	156,873	152,214
Land use rights	土地使用權	3,349	3,644
Plant and machinery	廠房及機器	6,460	7,364
Motor vehicles	汽車	547	-
Bank deposits	銀行存款	2,902	52,159
		<b>170,131</b>	<b>215,381</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

**(a) Financial instruments by categories**

Upon the adoption of HKFRS 9, the accounting policies for financial instruments have been applied to the line items below:

**43. 財務風險管理及金融工具之公平價值**

**(a) 按類別劃分之金融工具**

經採納香港財務報告準則第9號，金融工具會計政策已應用於下列項目：

Assets as per consolidated financial statements	於綜合財務報表中之資產	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
31 December 2019	二零一九年十二月三十一日	按攤銷成本計量的金融資產	以公平價值計入損益的金融資產	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Other financial assets	其他金融資產	-	4,687	4,687
Amounts due from associates	應收聯營公司款項	2,232	-	2,232
Finance lease receivables	應收融資租賃款項	142,607	-	142,607
Trade and other receivables	貿易及其他應收款項	863,341	-	863,341
Pledged bank deposits	已抵押銀行存款	2,902	-	2,902
Cash and cash equivalents	現金及現金等值	309,731	-	309,731
		<b>1,320,813</b>	<b>4,687</b>	<b>1,325,500</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(a) Financial instruments by categories (Continued)**

**43. 財務風險管理及金融工具之公平價值 (續)**

**(a) 按類別劃分之金融工具 (續)**

Assets as per consolidated financial statements	於綜合財務報表中之資產	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Total
		按攤銷成本計量的金融資產	以公平價值計入損益的金融資產	總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
31 December 2018	二零一八年十二月三十一日			
Other financial assets	其他金融資產	-	33,930	33,930
Amounts due from associates	應收聯營公司款項	2,184	-	2,184
Finance lease receivables	應收融資租賃款項	153,700	-	153,700
Trade and other receivables	貿易及其他應收款項	898,773	-	898,773
Pledged bank deposits	已抵押銀行存款	52,159	-	52,159
Cash and cash equivalents	現金及現金等值	287,543	-	287,543
		1,394,359	33,930	1,428,289

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(a) Financial instruments by categories (Continued)

### 43. 財務風險管理及金融工具之公平價值(續)

(a) 按類別劃分之金融工具(續)

		Financial liabilities at amortised cost 按攤銷成本計量之金融負債 HK\$'000 千港元
<b>Liabilities as per consolidated financial statements</b>	<b>於綜合財務報表中之負債</b>	
<b>31 December 2019</b>	<b>二零一九年十二月三十一日</b>	
Trade and other payables	貿易及其他應付款項	698,213
Amount due to an associate	結欠一間聯營公司款項	149
Bank borrowings	銀行借款	353,219
Lease liabilities (note)	租賃負債(附註)	63,302
		1,114,883
<b>31 December 2018</b>	<b>二零一八年十二月三十一日</b>	
Trade and other payables	貿易及其他應付款項	783,417
Amount due to an associate	結欠一間聯營公司款項	704
Bank borrowings	銀行借款	377,163
Obligations under finance leases	融資租賃借款	7,075
		1,168,359

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as obligations under finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as obligations under finance leases. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

附註:

本集團已應用經修訂的追溯法首次採納香港財務報告準則第16號，並於二零一九年一月一日調整期初餘額，以確認與先前根據香港會計準則第17號被歸類為經營租賃的租賃有關的租賃負債。這些負債已與以前被歸類為融資租賃借款的餘額結合。截至二零一八年十二月三十一日的比較信息尚未重述及僅與先前歸類為融資租賃債務的租賃有關。過渡至香港財務報告準則第16號的影響的進一步詳情載於附註3。

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk and liquidity risk arising in the normal course of its business and financial instruments. The Group's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the Group by closely monitoring the individual exposure as summarised below.

##### (i) Foreign currency risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Renminbi ("RMB"), Hong Kong dollars ("HK\$"), United States Dollars ("US\$") and Japanese Yen ("YEN"). Such exposures arise from sales or purchases by subsidiaries other than the subsidiaries' functional currencies. This currency exposure is managed primarily through sourcing raw materials denominated in the same currency. In addition, certain recognised assets and liabilities are denominated in currencies other than the functional currencies of the entities to which they relate. The Group currently does not have a foreign currency hedging policy.

Certain assets and liabilities of the Group are principally denominated in US\$. HK\$ is pegged to US\$, and thus foreign exchange exposure is considered as minimal.

At 31 December 2019, if HK\$ had strengthened/weakened by 10% against the RMB, with all other variables held constant, post-tax profit for the year would have been approximately HK\$1,331,000 lower or higher (2018: post-tax profit for the year would have been HK\$3,097,000 lower or higher). There will be no impact on other components of equity.

### 43. 財務風險管理及金融工具之公平價值(續)

#### (b) 財務風險因素

本集團的業務承受各種財務風險：市場風險(包括外匯風險、利率風險及價格風險)、信貸風險及一般業務過程及金融工具導致之流動資金風險。本集團的風險管理目標及政策主要透過密切監察如下個別風險，專注於盡量減少本集團之財務表現所受的潛在負面影響。

##### (i) 外匯風險

本集團承受外匯交易風險，主要為人民幣(人民幣)、港元(港元)、美元(美元)及日元(日元)。該等風險乃因為附屬公司以附屬公司之功能貨幣以外之貨幣進行買賣而產生。此貨幣風險乃主要透過採購以相同貨幣列值之原材料管理。另外，部份已確認之資產及負債包括並非以相關實體功能貨幣為計量單位。本集團目前並無外匯對沖政策。

本集團之若干資產及負債主要以美元為計量單位。港元與美元掛鈎，因此外匯風險可視作甚微。

於二零一九年十二月三十一日，倘港元兌人民幣匯率增強/減弱10%，而所有其他變數不變，該年度之除稅後溢利將分別較現時約低/高1,331,000港元(二零一八年：除稅後溢利低/高3,097,000港元)。其他權益部份沒有任何影響。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS**  
(Continued)

**(b) Financial risk factors (Continued)**

**(i) Foreign currency risk (Continued)**

At 31 December 2019, if HK\$ had strengthened/weakened by 10% against the YEN, with all other variables held constant, post-tax profit for the year would have been approximately HK\$264,000 higher or lower (2018: post-tax profit for the year would have been HK\$641,000 higher or lower). There will be no impact on other components of equity.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the Group entities' exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that the pegged rate between the HK\$ and the US\$ would be materially unaffected by any changes in movement in value of the US\$ against other currencies. Results of the analysis as presented in above represent an aggregation of the effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the end of the reporting period for presentation purposes. The analysis is performed on the same basis for 2018.

**43. 財務風險管理及金融工具之公平  
價值(續)**

**(b) 財務風險因素(續)**

**(i) 外匯風險(續)**

於二零一九年十二月三十一日，倘港元兌日元匯率增強／減弱10%，而所有其他變數不變，該年度之除稅後溢利將分別較現時高／低約264,000港元(二零一八年：除稅後溢利高／低641,000港元)，但不會對權益的其他部分有影響。

敏感性分析乃基於假設外匯匯率變化已於報告結算日發生，並已於該日運用於其時存在之各集團實體所受金融工具的匯率風險，同時假定其他變量(尤其是利率)維持不變。

上述變動代表管理層評估外匯匯率在截至下一個報告周年結算日期間之合理變動，並假設港元兌美元之聯繫匯率並未因美元兌其他貨幣之任何變動而有重大影響。上述之分析結果乃各集團實體之除稅後溢利及權益所受影響(按其相關之功能貨幣計算，並以報告結算日之匯率匯兌為港元作呈列之用)之總額。二零一八年亦以同一基準作分析。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(b) Financial risk factors (Continued)**

**(ii) Interest rate risk**

Except for pledged bank deposits, short-term bank deposits and cash and cash equivalents (note 28), the Group has no other significant interest-bearing assets. The Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank deposits are not expected to change significantly.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Prime or HIBOR arising from the Group's borrowings denominated in HK\$ and RMB.

Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates and finance lease receivables expose the Group to fair value interest-rate risk. Details of the Group's borrowings and finance lease receivables have been disclosed in notes 31 and 23 respectively.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk. In order to manage the cash flow interest rate risk, the Group will repay the corresponding borrowings when it has surplus funds.

**43. 財務風險管理及金融工具之公平  
價值(續)**

**(b) 財務風險因素(續)**

**(ii) 利率風險**

除抵押存款、短期銀行存款及現金及現金等值(附註28)外,本集團並無任何重大的計息資產。本集團的收入及經營現金流量基本上不受市場利率變動所影響。管理層並不預期利率轉變會對計息資產產生重大影響,因預期銀行存款利率變動不大。

本集團面對的現金流量利率風險主要是來自本集團港元及人民幣借款的最優惠利率及香港銀行同業拆息之波動。

浮息借款使本集團面對現金流量利率風險。定息借款及應收融資租賃款項使本集團面對公平價值利率風險。有關本集團借款及應收融資租賃款項之詳情,已分別於附註31及23披露。

本集團並無訂立任何利率掉期以對沖所承擔之利率風險。為控制現金流量利率風險,本集團將在有盈餘資金的情況下償還相應借款。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Financial risk factors (Continued)

##### (ii) Interest rate risk (Continued)

The sensitivity analysis below have been determined based on the exposure to interest rates for the variable-rate bank borrowings at the end of the reporting period. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

At 31 December 2019, if interest rates on HK\$-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been approximately HK\$1,340,000 lower/higher (2018: post-tax profit for the year would have been HK\$1,343,000 lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

At 31 December 2019, if interest rates on RMB-denominated borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been approximately HK\$370,000 lower/higher (2018: post-tax profit for the year would have been HK\$462,000 lower/higher), mainly as a result of higher/lower interest expense on floating rate borrowings.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The above changes in interest rates represent management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2018.

### 43. 財務風險管理及金融工具之公平價值(續)

#### (b) 財務風險因素(續)

##### (ii) 利率風險(續)

以下敏感度分析乃根據報告結算日浮息銀行借款之利率風險釐定。對於浮息銀行借款而言，此分析乃假設於報告結算日之未償還負債於整個年度均未償還而釐定。

於二零一九年十二月三十一日，如果港元借款利率提高／降低50點子而其他因素保持不變，則年度除稅後溢利將低／高約1,340,000港元（二零一八年：除稅後溢利低／高1,343,000港元），主要是由於浮息借款的利息支出的增加／減少。

於二零一九年十二月三十一日，如果人民幣借款利率提高／降低50點子而其他因素保持不變，則年度除稅後溢利將低／高約370,000港元（二零一八年：除稅後溢利低／高462,000港元），主要是由於浮息借款的利息支出的增加／減少。

以上敏感度分析之釐定乃假設利率變動於報告結算日發生，並已將該變動套用於當日就金融工具所產生之利率風險而釐定。以上之利率變動代表管理層對直至下一個周年報告結算日期間的潛在利率變動所進行的評估。二零一八年敏感度分析按照相同基準進行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(b) Financial risk factors (Continued)**

**(iii) Price risk**

The Group is exposed to equity securities at fair value through other comprehensive income price risk in its financial assets. As the Group's policy is only to invest on such investments by its surplus funds, the exposure may not have significant impact on the Group's financial position. The Group is not exposed to commodity price risk.

**(iv) Credit risk**

The Group is exposed to credit risk in relation to its trade and other receivables, finance lease receivable and cash and bank balances. The carrying amounts of trade and other receivables, finance lease receivable and cash and bank balances represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash and bank balances since they are substantially deposited at state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group has large number of customers and there was no concentration of credit risk. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

**43. 財務風險管理及金融工具之公平  
價值(續)**

**(b) 財務風險因素(續)**

**(iii) 價格風險**

本集團的以公平價值計入其他全面收益之金融資產面臨權益證券價格風險。由於本集團之政策為僅以其盈餘資金投資於有關投資，有關風險可能不會對本集團之財務狀況產生重大影響。本集團不會面對商品價格風險。

**(iv) 信貸風險**

本集團面臨與其貿易及其他應收款項、應收融資租賃款項及現金及銀行結餘有關之信貸風險。貿易及其他應收款項、應收融資租賃款項及現金及銀行結餘的賬面值乃本集團面臨的金融資產的最高信貸風險。

本集團預期並無與現金及銀行結餘相關的重大信貸風險，因為該等存款基本上存入國有銀行以及其他大中型上市銀行。管理層預期不會有該等對手方未履約所產生的任何重大虧損。

本集團有大量客戶，並無集中的信貸風險。本集團訂有監控程序，以確保採取跟進措施收回逾期債務。此外，於各報告期末，本集團檢討該等應收款項的可收回性，以確保就不可收回金額作出充分減值虧損。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Financial risk factors (Continued)

##### (iv) Credit risk (Continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the customer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor/ customer;
- significant changes in the expected performance and behaviour of the customer, including changes in the payment status of customer in the Group and changes in the operating results of the customer.

### 43. 財務風險管理及金融工具之公平價值(續)

#### (b) 財務風險因素(續)

##### (iv) 信貸風險(續)

本集團在資產的初始確認時考慮壞賬的可能性，也在整個報告期間持續評估信貸風險是否顯著增加。在評估信貸風險是否顯著增加時本集團將報告日時點資產發生壞賬的可能性與初始確認時點發生壞賬的可能性進行比較，同時也考慮公開且合理可靠的前瞻信息。以下指標需要重點考慮：

- 內部信貸評級；
- 外部信貸評級；
- 預期導致客戶履行責任能力出現重大變動的業務、財務或經濟狀況的實際或預期重大不利變動；
- 債務人／客戶經營業績的實際或預期重大變動；
- 客戶預期表現及行為的重大變動，包括本集團內客戶的付款狀況變動及客戶經營業績的變動。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(b) Financial risk factors (Continued)**

**(iv) Credit risk (Continued)**

(a) Trade receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables.

The loss allowance for trade receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

**43. 財務風險管理及金融工具之公平價值 (續)**

**(b) 財務風險因素 (續)**

**(iv) 信貸風險 (續)**

(a) 貿易應收款項

本集團應用簡化的方法就香港財務報告準則第9號規定的預期信貸虧損計提撥備，該準則允許採用所有貿易應收款項存續期的預期虧損撥備。

貿易應收款項的虧損撥備釐定如下。下文的預期信貸虧損亦包含前瞻性資料。

		2019 二零一九		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總額 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
0 to 3 months	零至三個月	0.8%	538,286	(3,934)
4 to 6 months	四至六個月	1.0%	116,311	(1,155)
7 to 9 months	七至九個月	1.5%	51,152	(739)
10 to 12 months	十至十二個月	3.4%	20,604	(699)
1 to 2 years	一至二年	10.8%	41,004	(4,426)
2 to 3 years	二至三年	68.7%	18,693	(12,841)
Over 3 years	超過三年	97.4%	81,926	(79,759)
			<b>867,976</b>	<b>(103,553)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(b) Financial risk factors (Continued)

(iv) Credit risk (Continued)

(a) Trade receivables (Continued)

		2018 二零一八年		
		Expected loss rate 預期虧損率 %	Gross carrying amount 賬面總額 HK\$'000 千港元	Loss allowance 虧損撥備 HK\$'000 千港元
0 to 3 months	零至三個月	0.7%	529,539	(3,797)
4 to 6 months	四至六個月	0.7%	121,155	(765)
7 to 9 months	七至九個月	2.4%	57,159	(1,372)
10 to 12 months	十至十二個月	2.8%	28,015	(781)
1 to 2 years	一至二年	9.7%	40,949	(3,953)
2 to 3 years	二至三年	74.0%	4,864	(3,597)
Over 3 years	超過三年	97.3%	95,198	(92,599)
			876,879	(106,864)

(b) Finance lease receivables

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for all finance lease receivables.

### 43. 財務風險管理及金融工具之公平價值(續)

(b) 財務風險因素(續)

(iv) 信貸風險(續)

(a) 貿易應收款項(續)

(b) 應收融資租賃款項

本集團應用簡化的方法就香港財務報告準則第9號規定的預期信貸虧損計提撥備，該準則允許採用所有應收融資租賃款項存續期的預期虧損撥備。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(b) Financial risk factors (Continued)**

**(iv) Credit risk (Continued)**

(b) Finance lease receivables (Continued)

The loss allowance for finance lease receivables was determined as follows. The expected credit losses below also incorporated forward looking information.

		Not overdue 未逾期	Overdue 逾期		Total 合計
			Within one year 一年內	Over 1 year 超過一年	
<b>2019</b>	<b>二零一九年</b>				
Expected loss rate	預期虧損率	3.3%	14.6%	63.5%	
Gross carrying amount (HK\$'000)	賬面總額 (千港元)	72,908	84,193	514	157,615
Loss allowance (HK\$'000)	虧損撥備(千港元)	(2,379)	(12,303)	(326)	(15,008)
<hr/>					
		Not overdue 未逾期	Overdue 逾期		Total 合計
			Within one year 一年內	Over 1 year 超過一年	
<b>2018</b>	<b>二零一八年</b>				
Expected loss rate	預期虧損率	2.4%	28.2%	100%	
Gross carrying amount (HK\$'000)	賬面總額 (千港元)	152,415	6,838	645	159,898
Loss allowance (HK\$'000)	虧損撥備(千港元)	(3,628)	(1,925)	(645)	(6,198)

**43. 財務風險管理及金融工具之公平價值(續)**

**(b) 財務風險因素(續)**

**(iv) 信貸風險(續)**

(b) 應收融資租賃款項(續)

應收融資租賃款項的虧損撥備釐定如下。下文的預期信貸虧損亦包含前瞻性資料。

**(v) Liquidity risk**

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

**(v) 流動資金風險**

本集團旗下個別營運中的實體，須各自負責現金管理，包括現金盈餘的短期投資和籌借貸款以應付預期中的現金需求，惟倘借款超逾當局預定的若干水平，則須經母公司董事會批准方可作實。本集團的政策是定期監控即期及預期中的流動資金需求，及其有否遵守借貸契諾，以確保旗下實體本身備有足夠的現金及向主要財務機構取得的足夠的承諾融資金額，藉以應付本身的長短期流動資金需求。



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

#### (b) Financial risk factors (Continued)

##### (v) Liquidity risk (Continued)

The tables below categorised the Group's financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The tabulated amounts are the contractual undiscounted cash flow payments of the Group.

		Less than 1 year 少於1年 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	After 5 years 5年後 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>At 31 December 2019</b>	<b>於二零一九年 十二月三十一日</b>					
Trade and other payables	貿易及其他應付款項	698,213	-	-	-	698,213
Amount due to an associate	結欠一間聯營公司 款項	149	-	-	-	149
Lease liabilities (note)	租賃負債(附註)	18,455	16,389	32,451	10,108	77,403
Bank borrowings	銀行借款	306,834	30,010	25,846	-	362,690
		<b>1,023,651</b>	<b>46,399</b>	<b>58,297</b>	<b>10,108</b>	<b>1,138,455</b>
<b>At 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>					
Trade and other payables	貿易及其他應付款項	783,417	-	-	-	783,417
Amount due to an associate	結欠一間聯營公司 款項	704	-	-	-	704
Obligations under finance leases	融資租賃借款	2,880	2,887	1,873	-	7,640
Bank borrowings	銀行借款	362,979	15,670	5,121	-	383,770
		<b>1,149,980</b>	<b>18,557</b>	<b>6,994</b>	-	<b>1,175,531</b>

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. These liabilities have been aggregated with the brought forward balances relating to leases previously classified as obligations under finance leases. Comparative information as at 31 December 2018 has not been restated and relates solely to leases previously classified as obligations under finance leases. Further details on the impact of the transition to HKFRS 16 are set out in note 3.

### 43. 財務風險管理及金融工具之公平價值(續)

#### (b) 財務風險因素(續)

##### (v) 流動資金風險(續)

下表根據報告結算日至合約到期日之餘下期間，將本集團之金融負債按相關到期組別進行分類。列表中的金額乃本集團之合約非貼現現金流量。

附註:

本集團已應用經修訂的追溯法首次採納香港財務報告準則第16號，並於二零一九年一月一日調整期初餘額，以確認與先前根據香港會計準則第17號被歸類為經營租賃的租賃有關的租賃負債。這些負債已與以前被歸類為融資租賃借款的餘額結合。截至二零一八年十二月三十一日的比較信息尚未重述及僅與先前歸類為融資租賃債務的租賃有關。過渡至香港財務報告準則第16號的影響的進一步詳情載於附註3。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurement

(i) Financial assets measured at fair value  
through profit or loss

Fair value hierarchy

The following table presents the carrying value of the Group's financial instruments measured at fair value at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

43. 財務風險管理及金融工具之公平  
價值(續)

(c) 公平價值計量

(i) 公平價值計入損益之金融資產

公平價值架構

下表呈列於報告結算日所計算按持續性基礎的公平價值計量之本集團的金融工具之賬面價值在香港財務報告準則第13號，公平價值計量所界定之公平價值三層架構中。將公平價值計量分類之等級乃經參考如下估值方法所用數據之可觀察性及重要性後釐定：

- 第一層次估值：僅使用第一層次輸入數據（即於計量日同類資產或負債於活躍市場之未經調整報價）計量之公平價值。
- 第二層次估值：使用第二層次輸入數據（即未能達到第一層次之可觀察輸入數據，且並未使用重大不可觀察輸入數據）計量之公平價值。不可觀察輸入數據為無市場數據之輸入數據。
- 第三層次估值：採用重大不可觀察數據計量之公平價值。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
 綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

(c) Fair value measurement (Continued)

(i) Financial assets measured at fair value through profit or loss (Continued)

Fair value hierarchy (Continued)

**43. 財務風險管理及金融工具之公平價值(續)**

(c) 公平價值計量(續)

(i) 公平價值計入損益之金融資產(續)

公平價值架構(續)

		Fair value measurement as at 31 December 2019 categorised into 於二零一九年十二月三十一日 公平價值計量作以下分類			
	Fair value 公平價值 HK\$'000 千港元	Level 1 第一層次 HK\$'000 千港元	Level 2 第二層次 HK\$'000 千港元	Level 3 第三層次 HK\$'000 千港元	
Other financial assets					
– Unlisted equity investment	4,465	–	4,465	–	
– Unlisted unit trust funds	222	–	222	–	
其他金融資產					
– 非上市權益投資					
– 非上市單位 信託基金					

		Fair value measurement as at 31 December 2018 categorised into 於二零一八年十二月三十一日 公平價值計量作以下分類			
	Fair value 公平價值 HK\$'000 千港元	Level 1 第一層次 HK\$'000 千港元	Level 2 第二層次 HK\$'000 千港元	Level 3 第三層次 HK\$'000 千港元	
Other financial assets					
– Unlisted unit trust funds	219	–	219	–	
– Wealth management products	33,711	–	33,711	–	
其他金融資產					
– 非上市單位 信託基金					
– 理財產品					

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)  
綜合財務報表附註(續)

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

43. FINANCIAL RISK MANAGEMENT AND  
FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

(c) Fair value measurement (Continued)

(i) Financial assets measured at fair value  
through profit or loss (Continued)

Fair value hierarchy (Continued)

The fair values of unlisted unit trust funds, principal guaranteed and non-guaranteed investment funds in level 2 are based on net assets value of the investment funds at the end of the reporting period provided by the financial institution.

The fair value of unlisted equity investment in level 2 is based on fair value of initial subscription cost adjusted by market movements for the corresponding period from the date of subscription up to the end of the reporting period.

During the year ended 31 December 2018 and 2019, there were no transfers between Level 1 and Level 2, or transfer into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Fair value of financial assets and liabilities  
carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2018 and 2019.

43. 財務風險管理及金融工具之公平  
價值(續)

(c) 公平價值計量(續)

(i) 公平價值計入損益之金融資產  
(續)

公平價值架構(續)

非上市單位信託基金·保本及非保本投資基金之公平價值在第二層次是基於金融機構提供在報告結算日當天投資基金的淨資產價值。

非上市權益投資之公平價值在第二層次是基於經認購日期至報告期末之相應期間的市場變動調整之初始認購成本之公平價值。

截至二零一八年十二月三十一日及二零一九年十二月三十一日止年度內·第一層次與第二層次之間並無轉撥或轉撥到第三層次或從第三層次轉出。當公平價值架構層之間有轉撥發生時·本集團會按照政策於報告結算日確認。

(ii) 金融資產及負債的公平價值與  
其賬面值

於二零一八年十二月三十一日及二零一九年十二月三十一日·本集團的金融工具之成本或攤銷成本賬面值與其公平價值並無重大分別。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

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

### 43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(Continued)

#### (d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the total debts ratio. This ratio is calculated as total borrowings divided by total capital. Total borrowings include current liabilities and non-current liabilities. Total capital includes total borrowings and total equity as shown in the consolidated statement of financial position.

### 43. 財務風險管理及金融工具之公平 價值(續)

#### (d) 資金風險管理

集團的資金管理政策，是保障集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有人的利益，並維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，集團可能會調整支付予股東的股息金額、向股東發還資金、發行新股或出售資產以減低債務。

集團利用總負債比率監察其資本。此比率按照總借款除以資本總值計算。總借款包括非流動負債及流動負債。資本總值包括綜合財務狀況表內之總借款及權益總值。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

(Continued)

**(d) Capital risk management (Continued)**

The total debts ratios at 31 December 2019 and 2018 are as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current liabilities	流動負債	1,085,189	1,280,921
Non-current liabilities	非流動負債	132,259	50,487
<hr/>			
Total borrowings	借款總額	1,217,448	1,331,408
Total equity	權益總額	1,386,441	1,400,285
<hr/>			
Total capital	資本總額	2,603,889	2,731,693
<hr/>			
Total debts ratio	總負債比率	47%	49%

Certain entities of the Group are subject to loan covenants. There is no material non-compliance with those loan covenants.

*Note:* The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 3.

**43. 財務風險管理及金融工具之公平價值 (續)**

**(d) 資金風險管理 (續)**

於二零一九年十二月三十一日及二零一八年十二月三十一日之總負債比率為：

集團某些實體須遵從貸款規定。無出現重大違返有關貸款規定的情況。

*附註：* 本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法，比較資料不予重列。見附註3。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

During the year, the Group had significant transactions with the following related parties, together with balances with them as at the end of the reporting period, details of which are as follows:

**44. 與關連方進行之交易及結餘**

本年度內，本集團與下列關連方進行之重大交易，連同於報告結算日之結餘詳情如下：

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Company controlled by certain directors' relatives:	由若干董事及其親屬控制之公司：			
Management fee paid (note i)	管理費支出 (附註i)		996	996
Non-controlling interests:	非控股權益：			
Balances due from the Group (note ii)	本集團結欠之結餘 (附註ii)	29	9,600	9,600
Rental income	租金收入		3,382	2,198
Service fee income	服務費收入		86	-
Consultancy fee paid	顧問費支出		978	1,016
Sales	銷售		6,112	196
Associates:	聯營公司：			
Balances due from the Group (note ii)	本集團結欠之結餘 (附註ii)		149	704
Balances due to the Group (note ii)	結欠本集團之結餘 (附註ii)	21	2,232	2,184
EDP charges paid	電腦系統維護服務支出		4,120	4,356
Purchases	購貨		120	87
Purchase of fixed assets	採購固定資產		354	164
Remuneration of key management personnel of the Group (note iii):	集團主要管理人員酬金 (附註iii)：			
Salaries and other short-term employee benefits	薪金及其他短期僱員福利		15,729	29,117

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES (Continued)**

Further details of directors' and the chief executive's emoluments are included in note 10 to the consolidated financial statements.

*Notes:*

- (i) The prices of the transactions were determined by the directors with reference to prices for similar transactions with unrelated third parties.
- (ii) The balances are unsecured, interest free and have no fixed terms of repayment.
- (iii) Key management personnel whose profiles are included in Directors and Senior Management's Biographies section of this report.
- (iv) Save as disclosed above, no other transactions, arrangements or contracts of significance to which the Company was a party, and in which a director of the company had a material interest, subsisted at the end of the year or at any time during the year.

Save as disclosed above, there were no other significant transactions with related parties during the year or significant balances with them at the end of the reporting period.

**44. 與關連方進行之交易及結餘 (續)**

董事及行政總裁酬金的進一步詳情列在綜合財務報表附註10。

*附註：*

- (i) 該等交易的價格經董事參考與非關連第三方進行類似交易的價格後釐定。
- (ii) 該等結餘為無抵押、免息及無固定還款期。
- (iii) 集團主要管理人員已呈列在本報告之董事及高級管理人員履歷部份。
- (iv) 除上述披露外，於年末或年度內任何時間，本公司概無與本公司董事擁有重大權益之交易、安排或訂立之其他重大合約。

除上述披露外，本年度與關連方並無其他重大交易，或在報告結算日與彼等並無任何重大結餘。



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註(續)**

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**

Details of the Company's principal subsidiaries at 31 December 2019 are as follows:

**45. 主要附屬公司詳情**

於二零一九年十二月三十一日主要附屬公司詳情如下：

Name of subsidiary	Place of incorporation/ registration	Place of operation	Issued and fully paid ordinary share capital	Proportion of nominal value of issued share capital/registered capital held by the Company* / subsidiaries	已繳足普通股股本面額/註冊股本比率	attributable to the Group	Principal activities
附屬公司名稱	成立/ 註冊地方	經營地方	已發行及已繳足普通股股本	附屬公司持有%	本集團應佔%	主要業務	
Cosmos Machinery Limited 大同機械有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000,000 10,000,000港元	100.00	100.00	Investment holding 投資控股	
Cosmos Machinery International Limited 大同機械國際有限公司	Hong Kong 香港	Hong Kong 香港	HK\$32,000,000 32,000,000港元	100.00	100.00	Investment holding 投資控股	
Cosmos Machinery (Dongguan) Trading Co., Ltd. <sup>(a)</sup> 大同機械(東莞)銷售有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	HK\$5,000,000 5,000,000港元	100.00	100.00	Trading of machinery 機械貿易	
Cosmos Machinery (Wuxi) Trading Co., Ltd. <sup>(a)</sup> 大同機械(無錫)銷售有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	HK\$5,000,000 5,000,000港元	100.00	100.00	Trading of machinery 機械貿易	
Dekuma Rubber and Plastic Technology (Dongguan) Limited <sup>(a)</sup> 德科摩橡塑科技(東莞)有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	HK\$24,000,000 24,000,000港元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易	
Dong Hua Machinery Ltd. <sup>*(b)</sup> 東華機械有限公司 <sup>(b)</sup>	The PRC 中國	The PRC 中國	RMB146,199,955 146,199,955人民幣	75.56	75.56	Manufacturing and trading of machinery 機械製造及貿易	
Gainbase Industrial Limited 邦基實業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000 10,000港元	100.00	52.00	Trading of printed circuit boards 印刷線路板貿易	
Grand Technology Products Limited 格蘭科技產品有限公司	Hong Kong 香港	Hong Kong 香港	HK\$9,500,000 9,500,000港元	100.00	100.00	Investment holding 投資控股	
Jackson Equities Incorporated Jackson Equities Incorporated	British Virgin Islands 英屬維爾京群島	Hong Kong 香港	US\$2 2美元	100.00	100.00	Investment holding 投資控股	
Karmay Industrial Limited 嘉美實業有限公司	Hong Kong 香港	Hong Kong 香港	HK\$55,000,000 55,000,000港元	100.00	100.00	Investment holding and trading 投資控股及貿易	
Karmay Plastic Products (Zhuhai) Co., Ltd. <sup>*(a)</sup> 嘉美塑料製品(珠海)有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	HK\$16,800,000 16,800,000港元	100.00	100.00	Manufacturing of plastic products 生產塑料製品	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**  
(Continued)

**45. 主要附屬公司詳情 (續)**

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital 已發行及已繳足普通股股本	Proportion of nominal value of issued share capital/registered capital 已繳足普通股股本面值/註冊股本比率		Principal activities 主要業務
				held by the Company*/ subsidiaries 由本公司*/附屬公司持有 %	attributable to the Group 本集團應佔 %	
Melco Industrial Supplies Company Limited 美高工業器材有限公司	Hong Kong 香港	Hong Kong 香港	HK\$1,500,000 1,500,000港元	100.00	100.00	Trading of industrial consumables 工業消耗品貿易
美高工業器材(上海)有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	US\$600,000 600,000美元	100.00	100.00	Trading of industrial consumables 工業消耗品貿易
Guangzhou Melco Industrial Supplies Co., Ltd. <sup>(a)</sup> 廣州市美高工業器材有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	US\$400,000 400,000美元	100.00	100.00	Trading of industrial consumables 工業消耗品貿易
Shenzhen Gainbase Printed Circuit Board Co., Ltd.* <sup>(a)</sup> 深圳邦基線路板有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	HK\$140,000,000 140,000,000港元	100.00	52.00	Processing of printed circuit boards 印刷線路板加工
Welltec Machinery Limited 華大機械有限公司	Hong Kong 香港	Hong Kong 香港	HK\$10,000,000 10,000,000港元	100.00	100.00	Trading of machinery 機械貿易
KFE Hong Kong Co., Limited 協榮二葉科技香港有限公司	Hong Kong 香港	Hong Kong 香港	US\$7,800,000 7,800,000美元	100.00	52.00	Trading of printed circuit board 印刷線路板貿易
Wuxi Grand Tech Machinery Group Ltd. <sup>(a)</sup> 無錫格蘭機械集團有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	US\$9,586,000 9,586,000美元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易
Wuxi Grand Plastic Machine Manufacture Co., Ltd. <sup>(a)</sup> 無錫格蘭塑機製造有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	US\$2,850,000 2,850,000美元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易
Cosmos Grand Plastics Co., Ltd. <sup>(a)</sup> 合肥大同格蘭塑業有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	HK\$56,000,000 56,000,000港元	100.00	100.00	Manufacturing of plastic products 生產塑料製品
Dongguan Hua Qi Plastic Works Co., Ltd. <sup>(a)</sup> 東莞華奇塑膠製品有限公司 <sup>(a)</sup>	The PRC 中國	The PRC 中國	US\$1,000,000 1,000,000美元	100.00	51.00	Manufacturing of plastic products 生產塑料製品

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
**綜合財務報表附註 (續)**

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**  
**(Continued)**

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital 已發行及已繳足普通股股本	Proportion of nominal value of issued share capital/registered capital held by the Company*/ subsidiaries 已繳足普通股股本面值/註冊股本比率由本公司*/附屬公司持有		Principal activities 主要業務
				attributable to the Group 本集團應佔	%	
Cosmos Machinery Technology (Jiangsu) Co., Ltd. 大同機械科技(江蘇)有限公司	The PRC 中國	The PRC 中國	US\$25,000,000 25,000,000美元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易
東莞大同塑料製品有限公司	The PRC 中國	The PRC 中國	RMB10,000,000 10,000,000人民幣	90.00	90.00	Manufacturing of plastic products 生產塑料製品

\* For identification propose only

**Notes:**

- (a) The companies are registered in the form of wholly-owned foreign investment enterprises.
- (b) The companies are registered in the form of sino-foreign cooperative enterprises.

The above table lists out the subsidiaries of the Group which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the net assets of the Group at the end of the year. To give details of other subsidiaries would, result in particulars of excessive length.

None of the subsidiaries had any debt capital in issue at the end of the year or at any time during the year.

**45. 主要附屬公司詳情 (續)**

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地方	Place of operation 經營地方	Issued and fully paid ordinary share capital 已發行及已繳足普通股股本	Proportion of nominal value of issued share capital/registered capital held by the Company*/ subsidiaries 已繳足普通股股本面值/註冊股本比率由本公司*/附屬公司持有		Principal activities 主要業務
				attributable to the Group 本集團應佔	%	
Cosmos Machinery Technology (Jiangsu) Co., Ltd. 大同機械科技(江蘇)有限公司	The PRC 中國	The PRC 中國	US\$25,000,000 25,000,000美元	100.00	100.00	Manufacturing and trading of machinery 機械製造及貿易
東莞大同塑料製品有限公司	The PRC 中國	The PRC 中國	RMB10,000,000 10,000,000人民幣	90.00	90.00	Manufacturing of plastic products 生產塑料製品

\* 僅供識別

**附註:**

- (a) 公司登記註冊成立為外商獨資企業。
- (b) 公司登記註冊成立為中外合資企業。

以上附屬公司乃基於董事認為其對本年度業績有重要性影響或於年末佔本集團資產淨值之重大部份而列表。並列其他附屬公司詳情會引致篇幅冗長。

於年末或本年度任何時間內，各附屬公司並無發行任何債務股本。

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**  
綜合財務報表附註(續)

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

**45. PARTICULARS OF PRINCIPAL SUBSIDIARIES**  
(Continued)

The following table lists out the information relating to all subsidiaries of Major Success Company Limited, which has material non-controlling interest (NCI). The summarised financial information presented below represents the amounts before any inter-company elimination.

**45. 主要附屬公司詳情 (續)**

下表列出了有關致騰有限公司所有子公司中具有重大的非控股權益的資料。以下表述的概括財務資料均為未抵消任何公司間交易之金額。

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
NCI percentage	非控股權益百分比	<b>48%</b>	48%
Current assets	流動資產	<b>387,688</b>	405,090
Non-current assets	非流動資產	<b>192,946</b>	155,665
Current liabilities	流動負債	<b>(218,096)</b>	(223,013)
Non-current liabilities	非流動負債	<b>(49,452)</b>	(13,522)
Equity	權益	<b>313,086</b>	324,220
Carrying amount of NCI	非控股權益賬面值	<b>150,411</b>	155,626
Revenue	收入	<b>764,158</b>	858,826
Profit for the year	本年度經營溢利	<b>10,509</b>	24,262
Total comprehensive income	全面收益總額	<b>8,617</b>	16,209
Profit allocated to NCI	分配至非控股權益之溢利	<b>5,044</b>	11,646
Cash generated from operating activities	經營活動產生之現金	<b>49,170</b>	2,988
Cash used in investing activities	投資活動使用之現金	<b>(15,093)</b>	(8,861)
Cash (used in)/generated from financing activities	融資活動(使用)/產生之現金	<b>(32,642)</b>	661

*Note:* The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated.

*附註:* 本集團已於二零一九年一月一日應用經修訂的追溯法首次採納香港財務報告準則第16號。按照此方法,比較資料不予重列。

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 綜合財務報表附註(續)

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

#### 46. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments and a new standards, HKFRS 17, Insurance contracts, which are not yet effective for the year ended 31 December 2019 and which have not been early adopted in these consolidated financial statements. These development include the following which may be relevant to the Group:

Amendments to HKAS 1 and HKAS 8  
香港會計準則第1號及第8號之修訂  
Amendments to HKFRS 3  
香港財務報告準則第3號之修訂

Definition of material  
重大之定義  
Definition of a business  
業務的定義

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

#### 46. 截至二零一九年十二月三十一日止年度已頒佈但尚未生效之準則修訂、新訂準則及詮釋的潛在影響

直至該等綜合財務報表刊發日期止，香港會計師公會已頒佈多項於截至二零一九年十二月三十一日止年度仍未生效且於該等綜合財務報表內並未提早採納之準則修訂及一項新訂準則《香港財務報告準則》第17號，保險合約。該等或與本集團有關之發展包括以下各項。

Effective for  
accounting  
periods beginning  
on or after  
於下列日期或其後  
開始之會計期間生效

1 January 2020  
二零二零年一月一日  
1 January 2020  
二零二零年一月一日

本集團正在評估這些發展對首個應用期間的影響。到目前為止，已經得出結論，採用這些準則不太可能對合併財務報表產生重大影響。

# FIVE YEAR FINANCIAL SUMMARY

## 五年財務摘要

### CONSOLIDATED INCOME STATEMENT

#### 綜合收益表

		For the year ended 31 December, 截至十二月三十一日止年度				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	2,395,166	2,192,287	2,446,848	2,682,452	<b>2,344,923</b>
Profit/(loss) before tax	除稅前溢利／(虧損)	(26,662)	(279,260)	49,926	108,219	<b>39,075</b>
Taxation	稅項	(12,156)	(54,625)	(6,076)	(19,467)	<b>(14,191)</b>
Profit/(loss) for the year	本年溢利／(虧損)	(38,818)	(333,885)	43,850	88,752	<b>24,884</b>
Non-controlling interests	非控股權益	10,783	(30,725)	16,566	14,700	<b>9,129</b>
Profit/(loss) attributable to equity shareholders of the Company	本公司股權持有人應佔溢利／(虧損)	(49,601)	(303,160)	27,284	74,052	<b>15,755</b>

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

#### 綜合財務狀況表

		At 31 December, 於十二月三十一日				
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	2,946,221	2,419,803	2,770,659	2,731,693	<b>2,603,889</b>
Total liabilities	總負債	(1,378,401)	(1,262,891)	(1,478,520)	(1,331,408)	<b>(1,217,448)</b>
Total equity	權益總計	1,567,820	1,156,912	1,292,139	1,400,285	<b>1,386,441</b>
Non-controlling interests	非控股權益	232,507	190,318	211,645	216,716	<b>214,772</b>

## GLOSSARY

### 詞彙

In this report, unless the context otherwise stated, the following terms shall have the following meanings set out below:

於本報告內，除另有註明外，下列詞彙具有以下涵義：

“Articles” 「章程細則」	the articles of association of the Company 本公司之組織章程細則
“Board” 「董事會」	the board of Directors of the Company 本公司董事會
“CG Code” 「《企業管治守則》」	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules 上市規則附錄十四所載之《企業管治守則》
“Codo” 「高度」	Codo Development Limited, a company incorporated in Hong Kong with limited liability, a substantial Shareholder (as defined under the SFO) 高度發展有限公司，一間於香港註冊成立之有限公司，一名主要股東（根據《證券及期貨條例》定義）
“Company” 「本公司」	Cosmos Machinery Enterprises Limited, a company incorporated in Hong Kong with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 118) 大同機械企業有限公司，一間於香港註冊成立之有限公司，其股份在聯交所主板上市（股份代號：118）
“Cosmos Holdings” 「大同控股」	Cosmos Machinery (Holdings) Limited, a company incorporated in Hong Kong with limited liability, a controlling Shareholder (as defined under the Listing Rules) 大同機械（控股）有限公司，於香港註冊成立之有限公司，一名控股股東（根據上市規則定義）
“Companies Ordinance” 「《公司條例》」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 香港法例第622章《公司條例》
“CMEL Code” 「大同企業守則」	Code for Securities Transactions by Directors and Relevant Employees of Cosmos Machinery Enterprises Limited, revised from time to time thereafter 大同機械企業有限公司董事及有關僱員進行證券交易守則（隨後不時修訂）
“Director(s)” 「董事」	the director(s) of the Company 本公司董事

“ESG Guide” 「《環境、社會及管治指引》」	the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules 上市規則附錄二十七所載之《環境、社會及管治報告指引》
“Group” 「本集團」	the Company and its subsidiaries 本公司及其附屬公司
“HKD/HK\$” 「港元」	Hong Kong dollars, the lawful currency of Hong Kong 港幣·香港法定貨幣
“Hong Kong” 「香港」	the Hong Kong Special Administrative Region of the PRC 中國香港特別行政區
“Hung Cheong” 「Hung Cheong」	Hung Cheong Realty Limited, a company incorporated in British Virgin Islands with limited liability, a wholly-owned subsidiary of Cosmos Holdings Hung Cheong Realty Limited·一間於英屬處女群島註冊成立之有限公司·大同控股之全資附屬公司
“Listing Rules” 「上市規則」	the Rules Governing the Listing of Securities on the Stock Exchange 聯交所證券上市規則
“Mainland China” or “PRC” 「中國內地」或「中國」	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan 中華人民共和國(不包括香港、澳門及台灣)
“Model Code” 「標準守則」	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules 上市規則附錄十所載之上市公司董事進行證券交易的標準守則
“Saniwell” 「Saniwell」	Saniwell Holding Inc., a company incorporated in Cook Islands with limited liability Saniwell Holding Inc.·一間於庫克群島註冊成立之有限公司
“SFO” 「《證券及期貨條例》」	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 香港法例第571章證券及期貨條例
“Share(s)” 「股份」	ordinary share(s) of the Company 本公司之普通股



## GLOSSARY (CONTINUED)

### 詞彙 (續)

“Shareholder(s)” 「股東」	the holder(s) of the Share(s) of the Company 本公司股份持有人
“Stock Exchange” 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
“Tai Shing” 「Tai Shing」	Tai Shing Agencies Limited, a company incorporated in British Virgin Islands with limited liability, a substantial Shareholder (as defined under the SFO) Tai Shing Agencies Limited, 一間於英屬處女群島註冊成立之有限公司, 一名主要股東 (根據《證券及期貨條例》定義)
“US” or “United States”	the United States of America 美利堅合眾國
“USD/US\$” 「美元」	United States dollars, the lawful currency of the United States of America 美元, 美國之法定貨幣
“%” 「%」	per cent 百分比

