



# Yongsheng Advanced Materials Company Limited 永盛新材料有限公司

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

Stock Code 股份代號 : 3608

Annual Report  
年報 **2018**

Huvis 永盛



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# Financial Highlights

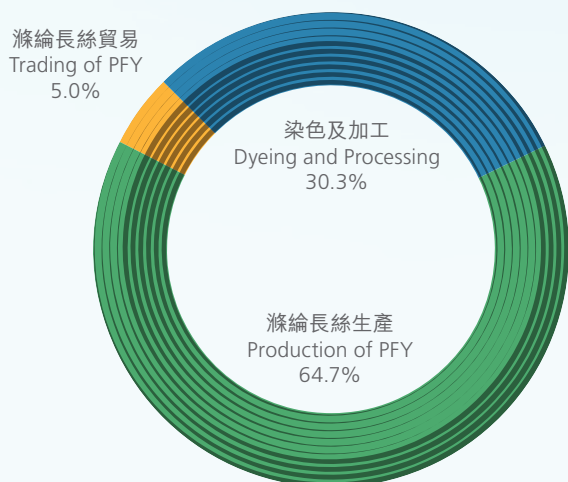
## 財務摘要

Statement of Profit or Loss and Other Comprehensive Income	損益及其他全面收入表	Year ended 31 December 截至十二月三十一日止年度		
		2018 二零一八年	2017 二零一七年	Changes 變動
		RMB million 人民幣百萬元		
Revenue	收益	<b>680.2</b>	647.8	+5.0%
Gross profit	毛利	<b>156.8</b>	180.2	-13.0%
Profit before tax	除稅前溢利	<b>105.5</b>	120.8	-12.7%
Profit for the year	年內溢利	<b>86.7</b>	98.5	-12.0%
Profit attributable to shareholders of the Company	本公司股東應佔溢利	<b>80.8</b>	92.1	-12.3%
Earnings per share (RMB cents) BASIC	每股盈利(人民幣分)基本	<b>20.4</b>	23.0	-11.3%
Dividend per share (HK cents)	每股股息(港仙)			
– interim	– 中期	<b>3.3</b>	3.5	
– final	– 末期	<b>2.2</b>	4.5	
– combined	– 綜合	<b>5.5</b>	8.0	-31.3%

Statement of Financial Position	財務狀況表	31 December 十二月三十一日		
		2018 二零一八年	2017 二零一七年	Changes 變動
		RMB million 人民幣百萬元		
Non-current assets	非流動資產	<b>269.0</b>	266.5	0.9%
Current assets	流動資產	<b>532.2</b>	534.4	-0.4%
Current liabilities	流動負債	<b>(179.7)</b>	(217.1)	-17.2%
Net current assets	流動資產淨值	<b>352.5</b>	317.3	+11.1%
Non-current liabilities	非流動負債	<b>(21.5)</b>	(19.0)	+13.2%
Net assets	淨資產	<b>599.9</b>	564.9	+6.2%

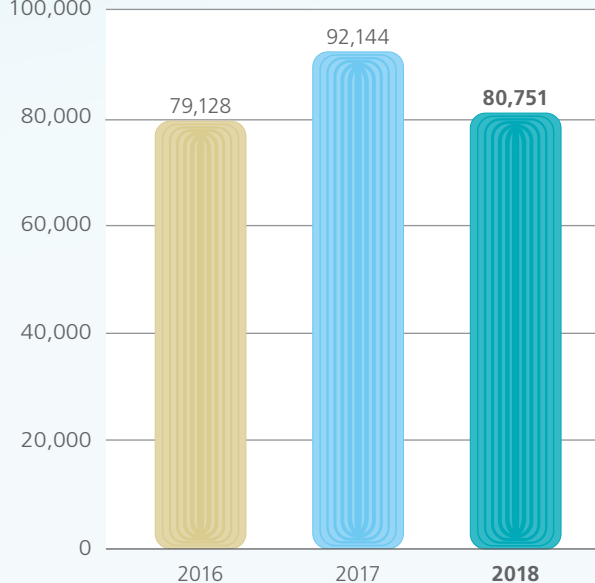
Revenue (proportion)  
業務收益 (佔比)

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

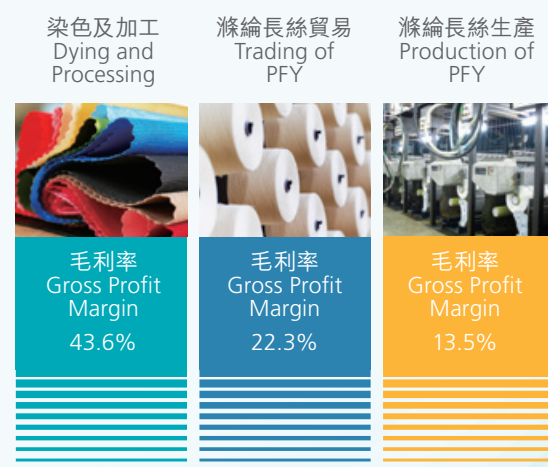
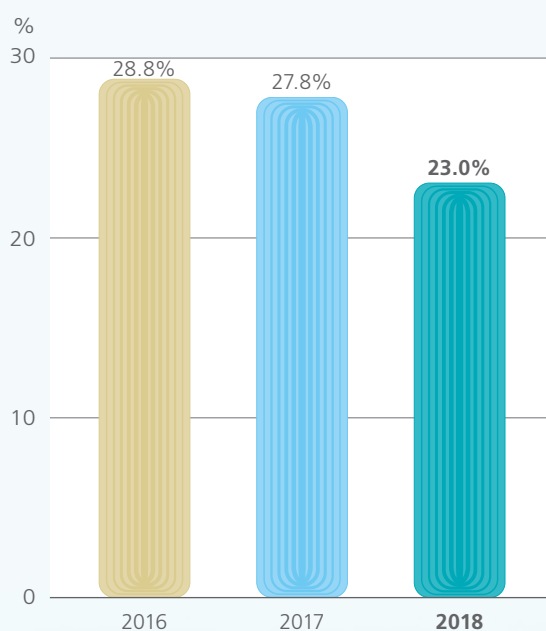


Profit Attributable to Shareholders  
of the Company  
本公司股東應佔溢利

人民幣千元  
RMB'000



Gross Profit Margin  
毛利率



# Corporate Information 公司資料

## BOARD OF DIRECTORS

### Executive Directors

Mr. Li Cheng (*Chairman*)  
Mr. Zhao Jidong (*Chief Executive Officer*)  
Mr. Li Conghua  
Mr. Ma Qinghai

### Independent non-executive Directors

Ms. Wong Wai Ling  
Mr. Shiping James Wang  
Dr. Wang Huaping

## AUDIT COMMITTEE

Ms. Wong Wai Ling (*Chairlady*)  
Mr. Shiping James Wang  
Dr. Wang Huaping

## REMUNERATION COMMITTEE

Ms. Wong Wai Ling (*Chairlady*)  
Mr. Zhao Jidong  
Dr. Wang Huaping

## NOMINATION COMMITTEE

Mr. Li Cheng (*Chairman*)  
Mr. Shiping James Wang  
Dr. Wang Huaping

## AUTHORISED REPRESENTATIVES

Mr. Li Cheng  
Mr. Zhao Jidong

## COMPANY SECRETARY

Ms. Lo Lok Ting Teresa (Solicitor)

## AUDITORS

Ernst & Young

## LEGAL ADVISERS AS TO HONG KONG LAWS

Chiu & Partners

## 董事會

### 執行董事

李誠先生 (主席)  
趙繼東先生 (行政總裁)  
李聰華先生  
馬青海先生

### 獨立非執行董事

黃慧玲女士  
王世平先生  
王華平博士

## 審核委員會

黃慧玲女士 (主席)  
王世平先生  
王華平博士

## 薪酬委員會

黃慧玲女士 (主席)  
趙繼東先生  
王華平博士

## 提名委員會

李誠先生 (主席)  
王世平先生  
王華平博士

## 授權代表

李誠先生  
趙繼東先生

## 公司秘書

盧樂庭 (律師)

## 核數師

安永會計師事務所

## 關於香港法律的法律顧問

趙不渝 馬國強律師事務所

## LEGAL ADVISERS AS TO PRC LAWS

Mr. Wang Shungen of Zhejiang Baoxuan Law Firm

## REGISTERED OFFICE

P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman KY1-1001, Cayman Islands

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit C2, 29/F, Tower 1, Admiralty Centre  
No. 18 Harcourt Road, Admiralty, Hong Kong

## COMPANY'S WEBSITE

[www.chinaysgroup.com](http://www.chinaysgroup.com)

## STOCK CODE

3608

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Tricor Services (Cayman Islands) Limited  
P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman KY1-1001, Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL BANKERS

Bank of China  
CITIC Bank  
Agricultural Bank of China

## 關於中國法律的法律顧問

浙江寶鉉律師事務所汪順根律師

## 註冊辦事處

P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman KY1-1001, Cayman Islands

## 香港總辦事處及主要營業地點

香港金鐘夏慤道18號  
海富中心一座29樓C2室

## 本公司網址

[www.chinaysgroup.com](http://www.chinaysgroup.com)

## 股份代號

3608

## 開曼群島股份過戶登記總處

Tricor Services (Cayman Islands) Limited  
P.O. Box 10008, Willow House, Cricket Square  
Grand Cayman KY1-1001, Cayman Islands

## 香港股份過戶登記分處

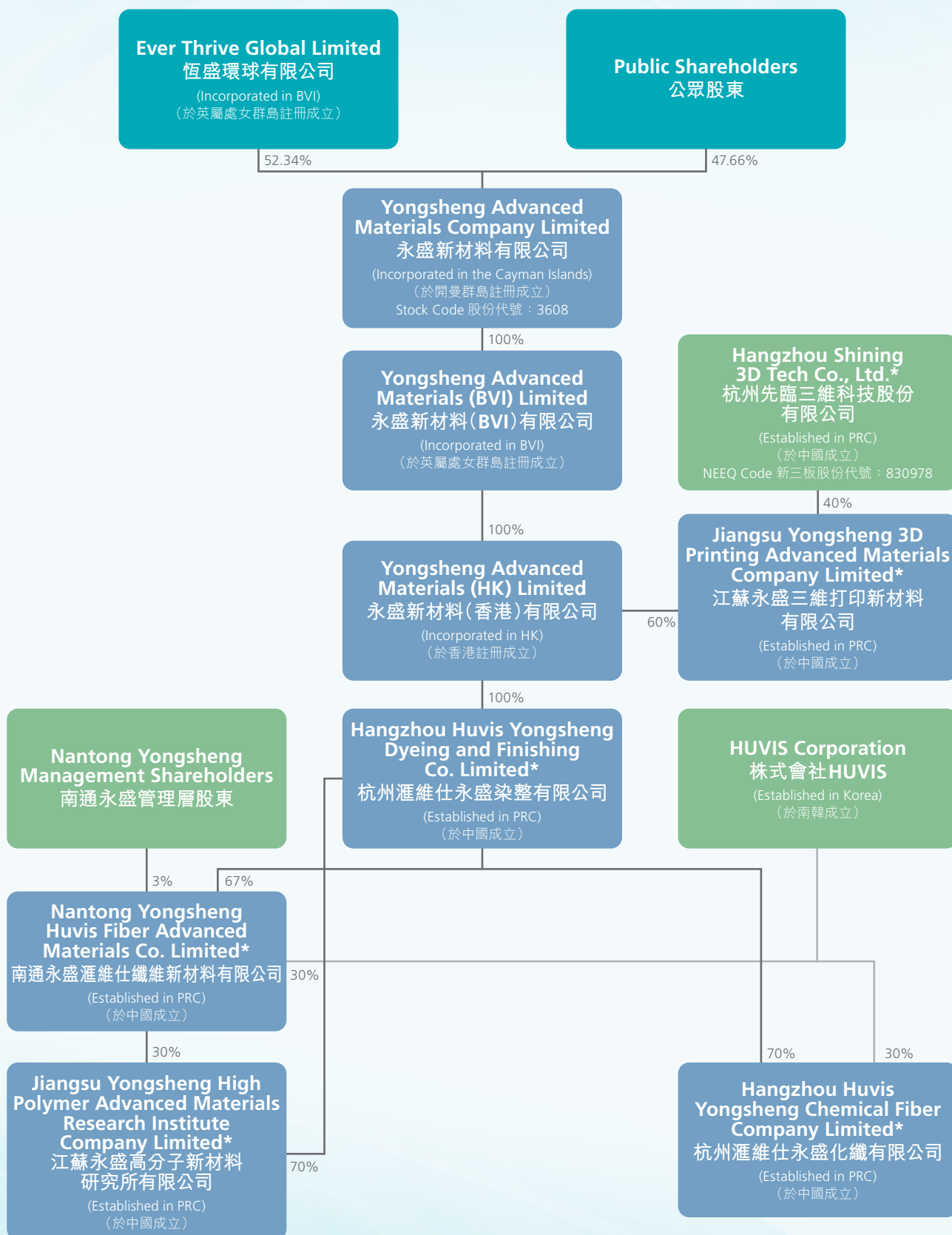
卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

## 主要往來銀行

中國銀行  
中信銀行  
中國農業銀行

# Group Structure 集團架構圖

As at 31 December 2018 於二零一八年十二月三十一日



\* For identification purposes only

\* 僅供識別

# Chairman's Statement 主席報告



**Li Cheng 李誠**

*Chairman and Executive Director*  
主席兼執行董事

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Yongsheng Advanced Materials Company Limited (the “**Company**”) and its subsidiaries (the “**Group**” or “**Yongsheng Advanced Materials**”), I am pleased to present the annual results report of the Group for the year ended 31 December 2018 (the “**Review Period**” or “**Year**”).

In 2018, subject to uncertainties arising from the Sino-american trade disputes, the global economy took on a downward trend. Moreover, owing to the impact of the normalisation of the Federal Reserve’s currency, and the pressure from the continuous increase in domestic raw materials and labour costs, China’s economy and domestic private enterprises are facing severe challenges. During the Review Period, GDP of the People’s Republic of China (“**PRC**”) grew by approximately 6.6% year on year to about RMB90 trillion<sup>1</sup>, with the growth rate down by approximately 6.8% compared to the same in the previous year.<sup>2</sup>

本人謹代表永盛新材料有限公司（「本公司」）及其附屬公司（「本集團」或「永盛新材料」）董事會（「董事會」或「董事」），欣然提呈本集團截至二零一八年十二月三十一日止年度（「回顧年內」）之全年業績報告。

二零一八年，受中美貿易爭端搖擺不定之影響，國際經濟形勢下行，加之美聯儲貨幣正常化給市場帶來的一定衝擊，及國內原材料、人力成本持續上升帶來的壓力，均使得中華人民共和國（「中國」）經濟及國內民營企業面臨嚴峻的考驗。年內，國內生產總值同比增長6.6%至約90萬億元<sup>1</sup>，相比舊年6.8%的增長率有所放緩<sup>2</sup>。聚焦紡織業行情，經過數年的產業優化升級，今年高附加值產能呈現回溫態勢，市場競爭趨於白熱化。作為行業的領跑者及價值創造者，本集團多年來

1 National Bureau of Statistics of China · [http://www.stats.gov.cn/tjsj/zxfb/201901/t20190121\\_1645752.html](http://www.stats.gov.cn/tjsj/zxfb/201901/t20190121_1645752.html)

2 National Bureau of Statistics of China · [http://www.stats.gov.cn/tjsj/zxfb/201901/t20190118\\_1645555.html](http://www.stats.gov.cn/tjsj/zxfb/201901/t20190118_1645555.html)

1 國家統計局，[http://www.stats.gov.cn/tjsj/zxfb/201901/t20190121\\_1645752.html](http://www.stats.gov.cn/tjsj/zxfb/201901/t20190121_1645752.html)

2 國家統計局，[http://www.stats.gov.cn/tjsj/zxfb/201901/t20190118\\_1645555.html](http://www.stats.gov.cn/tjsj/zxfb/201901/t20190118_1645555.html)



## Chairman's Statement 主席報告

Focusing on the textile industry, high value-added production capacity has a warming trend after several years of industrial optimisation and upgrading during the Review Period, and market competition has become increasingly fierce. As the industry forerunner and value creator, the Group has been focusing on the production of high-quality and high value-added differentiated chemical fiber products for many years, and is at the forefront of technology. However, differentiated chemical fiber products have been imitated by many peers in the market due to their high-profit margins, and the price war has intensified, resulting in a lower unit price of such products, which has a certain negative impact on the overall profitability of the Group. Furthermore, the slowdown in the growth of the world's major economies and many uncertainties caused by the Sino-american trade war have caused violent fluctuations in commodity prices, which, coupled with the low prosperity in the upstream and downstream sectors of the textile industry, has added resistance to the Group's business development. Despite the unprecedented challenges, Yongsheng Advanced Materials has achieved remarkable results in technological transformation thanks to the unremitting efforts of all the employees of the Group, and its various business indicators are basically stable. The Company has also launched in-depth cooperation with Huvis Corporation, a company with leading technology from South Korea ("Huvis", stock code: 079980.KS), and successfully developed property services business at the end of the Review Period, expanding the Group's existing textile business in other sectors in full swing while consolidating the Company's existing business sectors.

Within the Review Period, the Group's recorded a revenue of approximately RMB680.2 million, which was approximately 5.0% higher than the same of approximately RMB647.8 million in 2017, with a profit of approximately RMB80.8 million attributable to shareholders ("Shareholders") of the Company. In return for the Shareholders' constant companionship and support, and sharing the results with shareholders, the Board recommended distribution of a final dividend of HK \$2.2 cents, together with an interim dividend of HK\$3.3 cents, making the Company's annual dividend payout ratio of approximately 29.2%.

堅持專注於高質量和高附加值的差異化化纖產品，走在技術的前沿，但差異化化纖產品由於其高利潤率在市場上受到不少同業爭相模仿，價格戰愈演愈烈，導致產品單價走弱，對集團整體盈利水平造成一定負面影響。另外，全球主要經濟體的增速減緩及貿易戰引發的諸多不確定因素致使大宗商品價格巨幅波動，紡織行業上下游景氣度低，為集團的業務發展增添了阻力。儘管面臨著空前的挑戰，在集團全體員工的不懈努力下，永盛新材料技術改造成績顯著，各項經營指標基本穩定，並與擁有國際領先技術的韓國株式會社Huvis（「Huvis」，股份代號：079980.KS）展開深度合作，亦於年底順利開拓物業服務，在穩扎本業的同時實現其他業務全面開花。

回顧年內，本集團錄得收益約人民幣680.2百萬元，較二零一七年約人民幣647.8百萬元增加約5.0%；本公司股東（「股東」）應佔溢利為約人民幣80.8百萬元。為答謝股東一如既往的陪伴與支持，董事會建議派發末期股息2.2港仙，與股東分享美滿成果，連同中期股息3.3港仙，本公司的年度派息率達約29.2%。

## FOCUSING ON GROWTH, PIONEERING AND INNOVATION

Looking back 2018, the Group adhered to the business tenet of “focusing on growth, pioneering and innovation”, and invested heavily in new product research and development and technological innovation on the basis of improving the original differentiated products to develop high-tech differentiated polyester filament yarn (“PFY”) products for the huge Chinese market. In terms of science and technology projects, the Group submitted gratifying achievements. Nantong Yongsheng Huvis Fiber Advanced Materials Co., Ltd. (previously known as Nantong Yongsheng Fiber Advanced Materials Co. Limited) (“**Nantong Yongsheng**”) and Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited (“**Yongsheng Dyeing**”) successfully passed the re-evaluation as National High and New Technology Enterprises. At the same time, the Group completed the establishment of seven key projects and received the special fund support from the PRC government. In August 2018, the Group entered into in-depth strategic cooperation with Huvis, the world's leading polyester fiber manufacturer, pursuant to which: 1) Yongsheng Dyeing, Huvis and minority shareholders of Nantong Yongsheng jointly formed a joint venture— Nantong Yongsheng; 2) Huvis granted Nantong Yongsheng, among other things, the exclusive right to use certain licensed technology and certain brands in the PRC, and granted Yongsheng Chemical Fiber, among other things, the exclusive right to use certain brands in the PRC; 3) Huvis has appointed Nantong Yongsheng as an exclusive agent and distributor of PFY products in the PRC on behalf of Huvis. Such strategic cooperation will inject new vitality into the Group's research and development and production, and boosted the morale of the Group.

The Group's annual production capacity and production efficiency have been significantly improved after more than a year of technical upgrading projects. In March 2019, the Group's differentiated PFY production capacity has been increased to approximately 56,000 tonnes, and the increase of approximately 11,000 tonnes capacity of production has put into official trial operation. It is expected that the production of MPN, matt SQH and other products will commence as soon as possible in response to the huge market demand. Meanwhile, Nantong Yongsheng upgraded part of its winding machines in the old workshops to develop a single-component differentiated fiber. In addition, Yongsheng Dyeing increased 1 set of shaping machines in 2018, 7 dyeing machines and related equipment so as to further complete the production line and fully amplify the output value; and Hangzhou Huvis Yongsheng Chemical Fiber Limited (“**Yongsheng Chemical Fiber**”) added 4 sets of flat-pulling devices, which has been installed and tested in full swing, laying a solid foundation for the subsequent expansion.

## 聚焦增長，開拓創新

回顧年內，本集團秉承「聚焦增長，開拓創新」的經營主旨，在完善原有的差異化產品基礎上，大力投入新品研發和技術革新，為龐大的中國市場開發高科技差別化滌綸長絲產品（「滌綸長絲」）。科技項目方面，集團呈交出可喜成績，南通永盛滌維仕纖維新材料有限公司（「**南通永盛**」；前稱南通永盛纖維新材料有限公司）、杭州滌維仕永盛染整有限公司（「**永盛染整**」）順利通過高新技術企業復評，同時集團完成七個重點項目立項，獲得政府專項基金支持。於二零一八年八月與世界領先的聚酯纖維生產商Huvis實現了高度戰略合作，包括：1)永盛染整、Huvis及南通永盛少數股東成立合資企業—南通永盛；2) Huvis向南通永盛授出（其中包括）許可技術及品牌於中國的排他使用權，向永盛化纖授出（其中包括）品牌於中國的排他使用權；3) Huvis委任南通永盛為代表Huvis於中國的滌綸長絲產品排他代理及分銷商。該戰略合作將為集團研發生產注入新活力，集團上下亦因此備受鼓舞。

經過一年多的技術改造項目，集團的年產能及生產效率均實現顯著提升，於二零一九年三月，集團的差別化滌綸長絲年產能已增至約56,000噸，新增的11,000噸正式試運，預期能盡快生產MPN、消光SQH等產品，應付龐大市場需求。同時，南通永盛對老車間的部分捲繞機進行技改升級，開發出單組份差別化纖維。另外，永盛染整於二零一八年新增定型機1台，染色機7台以及配套相關設備，進一步完備生產線配置，全面擴增產值；而杭州滌維仕永盛化纖有限公司（「**永盛化纖**」）新增4台平牽設備，目前正在緊密鑼鼓安裝調試，為後續擴產奠定堅實基礎。

## REFORM AND INNOVATION, BREAKING THROUGH BOTTLENECKS

In 2019, with “Reform and innovation, breaking through bottlenecks” as the work keynote, the Group will enter into a new chapter of development. The Group will continue to focus on innovation and development of more varieties of products. On the one hand, it will accelerate the pace of independent innovation by virtue of the technological transformation to strive for more academic and government resource support. On the other hand, the Company will deepen its cooperation with Huvis in Korea, and strive to develop high-tech differentiated products to optimise product mix and achieve an overall increase in profitability. In terms of channel development, in view of the uncertain environment inside and outside the industry in the future, the Group will focus on improving the internationalization of its business and opening up new sales channels to expand its import and export business based on the expansion of domestic business and the maintenance of stable source of downstream customers, withstanding the risks of a single market. More importantly, the new overseas orders and the accumulation of the new business volume will become the cornerstone of business growth, and is also the key for the brand of Yongsheng Advanced Materials to go global.

In the future, the Group will be more cautious and rigorous in corporate governance and risk control. Maintaining a sufficient and stable cash flow is a key for sustainable operation. In this respect, the Group will continue to strengthen the management of inventory and accounts receivable, pay close attention to exchange rate changes and respond timely, and raise awareness of risk control. Besides, benefits and return on net assets are also the important considerations for the Group's sustainable development. The Group has formed a profit oriented model to stimulate the employees' work enthusiasm through salary-performance appraisal. The management clearly knows that talent is the Company's most valuable asset. In the process of product innovation and technology development, more new ideas are needed to be integrated into technologies. Therefore, the Group has a two-pronged approach, that is, attracting external talents while also focusing on exploring and cultivating outstanding talents within the Company.

## 變革創新，突破瓶頸

二零一九年，本集團將以「變革創新，突破瓶頸」為工作基調，邁入發展新篇章。集團將繼續專注創新開發更多品種，一方面借助技改加快自主創新步伐，爭取更多的學術和政府資源支持，另一方面深化與韓國Huvis的合作，致力開發高科技差異化產品以優化產品組合，進而實現整體利潤率的提升。渠道建設方面，鑒於未來行業內外環境依舊不明朗，集團在拓展國內業務、維繫下游穩定客源的基礎上，還將以提高業務國際化程度為重心，開闢新的銷售渠道來擴大進出口業務佔比，以抵禦單一市場的風險，更重要的是，新增海外訂單及新業務量的累積將成為業務增長提速的基石，亦是永盛新材料品牌走向世界的關鍵。

未來，集團在企業管治和風險控制方面將更為審慎和嚴謹。維持充足穩定的現金流是經營的長久之道，在這一方面集團將繼續加強庫存、應收賬款管理，密切關注匯率變化並及時應對，提高風控意識；此外，效益、淨資產回報率也是集團可持續發展的重要考量，集團已形成利潤中心模式，通過薪酬掛鉤和績效考核評比激勵員工積極性。管理層深諳人才是公司最寶貴的資產，在產品創新技術開發的過程中需要更多的想法和技術進行融合，故而集團雙管齊下，吸引外部人才的同時也注重挖掘並培養公司內部的優秀人才。

As for customers orders, the haze of the Sino-american trade war has led to insufficient market confidence. Many end-users are holding a wait-and-see attitude towards the market, which has a negative impact on the turnover speed and quantity of orders placed by downstream customers. The situation improved at the end of 2018, customers orders are brought back to track in 2019. It is expected that all businesses will rebound. The production capacity after the expansion can fully meet the demand for the warmed market. It is believed that with perfect preparation, the Group will tide over the difficult period of the industry.

In January 2019, the Group acquired certain property assets in the Xiaoshan Economic and Technological Development Zone in Hangzhou at approximately RMB800 million for investment purposes, including a building under construction with a gross floor area of over 64,000 square meters as service apartments and commercial office buildings with 24 floors above the ground and 3 floors below the ground as well as a number of commercial and financial office units with a total gross floor area of over 2,600 square meters. The Group's management thinks that Hangzhou Xiaoshan's real estate is with growth potential because the current real estate market is stable and the prospects are promising. Some of the projects will bring the stable rental income in 2019, and the rental income will be increased considerably after the building is completed in 2020. Moreover, development of these assets will also help the Company to increase the market value and ensure the substantial income for Shareholders and investors.

在訂單方面，貿易戰的陰霾導致市場信心不足，不少終端客戶躊躇觀望，對集團下遊客戶下單速度和數量帶來負面影響。但該情況在二零一八年底出現好轉，目前二零一九年訂單回歸正常，預計各業務均能迎來反彈上升。而擴產後的產能完全能夠滿足市場回溫的訂單需求，相信在做好萬全準備的情況下，集團將乘風破浪，順利渡過行業艱難期。

於二零一九年一月，集團以約人民幣800百萬元完成收購位於杭州市蕭山經濟技術開發區一些物業資產，作投資用途，其中包括一幢建築面積逾64,000平方米的在建樓宇用作服務式公寓及商業辦公樓宇（共有地上24層及地下3層），以及若干商務金融辦公單位，總建築面積超過2,600平方米。管理層認為，杭州市蕭山區的地產具備高增值潛力，而現時房地產市場保持穩定，前景可期，部分項目將馬上於二零一九年提供穩定的租金收入，並預期在二零二零年當在建樓宇完成後租金收入將大幅提升。並且，該些資產的併入開發亦將助力公司提高市值，保證股東和投資者的豐厚收益。

## Chairman's Statement 主席報告

In addition, in February 2019, the Group completed the acquisition of Widely Construction & Engineering Limited, an established main contractor for the provision of Repair, Maintenance, Alteration and Addition (“**RMAA**”) and fitting-out works services in Hong Kong, at a consideration of HK\$206 million. Given the expediting of land planning and redevelopment process, the pace of renovation and refurbishment in residential and commercial property, infrastructure and amenities are expected to grow accordingly, which in turn lead to an increase in demand for RMAA works. It is expected that the gross value of RMAA works in Hong Kong would reach approximately HK\$128.2 billion in 2021. Such acquisition would enrich the Group's business segment, reduce the Group's risk caused by concentrating its business in a specific geographical region and industry, and diversify the Group's revenue model.

The new year has ushered in a new journey. Yongsheng Advanced Materials will stay true to the mission, adhere to the enterprise spirit of “Honesty, Cooperation, Reciprocity, Learning and Innovation”, carry out substantive compliance management, control risk strictly, closely focus on the essential needs of customers at the market level, and truly build Yongsheng into a leading high-end differentiated brand in the industry. At the same time, the Group will actively seize opportunities in different industries and continue to identify high-return projects, thus diversifying the Group's business portfolio and maximising asset value. Finally, on behalf of the Board, I would like to express my heartfelt gratitude to the management, all employees, Shareholders and business partners for their continuous support and trust.

**Li Cheng**

*Chairman*

Hong Kong, 26 March 2019

此外，於2019年2月，集團以206百萬港元完成收購偉利建築工程有限公司，該公司於香港提供維修保養、改建及加建（「**RMAA**」）及裝修工程服務的大型總承建商。由於土地規劃及重建進程加快，住宅及商業物業、基建及配套設施的修整及翻新步伐將相應加快，從而帶來對RMAA工程的需求增加，預期香港RMAA工程的總價值將於二零二一年達到約1,282億港元。該收購有助於本集團拓展業務板塊、分散地區經營風險及行業風險，並將多元化本集團的收益模式。

新的一年開啟了新的征程，永盛新材料將不改初心，堅持「誠信、合作、互惠、學習、創新」的企業精神，進行實質合規經營並做好嚴格風險控制，在市場層面緊緊圍繞客戶的本質需求，將永盛真正打造成為業內領先的高端差異化品牌。與此同時，我們還將積極把握不同行業機遇，持續物色高回報項目，以期多元化業務類型並最大化資產價值。最後，我謹代表董事會向管理層、全體員工及各位股東及業務夥伴一直以來的支持和信任致以衷心感謝。

主席

**李誠**

香港，二零一九年三月二十六日

### MARKET REVIEW

The international situation China faced in 2018 was complex and fickle. The escalation of Sino-US trade friction and the repeated fermentation of the European debt crisis have undoubtedly brought challenges in the economic development prospects, and the market consumption atmosphere has also become conservative. In addition, as a result of the increase in raw material prices and labour costs, the Group has been subject to certain cost pressures. Nevertheless, the Group continues to conduct research and upgrade its product technology by means of high value-added products so that the Group continues being the forerunner in the high value-added chemical fiber textile market.

### BUSINESS REVIEW

During the Year, the Group was principally engaged in textile and advanced material-related business in the PRC, namely (1) the production of PFY; (2) the dyeing and processing of differentiated polyester filament fabric; and (3) the trading of PFY. During the Year, with “Growth and Innovation” as its principle, the Group has continued in developing differentiated fibers and upgrading its technology in response to the market development as well as the demand of clients.

As of 31 December 2018, the Group owned 67 utility model patents and 2 invention patents. As of the end of 2018, the Group had participated in the compilation of various industry standards in the PRC, four of which have been effective, two of which have passed the expert reviews stage and one of which was at the application stage.

### 市場回顧

二零一八年中國所面對的國際形勢複雜多變，中美貿易摩擦的升級、歐債危機的反覆發酵，都無疑為經濟發展前景帶來挑戰，市場消費氣氛也趨於保守。此外，由於原材料價格和人工成本提升，本集團承受了一定的成本壓力，儘管如此，本集團憑借高附加價值的產品，不斷鑽研、升級產品工藝技術，令本集團在高附價值化纖紡織市場持續處於領先地位。

### 業務回顧

本年度，本集團主要於中國從事紡織及新材料相關業務，包括(1)滌綸長絲生產；(2)差別化滌綸面料染色及加工；及(3)滌綸長絲貿易業務。本集團於年內秉承著「聚焦增長，開拓創新」的精神，緊貼市場發展方向及滿足客戶需求，繼續致力於開發差別化纖維及進行技術升級。

截至二零一八年十二月三十一日，本集團共有67項實用新型專利，擁有發明專利2項。至2018年底，作為主要完成單位有4項行業標準在實施，有2項行業標準通過專家評審，有1項行業標準已申報立項。



Photograph of the management team of Yongsheng Advanced Materials  
永盛新材料管理層合影

## Business Review 業務回顧

During the Year, 3 subsidiaries of the Company, being Nantong Yongsheng, Yongsheng Chemical Fiber and Yongsheng Dyeing, were still all recognised as National High and New Technology Enterprises and have continued to enjoy tax exemption and other policy supports. In 2018, RMB50,000,000 was invested to the implementation of technological transformation and upgrade of the differentiated PFY production lines of Nantong Yongsheng, upon which its annual production capacity increased by 11,000 tonnes and the total annual PFY production capacity of the Group increased to 56,000 tonnes. With such production capacity, the Group is able to meet the market's demand for PFY in terms of quality and quantity.

During the Year, the Group recorded revenue of approximately RMB680.2 million, representing an increase of approximately 5.0% as compared with approximately RMB647.8 million in 2017, and recorded gross profit of approximately RMB156.8 million, representing a decrease of approximately 13.0% as compared with approximately RMB180.2 million in 2017. This was primarily due to (1) the decrease in the overall growth rate of textile industry in 2018; (2) the fall in product unit price due to the increasing competition in the industry; (3) the increase in the costs of raw materials; (4) the increase in management fees and related recurrent expenditures as a result of the expansion of production line; and (5) the pressure on the Group's earnings brought by the rise in warehousing and transportation costs. Based on the above, profit attributable to Shareholders amounted to approximately RMB80.8 million, representing a decrease of approximately 12.4% as compared with approximately RMB92.1 million in the corresponding period of 2017. Earnings per Share were approximately RMB0.204 (2017: RMB0.230).

During the Year, revenue derived from the three business segments, namely: (1) production of PFY; (2) the dyeing and processing of differentiated polyester filament fabric; and (3) trading of PFY, accounted for approximately 64.7%, 30.3% and 5.0% of the Group's total turnover, respectively. Operating gross profit of the three business segments accounted for approximately 37.8%, 57.4% and 4.8% of the Group's operating gross profit, respectively.

本年度，本公司三間附屬公司，即南通永盛、永盛化纖及永盛染整仍然是國家級高新技術企業，繼續獲得稅務豁免等政策支持。二零一八年，南通永盛的差別化滌綸長絲生產線進行技改升級，投入人民幣50,000,000元增加11,000噸年產能，使本集團之滌綸長絲年總產能將增至每年56,000噸，滿足市場對滌綸長絲的質與量方面的需求。

本年度，本集團錄得收益約人民幣680.2百萬元，較二零一七年約人民幣647.8百萬元增加約5.0%；毛利約為人民幣156.8百萬元，較二零一七年約人民幣180.2百萬元下降約13.0%；主要原因是(1)2018年，紡織行業總體增速放緩；(2)由於行業競爭日趨激烈導致產品單價下跌；(3)原材料成本增加；(4)因生產線擴充令管理費及相關經常性開支上升；及(5)倉儲及運輸費用上漲為本集團的盈利帶來壓力。綜合以上，股東應佔溢利達約人民幣80.8百萬元，較二零一七年同期約人民幣92.1百萬元下降約12.4%，每股盈利為約人民幣0.204元（二零一七年：人民幣0.230元）。

本年度，三個業務分部分別為：(1)滌綸長絲生產；(2)差別化滌綸面料染色及加工；及(3)滌綸長絲貿易業務的收益分別佔本集團總營業額約64.7%、30.3%和5.0%；而三個業務分部經營毛利分別佔本集團的經營毛利的約37.8%、57.4%及4.8%。

## PRODUCTION OF PFY

The Group produces and sells regular and differentiated PFY. Differentiated PFY is a type of synthetic fiber. Its differentiation is achieved by diversifying chemical composition of the PFY or changing shape or linear density of the yarn. It is generally tailor made for customers with special features such as dry, elastic and wrinkle-free and is widely used in the production of end-products including high-end garments, sportswear and household products. Since its gross profit margin is higher than those of regular PFY products, it is the major revenue source and major development focus of the Group. Nantong Yongsheng and Yongsheng Chemical Fiber, which are recognised as “National High and New Technology Enterprises”, are the production bases of PFY of the Group. Nantong Yongsheng is accredited as Provincial Level Corporate Technology Centre, and Yongsheng Chemical Fiber is accredited as a Municipal Research and Development Center.

For the year ended 31 December 2018, the Group’s annual production capacity of PFY was 45,000 tonnes. During the Year, additional auxiliary equipments were installed in the Group’s major workshops. Besides, the second phase of the plant of Nantong Yongsheng has been put into production, and third phase of the plant was in trial operation stage. The new production line increased the output of high-end differentiated products such as GNP and MPN. It is expected that the Group’s annual production capacity of PFY could reach 56,000 tonnes in the first quarter of 2019.

Revenue derived from the PFY production segment accounted for approximately 64.7% of the Group’s revenue during the Year, which increased by approximately 5.3% to RMB439.8 million over the corresponding period of previous year. Revenue derived from differentiated PFY products contributed approximately 91.0% of the revenue of this segment.

## 滌綸長絲生產

本集團生產及銷售常規及差別化滌綸長絲。差別化滌綸長絲是一種合成纖維，差異化主要透過豐富長絲的化學成份或改變長絲的形狀或絲密度而實現，一般為客戶度身訂造具特殊性能，如乾爽、具彈性及防皺，廣泛應用於生產包括高端服飾、運動服飾及家居產品在內的終端產品，毛利率較常規化滌綸長絲產品高，亦是本分部的主要收益來源及重點發展產品。「國家級高新技術企業」南通永盛及永盛化纖是本集團的滌綸長絲生產基地，南通永盛被定為省級企業技術中心，永盛化纖亦被認定為市級研發中心。

截至二零一八年十二月三十一日止年度，本集團旗下滌綸長絲年產能為45,000噸。本年度在各個主要車間新增多台配套設備，南通永盛第二期產房投入生產，第三期產房進入試運行階段，新投產的產線增加了諸如GNP（高收縮復合纖維）、MPN等高端差異性產品的產量。預計於2019年第一季度，本集團旗下的滌綸長絲年產能將擴至56,000噸。

滌綸長絲生產分部於本年度佔本集團收益約64.7%。滌綸長絲生產分部收益較去年同期增加約5.3%至人民幣439.8百萬元。其中，來自差別化滌綸長絲產品佔分部收益的91.0%。



## Business Review 業務回顧

Gross profit margin of differentiated PFY decreased to approximately 13.4% for the Year as compared with approximately 19.9% in the corresponding period of 2017, mainly due to more competitors entering the market as they were attracted by higher added value and profit margin of the differentiated PFY products; selling price reduction resulting from fierce competition for the same type of products; the increase in the costs of raw materials; and increase in management fees and related recurrent expenditures as a result of the expansion of production lines. All of which have pulled down the gross profit margin of differentiated PFY production segment.

In order to further develop high-technology PFY products and to maintain the competitiveness of the Group, in August 2018, the Group entered into several strategic cooperation agreements with Huvis, a long-term partner, for jointly developing new high-technology PFY products for the huge market in the PRC on an exclusive basis. Huvis is one of the leading polyester fibre manufacturers in the world with the most advanced differentiated technology for the production of high-technology PFY, including stretch yarn and low-melting-point filament yarn, and ranks the first in terms of the market share in South Korea. As early as in 2004, the Group and Huvis established their first joint venture, namely Yongsheng Chemical Fiber, which has maintained good operation for years. In August 2018, the Group's subsidiary, namely Nantong Yongsheng, was converted into a sino-foreign joint venture, which was owned as to approximately 67% by the Group and 30% by Huvis. Since then, Huvis effectively held 30% equity interests in the PFY business of the Group and initiated its in-depth cooperation with the Group in the differentiated PFY business. By virtue of the leading technologies of Huvis and the production capacity, efficiency and sales network of the Group in the PRC, Nantong Yongsheng strives to become a leading player in high-tech differentiated PFY market in the PRC. For details, please refer to the announcement of the Company dated 27 August 2018.

差別化滌綸長絲的毛利率較二零一七年同期的約19.9%減少至於本年度的約13.4%，主要原因為差別化滌綸長絲產品更具高附加值及高利潤率，因而吸引了不少同業爭相進入市場，在同類型產品競爭激烈下，導致售價下跌，加上原材料成本上升，生產線擴充令管理費及相關經常性開支上升等，使得差別化滌綸長絲生產分部毛利率下跌。

為進一步開拓高科技滌綸長絲產品，保持本集團競爭力，於二零一八年八月，本集團與長期合作夥伴Huvis達成數個戰略合作協議，獨家攜手合作，為龐大的中國市場開發更多高科技滌綸長絲產品。Huvis是世界領先的聚酯纖維生產商之一，擁有最頂尖的高科技滌綸長絲差別化生產技術，包括彈力紗線和低熔點長絲紗線，在韓國擁有排名第一的市場佔有份額。早於二零零四年，本集團已與Huvis成立的第一家合資企業—永盛化纖，並一直保持良好營運。於二零一八年八月，本集團旗下南通永盛轉為一家中外合資企業，由本集團持有約67%股權，Huvis持有30%股權。至此，Huvis實際上持有本集團滌綸長絲業務30%的股權，也開啟了與本集團在差異化滌綸長絲業務方面的深度合作。南通永盛將借力Huvis的領先技術，以及本集團的生產能力、效率及在中國的銷售網絡，致力成為中國高科技差別化滌綸長絲市場的行業領導者。詳情請參閱本公司於二零一八年八月二十七日刊發的公告。

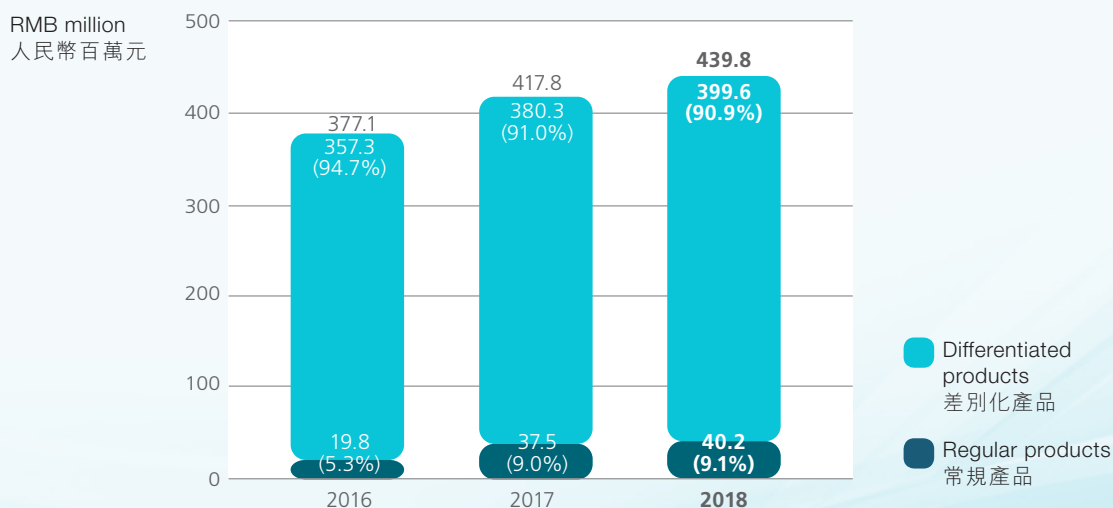
Nantong Yongsheng is principally engaged in the production of PFY products such as elastic yarn and low melting-point filament yarn in the PRC. Elastic yarn possesses the characteristics of high elasticity and resilience that endow great comfort for daily clothing. Thus, it has great potential for being used in general attire and suits, in addition to outdoor clothing. Low melting-point filament yarn is an environmental friendly product that can replace hazardous resin adhesives and can be used as adhesive for filament yarn for its low melting point feature. As the public is becoming increasingly concerned about environmental protection and health, low melting-point filament yarn is also currently used in interior design and production of filters and various environmental friendly materials.

For the purpose of enhancing the competitiveness of such joint venture, Huvis has granted Nantong Yongsheng with the exclusive rights to use the proprietary high-tech differentiated PFY production technologies and know-how in the PRC. Nantong Yongsheng will upgrade its existing chemical fiber yarn production facilities with an annual capacity of approximately 40,000 tonnes in order to diversify its portfolio of differentiated PFY products and achieve the goal of producing the best differentiated PFY products in the PRC. In addition, Huvis has also engaged Nantong Yongsheng as its exclusive agent and distributor for all of its PFY products in the PRC. For details in relation to the cooperation between the Group and Huvis, please refer to the announcement of the Company dated 27 August 2018.

南通永盛主要在中國生產彈力紗線和低熔點長絲紗線等滌綸長絲產品。彈力紗線的特點是高彈性和高回彈力，為日常服裝提供了很大的舒適性，在戶外活動的衣物使用方面有著巨大的增長潛力，目前已經擴展到普通服裝及套裝的運用上。低熔點長絲紗線方面，它以環保產品著稱，取代了有害的樹脂黏膠。低熔點長絲紗線具有熔點低的特性，可用於黏連長絲。由於近年來對環保和健康的日益關注，低熔點長絲紗線不僅用於室內設計，亦用於過濾器及各種環保材料。

為提高該合資企業的競爭力，Huvis授予南通永盛在中國獨家使用Huvis的獨家高科技差別化滌綸長絲生產技術和知識之權利。南通永盛將升級其現有年產能約40,000噸的化纖紗線生產設備，以多元化其差別化滌綸長絲產品組合，以及達到中國境內質量最佳的目標。此外，Huvis亦委任了南通永盛作為Huvis所有滌綸長絲產品在中國的獨家代理和分銷商。有關與Huvis的合作詳情，請參閱本公司於二零一八年八月二十七日刊發的公告。

## REVENUE ANALYSIS: PFY PRODUCTION 滌綸長絲生產分部的收入分析



## DIFFERENTIATED POLYESTER FILAMENT FABRIC DYEING AND PROCESSING

Yongsheng Dyeing, a “National High and New Technology Enterprise”, which is located in Hangzhou, the PRC, is a subsidiary of the Company and is principally engaged in differentiated polyester filament fabric dyeing and processing, as well as a provincial technology research and development center.

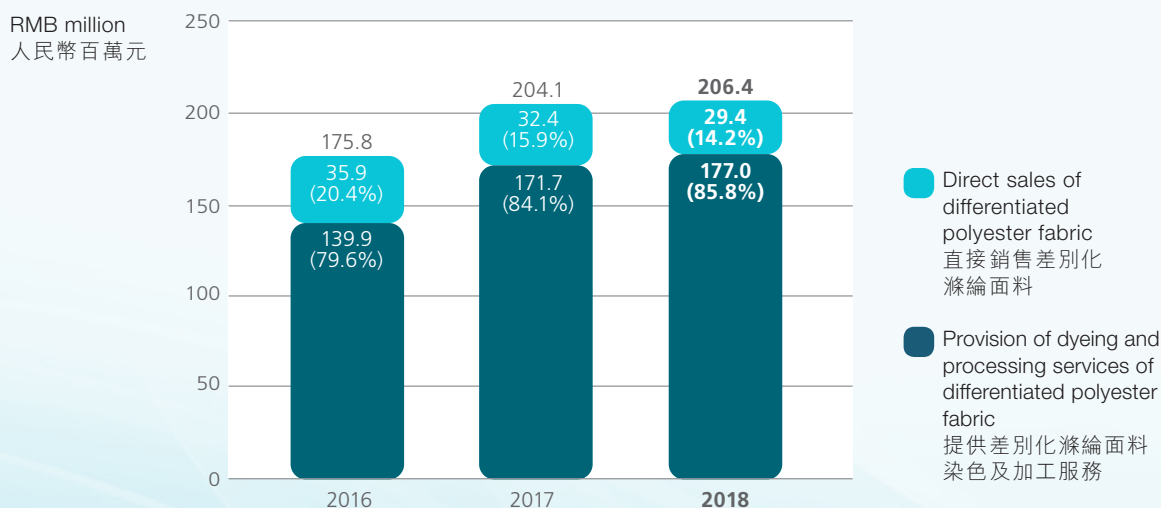
During the Year, the polyester filament fabric dyeing and processing business recorded an increase in processing volume, while its gross profit margin has decreased by approximately 1.9% to approximately 43.6% as a result of the sharp increase of cost for dyes and auxiliaries. In 2018, sluggish sales of some down-stream enterprises under the impact of Sino-US trade war had resulted in market demand decrease. Such decrease together with fiercer competition in the industry jointly led to the drop of product prices. However, the Group’s differentiated polyester filament fabric dyeing and processing segment recorded a slight increase of approximately 1.1% in revenue from approximately RMB204.1 million in 2017 to approximately RMB206.4 million in 2018, mainly because the Group was one of the few manufacturers which owns high standard chemical dyeing and finishing facilities within the industry in the PRC. During the Year, Yongsheng Dyeing carried out continuous technology upgrading and added new equipment, such as setting machines and dyeing machines, which laid a foundation for its future development.

## 差別化滌綸面料染色及加工

位於杭州市的「國家級高新技術企業」永盛染整是本公司主營滌綸面料染色及加工業務的附屬公司，也是省級技術研究開發中心。

本年度，滌綸面料染色及加工業務的加工量仍保持增長狀態，但染料助劑等成本大幅上升導致染色及加工業務的毛利率下降約1.9%至約43.6%，2018年，受中美貿易戰的影響，部分下游企業銷售呈低迷狀態，令市場需求下降，再加上行業競爭加劇，產品價格回調，分部收益約為人民幣206.4百萬元，較二零一七年的約人民幣204.1百萬元同比微增約1.1%，本集團的染色及加工廠房為業內少數擁有高規格的化工染整設施。本年度，永盛染整持續進行技改工程，新增定型機與染色機等配套相關設備，為未來增長打下基礎。

## REVENUE ANALYSIS: DYEING AND PROCESSING 染色及加工分部的收入分析



## OTHER IMPORTANT EVENTS

On 1 November 2018, the Company announced to acquire 100% equity interests in First Intelligence International Limited (“**Hangzhou Target Company**”), together with its subsidiaries, the “**Hangzhou Target Group**”) for a total consideration of RMB800 million (including RMB200 million in cash and allotment and issue of 272,661,290 consideration shares at HK\$2.48 per consideration share) and the acquisition was completed on 4 January 2019. The principal assets of the Hangzhou Target Group include 1) a building under construction located at Xiaoshan Economic and Technological Development Zone, Hangzhou City, Zhejiang Province, the PRC with a site area of approximately 10,000 square meters and gross floor area of approximately 64,547.20 square meters, which will comprise 24 floors above ground level and 3 floors below ground level, and be used as serviced apartments and commercial office building upon completion of the construction therein; 2) eight office units for commercial and finance uses in a building located at Xiaoshan Economic and Technological Development Zone, Hangzhou City, Zhejiang Province, the PRC with an aggregate gross floor area of approximately 2,648.78 square meters. The Group is of the view that the urbanisation and development process in the PRC will continue to ascend in the future, and it believes that there will be a positive outlook and development to Hangzhou, which in turn will drive the residential or commercial demand in the region. The acquisition of the Hangzhou Target Group will diversify the income sources of the Group through leasing out the serviced apartments and commercial office building. Meanwhile, the acquisition has enlarged the Group’s assets with high quality and has diversified the Group’s investment portfolio to provide potential capital appreciation to the Group in the future. This is conducive to the long-term investment and sustainable development of the Group as a whole and will enhance the Shareholders’ value in the long term. For details, please refer to the announcements of the Company dated 1 November 2018, 14 November 2018 and 4 January 2019, and the circular of the Company dated 7 December 2018.

## 其他重要事項

二零一八年十一月一日，本公司宣佈以總代價人民幣800百萬元（其中包括人民幣200百萬元現金及以每股代價股份2.48港元配發及發行272,661,290股代價股份支付）收購穎元國際有限公司（「杭州目標公司」，連同其附屬公司統稱「杭州目標集團」）100%權益，並已於二零一九年一月四日完成收購。杭州目標集團的主要資產包括：1) 一幢位於中國浙江省杭州市蕭山經濟技術開發區市的在建樓宇，地盤面積約為10,000平方米，建築面積約為64,547.20平方米，於建造完成後將包括地上24層及地下3層，用作服務式公寓及商業辦公樓宇；2) 位於中國浙江省杭州市蕭山經濟技術開發區的一幢樓宇內的八個商務金融辦公單位，總建築面積約為2,648.78平方米。本集團認為未來中國城市化及發展進程將繼續深化，杭州的前景及發展向好，將推動該地區的住宅或商業需求。有關杭州目標集團的收購事項將為本集團透過出租服務式公寓及商業辦公樓宇，多元化本集團的收入來源，並擴大優質資產及多元化本集團的投資組合，為本集團帶來未來資本增值潛力，有利於本集團整體的長期投資及可持續發展，並將長期提升股東價值。詳情請參閱本公司於二零一八年十一月一日、二零一八年十一月十四日及二零一九年一月四日刊發的公告，及二零一八年十二月七日刊發的通函。

## PROSPECTS

Looking back to 2018, with the joint efforts of the Group's staff, the Group's operation indicators remained stable, despite past year's complicated and challenging business environment. Looking forward to 2019, challenges that the Group may be faced with includes but not limited to increased uncertainties under the economic environment, expansion of industry peers' production capacity, and intense market competition and drastic fluctuation of raw materials price. The Group will highlight the business objective of "Reform and innovation, breaking through bottlenecks", pay close attention to the market demands, insist on the development of new differentiated products, and strives to grasp the various opportunities brought about by market consumption upgrades.

As for the in-depth cooperation between the Group and Huvis, the two parties are currently working on the local market development, testing and tuning and product localisation of various high-tech PFY products. The joint venture, namely Nantong Yongsheng, will proceed to strengthen its own brand management and quality awareness and carry out new product promotion and sales planning in an orderly manner, so as to establish a high-end brand of high-tech differentiated PFY products in the PRC, and further to change the current situation that most of high-tech PFY products in the PRC were imported products and to take the lead in developing domestic market with enormous development potential in the PRC.

## 展望

回顧二零一八年，本集團各項經營指標基本穩定，能在複雜嚴峻的經營環境中取得如此成績，這是本集團上下努力拚搏的結果。展望二零一九年，經濟環境變數多，行業同行產能倍增，市場競爭白熱化，且原材料商品價格波幅劇烈，皆為本集團可能面臨之挑戰。本集團將以「變革創新，突破瓶頸」為經營主題，密切關注市場所需，堅持開發新型差別化產品，把握市場消費升級所帶來的各種機遇。

關於本集團與Huvis的深度合作，目前雙方正就多項高科技滌綸長絲產品進行本地市場開發、生產調試、產品本地化等工作。合資公司南通永盛將強化品牌管理及質量意識，有序開展新產品推廣及銷售策劃，在中國建立高科技差別化滌綸長絲高端品牌，打破目前國內大多數高科技滌綸長絲產品為進口產品的困局，率先開啟龐大發展潛力的中國本土市場。

Following the acquisition of the Hangzhou property project in 2018, the Company continued to pursue diversity in business development. On 1 February 2019, the Company announced that it has acquired the entire issued share capital of Summer Power International Inc. (“**HK Target Company**”) at an aggregate consideration of HK\$206,000,000 (including HK\$6,000,000 in cash and HK\$200,000,000 settled by allotting and issuing 80,000,000 consideration shares at the issue price of HK\$2.50 per consideration share). Such acquisition was completed on 22 February 2019. The HK Target Company is an established main contractor for RMAA and fitting-out works services in Hong Kong. It mainly provides two categories of work, which are (i) renovation and maintenance works; and (ii) alteration and addition works and fitting-out works. Driven by the continuous upgrading of the old properties and the supportive government policies in urban renewal in Hong Kong, it is expected that the gross value of RMAA works in Hong Kong would reach approximately HK\$128.2 billion in 2021, growing at the CAGR of approximately 12.7% from 2016 to 2021. The Company believes that the acquisition of the HK Target Company provides an excellent opportunity for the Group to expand its business portfolio into the RMAA and fitting-out works sector in Hong Kong, enriches the Group’s business segment, reduces the Group’s risk caused by concentrating its business in a specific geographical region and industry, and diversify the Group’s revenue model, and is considered favourable to the Company’s long term business perspective. For details, please refer to the Company’s announcements dated 1 February 2019, 13 February 2019 and 22 February 2019.

Looking forward to 2019, the Group’s key direction of development still focuses on the production, dyeing and processing of differentiated PFY, including: (1) continuous innovation, research and development in new products; (2) establishment of high-end brand image; (3) exploration to overseas markets; (4) pursue sound risk management and control and strengthen inventory and receivables management; (5) increase environmental protection investment to ensure environmental safety and compliance; (6) strengthen internal management and establish “practical, concentrated and creative” working style, with an aim to consolidate its leading position in high value-added differentiated synthetic fiber and textile market and be fully prepared for future challenges. Besides, the Group will proactively seek opportunities for business diversification, identify development areas with growth potential, and consider mergers or acquisitions or self-development of new businesses to create capital appreciation for the Group and create greater value returns for Shareholders.

繼二零一八年收購杭州市地產項目後，本公司持續深化其多元化發展方向。於二零一九年二月一日，本公司宣佈以總代價206百萬港元（其中包括6百萬港元現金及以每股代價股份2.50港元配發及發行80,000,000股代價股份支付）收購夏力國際有限公司（「香港目標公司」）100%權益，並已於二零一九年二月二十二日完成收購。香港目標公司為於香港提供RMAA及裝修工程服務的大型總承建商，主要提供兩類工程，包括(1)維修及保養工程，(2)改建及加建工程以及裝修工程。受陳舊物業不斷升級及政府對市區重建的支持政策所驅動，預期香港RMAA工程的總價值將於二零二一年達到約1,282億港元，二零一六年至二零二一年的復合年增長率約為12.7%。本公司認為，收購事項為本集團於香港拓寬業務組合至RMAA及裝修工程領域的良機，擴寬了本集團的業務板塊，分散了業務經營地區及行業風險，並多元化了本集團的收益模式，此舉對本集團業務具有長遠的利益。詳情請參閱本公司於二零一九年二月一日、二零一九年二月十三日及二零一九年二月二十二日刊發的公告。

展望二零一九年，本集團重點發展方向仍然圍繞差別化滌綸長絲生產、染色及加工，主要包括：(1)持續創新研發新產品；(2)樹立高端品牌形象；(3)開拓國外市場；(4)繼續做好風險管控，加強庫存及應收款項管理；(5)加大環保投入，確保環保安全及合規性；(6)強化內部管理，營造「務實、專注、創新」的工作作風，鞏固本集團於高增值差別化化纖紡織市場的領導地位，更好準備迎接未來挑戰。此外，本集團會積極尋找業務多元化的機遇，物色具增長潛力的發展領域，考慮通過收購合併或自營發展新業務，務求為本集團的資本增值，為股東創造更大的價值回報。

# Financial Review

## 財務回顧

### Revenue and gross profit

The following table sets forth a breakdown of the Group's revenue and gross profit by the Group's business segment for the year ended 31 December 2018:

### 收益及毛利

下表載列本集團截至二零一八年十二月三十一日止年度內本集團按業務分部劃分的收益及毛利明細：

Revenue	收益	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Revenue change between 2018 and 2017 二零一八年與 二零一七年間 收益變動
1) Production	1) 生產	440,085	417,845	5.3%
– PFY	– 滌綸長絲	439,849	417,751	5.3%
– 3D printing materials	– 三維打印材料	236	94	151.1%
2) Dyeing and processing	2) 染色及加工	206,420	204,132	1.1%
3) Trading of PFY	3) 滌綸長絲貿易	33,675	25,834	30.4%
		680,180	647,811	5.0%

Revenue of the Group in 2018 was approximately RMB680.2 million, representing an increase of approximately 5.0% as compared with the previous year. The increase in revenue of the Group was mainly contributed by the increase in revenue derived from the PFY production of approximately RMB22.1 million.

本集團於二零一八年的收益約為人民幣680.2百萬元，較去年增加約5.0%。本集團收益增加主要由於自滌綸長絲生產的收益增加約人民幣22.1百萬元。

Gross profit	毛利	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Gross profit change between 2018 and 2017 二零一八年與 二零一七年間 毛利變動
1) Production	1) 生產	59,273	80,345	-26.2%
- PFY	- 滌綸長絲	59,310	80,342	-26.2%
- 3D printing materials	- 三維打印材料	-37	3	-1,333.3%
2) Dyeing and processing	2) 染色及加工	89,987	92,928	-3.2%
3) Trading of PFY	3) 滌綸長絲貿易	7,517	6,886	9.2%
		156,777	180,159	-13.0%

Gross profit of the Group in 2018 was approximately RMB156.8 million, representing an decrease of approximately 13.0% as compared with the previous year. The decrease was mainly due to i) the fall in selling price as a result of fierce competition in the industry; and ii) the increase in cost of raw materials.

#### Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately RMB2.9 million, representing an increase of approximately 36.9% for the Year. The increase was mainly attributable to the increase in cost of warehousing and transportation.

本集團於二零一八年的毛利約為人民幣156.8百萬元，較去年減少約13.0%。該減少主要由於i)業內競爭加劇導致售價下跌；及ii)原材料成本增加。

#### 銷售及分銷開支

本年度，本集團的銷售及分銷開支增加約人民幣2.9百萬元，增幅約為36.9%。該增加乃主要由於倉儲及運輸成本增加。



## Financial Review 財務回顧

### Administrative expenses

Administrative expenses decreased by approximately 3.2% to RMB64.1 million, primarily due to the decrease in share options accruals.

### Finance costs

Finance costs increased by approximately 100.7% to RMB1.5 million, primarily due to the increase in bank loans.

### Cash flows

### 行政開支

行政開支減少約3.2%至人民幣64.1百萬元，主要由於購股權應計費用減少。

### 融資成本

融資成本增加約100.7%至人民幣1.5百萬元，主要由於銀行貸款增加。

### 現金流量

		Year ended 31 December 截至十二月三十一日止年度	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net cash flows from operating activities	經營活動所得現金流量淨額	<b>57,363</b>	80,373
Net cash flows (used in)/from investing activities	投資活動(所用)/ 所得現金流量淨額	<b>(34,694)</b>	25,177
Net cash flows used in financing activities	融資活動所用現金流量淨額	<b>(31,541)</b>	(18,199)
Cash and cash equivalents at end of the year	年末現金及現金等值物	<b>144,573</b>	152,837

For the year ended 31 December 2018, net cash generated from operating activities amounted to approximately RMB57.4 million, which represents a significant decrease as compared with the same in 2017, mainly because of the decrease in trade and bills payables.

截至二零一八年十二月三十一日止年度，經營活動所得現金淨額為約人民幣57.4百萬元，較二零一七年大幅減少，乃主要由於貿易應付款項及應付票據減少。

Net cash flows used in investing activities amounted to approximately RMB 34.7 million, as compared to an inflow in 2017, mainly because of i) investment in Nantong Yongsheng; and ii) deposit paid for potential acquisition of the Hangzhou Target Group.

Net cash flows used in financing activities amount to approximately RMB 31.5 million, which was mainly attributable to i) the payment for dividends; ii) the dividend paid to non-controlling interests; and iii) the share repurchased during the Year.

### Liquidity and financial resources

As at 31 December 2018, the Group's cash and bank balances, including pledged deposits amounted to approximately RMB147.3 million (31 December 2017: approximately RMB163.0 million).

As at 31 December 2018, the total bank borrowings of the Group was approximately RMB37.7 million (31 December 2017: approximately RMB15.0 million).

As at 31 December 2018 and 2017, the Group's key financial ratio reflecting its liquidity and gearing level, were as follows:

與二零一七年之流入相比，投資活動所用現金流量淨額約為人民幣34.7百萬元，乃主要由於i)於南通永盛之投資；及ii)就潛在收購杭州目標集團支付之按金。

融資活動所用現金淨額為約人民幣31.5百萬元，乃主要由於i)派付股息；ii)向非控股權益派付股息；及iii)於本年度進行股份回購。

### 流動資金及財務資源

於二零一八年十二月三十一日，本集團的現金及銀行結餘（包括已抵押存款）約為人民幣147.3百萬元（二零一七年十二月三十一日：約人民幣163.0百萬元）。

於二零一八年十二月三十一日，本集團的銀行借款總額為約人民幣37.7百萬元（二零一七年十二月三十一日：約人民幣15.0百萬元）。

於二零一八年及二零一七年十二月三十一日，本集團反映其流動資金及資本負債水平的關鍵財務比率如下：

		2018 二零一八年	2017 二零一七年
Current ratio <sup>1</sup>	流動比率 <sup>1</sup>	2.96	2.46
Debt to equity ratio <sup>2</sup>	負債與權益比率 <sup>2</sup>	0.07	0.03

Notes:

- <sup>1</sup> Based on total current assets over total current liabilities.
- <sup>2</sup> Based on total borrowings over equity attributable to Shareholders.

附註：

- <sup>1</sup> 按流動資產總額除以流動負債總額計算。
- <sup>2</sup> 按借款總額除以股東應佔權益計算。

## Financial Review 財務回顧

### Exposure to fluctuations in exchange rates and related hedge

Most transactions of the Group are settled in RMB since the operations of the Group are mainly carried out in Mainland China, and the major subsidiaries of the Company are operating in Mainland China. The functional currency of the major subsidiaries as well as the reporting currency of the Group is RMB.

The Group carried on trading of PFY from overseas and most of the transactions were settled in United States Dollars.

The Group's cash and bank deposits are predominantly in RMB. The Company will pay dividends in Hong Kong Dollars if dividends are declared.

The Directors are of the view that RMB is relatively stable against other currencies and the Group will closely monitor the fluctuations in exchange rates, and that hedging by means of derivative instruments is therefore not necessary.

### Employee benefits and remuneration policies

As at 31 December 2018, the Group had a total workforce of 579 employees (31 December 2017: 620 employees). The employees of the Group were remunerated based on their experience, qualifications, the Group's performance and the prevailing market conditions.

During the Year, staff costs (including Directors' remunerations) amounted to approximately RMB70.3 million (31 December 2017: RMB75.8 million).

The Group offers its staff competitive remuneration schemes. In addition, discretionary bonuses and share options may be granted to eligible staff based on individual's and the Group's performance.

The Group participated in the social insurance schemes operated by the relevant local government authorities which include retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance.

The Group emphasizes on team building and the Group's success is dependent on the contribution of all employees.

### 匯率波動風險及有關對沖

由於本集團主要在中國內地經營業務及本公司的主要附屬公司於中國內地營運，本集團的大部分交易以人民幣結算。主要附屬公司的功能貨幣及本集團的呈報貨幣為人民幣。

本集團從事來自海外的滌綸長絲貿易及大部份交易以美元結算。

本集團現金及銀行存款主要以人民幣計值。倘宣派股息，本公司將以港元派付股息。

董事認為人民幣與其他貨幣的匯率相對穩定，且本集團將密切留意匯率波動的情況，因此並無必要採用衍生工具進行對沖。

### 僱員福利及酬金政策

於二零一八年十二月三十一日，本集團共有579名僱員（二零一七年十二月三十一日：620名僱員）。本集團僱員的薪酬根據其經驗、資格、本集團表現及現行市況釐定。

於本年度，員工成本（包括董事酬金）約為人民幣70.3百萬元（二零一七年十二月三十一日：人民幣75.8百萬元）。

本集團向其員工提供具競爭力的薪酬計劃。此外，本集團根據個人及本集團表現可向合資格員工提供酌情花紅及購股權。

本集團參與相關地方政府部門營運的社保計劃，涵蓋退休金、醫療保險、失業保障、工傷保險及分娩保險。

本集團重視團隊建設及本集團的成功有賴於全體僱員的貢獻。

Significant investments held as at 31 December  
2017 and 2018

於二零一七年及二零一八年十二月三十一日持有的重大投資

Assets Manager	Custodian	Investment amount	Agreement date	Fair value at 31 December 2018	Type of investment
資產管理人	託管人	投資額 RMB'000 人民幣千元	協議日期	於二零一八年十二月三十一日的公平值 RMB'000 人民幣千元	投資類型
Minsheng Wealth Management Co., Ltd. 民生財富投資管理有限公司	China Merchants Securities Co., Ltd. 招商證券股份有限公司	20,000	17 July 2018 二零一八年七月十七日	20,627	3
China Foreign Economy and Trade Trust Co., Ltd. 中國對外經濟貿易信託有限公司	Beijing Chaowai Street Sub-Branch of China Merchant Bank Co., Ltd. 招商銀行股份有限公司北京朝外大街支行	46,150	17 July 2018 二零一八年七月十七日	47,507	2
				68,134	

## Financial Review 財務回顧

Assets manager	Custodian	Investment amount	Agreement date	Fair value at 31 December 2017 於二零一七年十二月三十一日的 公平值	Type of investment
資產管理人	託管人	投資額 RMB'000 人民幣千元	協議日期	RMB'000 人民幣千元	投資類型
Shenzhen Sidaoke Investment Limited 深圳市思道科投資有限公司	Ping An Bank Co., Limited, Shenzhen Branch 平安銀行股份有限公司深圳分行	45,000	31 October 2017 二零一七年十月三十一日	45,462	1
China Resources SZITIC Trust Co.,Ltd 華潤深國投信託有限公司	China Resources Bank of Zhuhai Co.,Ltd, Shenzhen Branch 珠海華潤銀行股份有限公司深圳分行	15,000	1 November 2017 二零一七年十一月一日	15,138	1
				60,600	

### Note:

Type 1 investment refers to (i) monetary instruments; (ii) bonds; (iii) public equity funds; (iv) fixed income products; (v) fixed income-like products; and (vi) other low-risk investment products including subscription of new shares, etc..

Type 2 investment refers to (i) money market funds; (ii) bank deposits; (iii) money market wealth management products; (iv) money market trust; and (v) money market asset management products, etc..

Type 3 investment refers to (i) money market trusts; (ii) private investment funds; (iii) money market asset management products; (iv) bond repurchase; (v) money market funds; and (vi) bank deposits, etc..

Save as disclosed above, there were no significant investments held by the Company as at 31 December 2018.

### 附註：

第1類投資指(i)貨幣工具；(ii)債券；(iii)公募基金；(iv)固定收益產品；(v)類固定收益產品；及(vi)其他低風險投資產品，包括新股申購等。

第2類投資指(i)貨幣市場基金；(ii)銀行存款；(iii)貨幣市場類銀行理財產品；(iv)貨幣市場類信託計劃；及(v)貨幣市場類資產管理產品等。

第3類投資指(i)貨幣市場類信託；(ii)私募投資基金；(iii)貨幣市場類資產管理產品；(iv)債券回購；(v)貨幣市場基金；及(vi)銀行存款等。

除上文所披露者外，於二零一八年十二月三十一日，本公司概無持有重大投資。

# Directors and Senior Management

## 董事及高級管理層

### EXECUTIVE DIRECTORS

#### Mr. Li Cheng (“Mr. Li”)

aged 56, is an executive Director and the chairman (the “**Chairman**”) of the Board. Mr. Li is also the chairman of the nomination committee under the Board and one of the authorised representatives of the Company. Mr. Li has more than 30 years of experience in textile and trading industry, and is mainly responsible for overall business strategy and management of the Group. From August 1985 to May 1993, Mr. Li had been engaged in trading of textile products as a sole proprietorship. He worked as the general manager of Xiaoshan Yongsheng Trading Company from March 1993 to November 1997, and from November 1997 to June 1999, he assumed the role of general manager of Xiaoshan Yongsheng Chemical Fiber Company Limited (currently known as Hangzhou Yongsheng Group Limited, “**Yongsheng Group**”). He served as the general manager of Hangzhou Yongsheng Weaving Limited (“**Yongsheng Weaving**”) from June 1999 to April 2003. Since 2003, Mr. Li has been appointed as a chairman of the board of directors of Yongsheng Group. Mr. Li has been a senior economist since October 2013. Since August 2014, Mr. Li has been a director of 杭州先臨三維科技股份有限公司(Hangzhou Shining 3D Tech Co. Ltd., NEEQ stock code: 830978), the shares of which were quoted on National Equities Exchange and Quotations (“**NEEQ**”) of the PRC.

Mr. Li completed his professional study majoring in dyeing and processing engineering in Zhejiang Institute of Silk Textile (now known as Zhejiang Sci-Tech University) in July 1985. In March 2004, he completed a course on corporate director advanced business administration which was held by Ningbo Jianfeng Management Technology Research Centre. Between 2006 and 2012, Mr. Li had also completed various courses including the Senior Training Course on the Philosophy of New Technology and Enterprise Growth—Growth enterprise and the Senior Training Course on Financial Investment in Real Operations respectively offered by the school of humanities and the school of media of Zhejiang University, the Senior Training course for Business Administration Executives offered by Zhejiang Gongshang University, the training course for senior enterprise operators and managers in Hangzhou City on “356 Engineering Programme” in relation to investment, financing and capital operation training offered by Fudan University. Mr. Li was appointed as the deputy chairman of The Professional Committee of Zhejiang Province Privately-operated Economic Research Centre in December 2002. Mr. Li has completed the CEO Finance Program for China Enterprise in 2016, which was held by the Cheung Kong Graduate School of Business.

### 執行董事

#### 李誠先生（「李先生」）

56歲，本公司執行董事兼董事會主席（「**主席**」）。李先生亦為董事會轄下提名委員會主席及本公司授權代表之一。李先生於紡織及貿易行業擁有超過30年經驗，主要負責本集團整體業務策略及管理。於一九八五年八月至一九九三年五月，李先生成立獨資企業，一直從事紡織品貿易。彼於一九九三年三月至一九九七年十一月擔任蕭山永盛貿易有限公司總經理，及於一九九七年十一月至一九九九年六月擔任蕭山市永盛化纖有限公司（現稱杭州永盛集團有限公司，「**永盛集團**」）總經理。自一九九九年六月至二零零三年四月，彼擔任杭州永盛紡織有限公司（「**永盛紡織**」）總經理。自二零零三年起，李先生一直擔任永盛集團董事會主席一職。李先生自二零一三年十月起獲授高級經濟師職稱。李先生自二零一四年八月起一直擔任杭州先臨三維科技股份有限公司董事，該公司股份於中國的全國中小企業股份轉讓系統（「**新三板**」）掛牌上市，股份編號830978。

李先生於一九八五年七月於浙江絲綢工學院（現稱浙江理工大學）完成專業學習，主修染色及加工工藝。於二零零四年三月，彼修畢由寧波健峰管理技術研修中心開設的公司董事先進業務管理課程。李先生於二零零六年至二零一二年修畢多門課程，包括由浙江大學人文學院及傳媒學院開設的浙大新科技與企業成長之道—成長型企業高級研修班及金融投資實戰運營高級研修班、由浙江工商大學開設的工商管理總裁高級研修班，及由復旦大學開設的杭州市企業高級經營管理者培訓「356工程」投融资與資本運作研修班。於二零零二年十二月，李先生獲委任為浙江省民營經濟研究中心專業委員會副主任。李先生已於二零一六年修畢長江商學院的中國企業金融CEO課程。

## Directors and Senior Management 董事及高級管理層

Mr. Li has been elected as a representative of the Hangzhou City Xiaoshan District People's Congress of the PRC from December 2016. Mr. Li has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since May 2005 to December 2016. In November 2018, Mr. Li was elected as the vice president of first session of Hong Kong Hangzhou Chamber of Commerce. He was also elected as the chairman of the Hangzhou City Xiaoshan District Wenzhou Chamber of Commerce in July 2010, the vice-chairman of the Hangzhou City Xiaoshan District General Chamber of Commerce in December 2012, the standing council member and vice-chairman of the China Chemical Fiber Association in April 2012 and April 2015 respectively. In October 2008, Mr. Li was named the "Staff Caring Outstanding Entrepreneur" of Hangzhou City jointly awarded by the Federation of Trade Union of Hangzhou City and the Industry and Commerce Joint Committee of Hangzhou City. In February 2013, Mr. Li was awarded the "Outstanding Socialist Builder" for the years 2010–2012 by the Office of China Hangzhou City Xiaoshan District and The People's Government Office of Hangzhou City Xianshan District. Mr. Li is the uncle of Mr. Li Conghua, an executive Director.

### Mr. Zhao Jidong ("Mr. Zhao")

aged 54, is an executive Director and chief executive officer (the "Chief Executive Officer") of the Company and one of the authorised representatives of the Company. Mr. Zhao is also a member of the remuneration committee under the Board. Mr. Zhao has more than 30 years of experience in textile industry, and is mainly responsible for general management and overall operations of the Group. Mr. Zhao has joined Yongsheng Group as the chief executive officer since June 2010. Mr. Zhao was previously a director of Yongsheng Group. From July 1985 to October 2006, Mr. Zhao had worked in Yangzhou Cloth Factory and he served previously as the factory director. He had also served as the deputy director and director of Yangzhou Textile Research Institute from February 1990 to October 2006. From September 2006 to July 2011, Mr. Zhao had been the director of Shanghai Huayuan Company Limited, a company which is listed on the Shanghai Stock Exchange (stock code: 600094). From November 2006 to July 2011, Mr. Zhao had been the deputy general manager and chief engineer of Shanghai Huayuan Company Limited.

李先生自二零一六年十二月起獲選為杭州市蕭山區人民代表大會代表。李先生自二零零五年五月至二零一六年十二月獲選為中國人民政治協商會議杭州市蕭山區委員會委員。李先生於二零一八年十一月獲選為香港杭州商會第一屆副會長。彼亦於二零一零年七月及二零一二年十二月分別獲選為杭州市蕭山區溫州商會會長及杭州市蕭山區總商會副會長，並分別於二零一二年四月及二零一五年四月獲選為中國化學纖維工業協會常務理事及副會長。於二零零八年十月，李先生獲杭州市總工會及杭州市工商業聯合會共同評選為杭州市「關愛員工優秀企業家」。彼亦於二零一三年二月獲中共杭州市蕭山區委辦公室及杭州市蕭山區人民政府辦公室評為二零一零至二零一二年度的「優秀社會主義事業建設者」。李先生為執行董事李聰華先生的叔叔。

### 趙繼東先生（「趙先生」）

54歲，本公司執行董事兼行政總裁（「行政總裁」及本公司授權代表之一）。趙先生亦為董事會轄下薪酬委員會成員。趙先生於紡織業擁有超過30年經驗，主要負責本集團綜合管理及整體營運。彼自二零一零年六月起加入永盛集團擔任行政總裁，亦曾擔任永盛集團董事。於一九八五年七月至二零零六年十月，趙先生加入揚州布廠並曾任廠長。於一九九零年二月至二零零六年十月，彼擔任揚州紡織研究所副所長及所長。趙先生於二零零六年九月至二零一一年七月擔任上海華源股份有限公司（一家於上海證券交易所上市的公司，股份代號：600094）的董事，及於二零零六年十一月至二零一一年七月擔任上海華源股份有限公司常務副總經理兼總工程師。

Mr. Zhao obtained his bachelor degree majoring in textile engineering from Wuxi Light Industry Institute (currently known as Jiangnan University) in July 1985. Mr. Zhao has also completed the Senior Training Course for Young Entrepreneur in Financial Control and Capital Operation offered by Tsinghua University in December 2011. Mr. Zhao was elected as a council member of Yangzhou City Textile Construction Association in June 1991. He joined the Jiangsu Textile Engineering Association as a product professional committee member in January 2004, and has granted the government special allowance certificate by the State Council of the PRC in 2000. He completed and passed the Training Course for Senior Management of Listed Companies offered by China Securities Regulatory Commission Shanghai Regulatory Bureau respectively in 2007 and 2008. He was also accredited as a senior engineer on textile engineering by the Job Title Reform Office of Jiangsu Province Textile Industry Bureau and professor level senior engineer by Jiangsu Department of Personnel respectively in 1995 and 2000. Mr. Zhao was engaged by the Graduate School of Donghua University as an off-campus mentor in September 2012.

Mr. Zhao has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People's Political Consultative Conference since December 2016. Mr. Zhao also obtained a number of awards, including the national five one labor medal awarded by All-China Federation of Trade Unions, the "3rd prize of Yangzhou Science and Technology Advancement Awards" and the "1st prize of Yangzhou Science and Technology Advancement Awards" awarded by Yangzhou Science and Technology Advancement Awards Judging Committee, the "National Textile Labour Working Role Model" awarded by China Textile Industrial Bureau, the "Yangzhou City Technology Contributor" awarded by Yangzhou City, the "Central Enterprise Labour Working Role Model" awarded jointly by the National Ministry of Personnel and State-owned Assets Supervision and Administration Commission of the State Council, and the "2nd Prize of Sang Ma Textile Technology" by the Sang Ma Trust Fund. Mr. Zhao was awarded the "3rd prize of Jiangsu Province Science and Technology Advancement Awards" on his projects of "High Stimulation Twisted Peach Skin flannel" and "The Ultrafine Composite Fabric Thread", and was awarded the "2nd prize of Jiangsu Province Science and Technology Advancement Awards" on his project of "The Sea-island Ultrafine Composite Synthetic Chamois Leathers" by the Jiangsu Province Science and Technology Advancement Awards Judging Committee. He has been selected as one of the "Candidates of the First Batch National Engineering Talents of the National New Century Project" by the Ministry of Personnel of the PRC in April 2004 and passed its advanced training in July 2005.

趙先生於一九八五年七月於無錫輕工業學院（現稱江南大學）取得學士學位，主修紡織工程。趙先生亦於二零一一年十二月修畢由清華大學開設的青年經營者財務管控與資本運營高級研修班。於一九九一年六月，彼獲選為揚州市紡織工程學會理事會理事。趙先生於二零零四年一月加入江蘇省紡織工程學會並擔任產品專業委員會委員，及於二零零零年獲中國國務院授予政府特殊津貼證書。彼分別於二零零七年及二零零八年修畢並通過中國證券監督管理委員會上海監管局開設的上市公司高級管理人員培訓班課程。彼亦分別於一九九五年及二零零零年獲江蘇省紡織工業廳職稱改革辦公室及江蘇省人事廳評為紡織工程高級工程師及教授級高級工程師，及於二零一二年九月被東華大學研究生部聘任為校外導師。

趙先生自二零一六年十二月起獲選為中國人民政治協商會議杭州市蕭山區委員會委員。趙先生曾獲得多項獎項，包括由中華全國總工會授予的「全國五一勞動獎章」，揚州市科學技術進步獎評審委員會授予的「揚州市科技進步三等獎」及「揚州市科技進步一等獎」、中國紡織工業部的「全國紡織工業勞動模範」稱號、揚州市授予的「揚州市科技功臣」稱號、國家人事部及國務院國有資產監督管理委員會共同授予的「中央企業勞動模範」稱號、香港桑麻基金會的「桑麻紡織科技貳等獎」等。趙先生先後憑藉其「高仿真倍捻桃皮絨」項目、「超細複合織物摩絲」項目及「海島極細複合纖維織物麂皮」項目，分別獲得江蘇省科學技術進步獎評審委員會授予的「江蘇省科技進步三等獎」及「江蘇省科技進步二等獎」。彼亦於二零零四年四月獲中國人事部選為「首批新世紀百千萬人才工程國家級人選」，並於二零零五年七月通過高級培訓。



## Directors and Senior Management 董事及高級管理層

### Mr. Li Conghua (“Mr. Li CH”)

aged 44, is an executive Director and a director of Yongsheng Chemical Fiber. Mr. Li CH has more than 15 years of experience in the textile industry, and was mainly responsible for management and supervision of ordinary operation of the Group’s trading business before the disposal of the trading business of textile-related products by the Group in May 2015. Mr. Li CH is currently responsible for conducting product market trend analysis. He worked as a chemical fiber materials salesperson in the chemical fiber department in Xiaoshan Yongsheng Trading Company Limited from June 1997 to December 2000, and worked as a department manager in chemical fiber department of Yongsheng Group from January 2000 to December 2004. Mr. Li CH has also completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by Zhejiang University in January 2008. Mr. Li CH is the nephew of Mr. Li Cheng.

### Mr. Ma Qinghai (“Mr. Ma”)

aged 44, is an executive Director and the general manager of the manufacturing division of Yongsheng Dyeing. Mr. Ma has more than twenty years of experience in the textile industry, and is mainly responsible for management and supervision of ordinary operation of the Group’s dyeing business. Mr. Ma was the technical supervisor and workshop officer of Zhejiang Hongli Group Limited Printing and Dyeing Branch Company from August 1994 to February 2001. Mr. Ma held the position of domestic trading manager of Yongsheng Group from January 2002 to July 2005 and was previously a director of Yongsheng Group. Mr. Ma served as the vice factory director, factory director and deputy general manager of Yongsheng Dyeing from August 2005 to February 2008, and has held the general manager position of Yongsheng Dyeing since February 2008.

### 李聰華先生 (「李聰華先生」)

44歲，執行董事兼杭州永盛化纖董事。李聰華先生於紡織業擁有超過15年經驗，於二零一五年五月本集團出售紡織相關產品貿易業務之前，主要負責管理及監督本集團貿易業務的日常營運。李聰華先生目前負責產品市場趨勢分析。李聰華先生於一九九七年六月至二零零零年十二月擔任蕭山永盛貿易有限公司化纖部化纖材料銷售人員，及於二零零零年一月至二零零四年十二月擔任永盛集團化纖部部門經理。李聰華先生於二零零八年一月修畢由浙江大學開設的成長型企業總裁高級研修班。李聰華先生為李誠先生的侄子。

### 馬青海先生 (「馬先生」)

44歲，執行董事兼永盛染整事業部總經理。馬先生於紡織業擁有超過20年經驗，主要負責管理及監督本集團印染業務的日常營運。馬先生於一九九四年八月至二零零一年二月擔任浙江紅利集團有限公司印染分公司技術指導兼車間主任。於二零零二年一月至二零零五年七月，馬先生擔任永盛集團國內銷售部部門經理及曾任永盛集團董事。於二零零五年八月至二零零八年二月，彼先後擔任永盛染整副廠長、廠長及副總經理，及自二零零八年二月起擔任永盛染整總經理。

In July 1994, Mr. Ma completed his professional study major in dyeing and processing in Zhejiang Province Common Intermediate Professional School. He completed the Senior Training Course for Chief Executive Officer of Growth Enterprise offered by the school of humanity of Zhejiang University in April 2007. He completed the course of Business Management from Donghua University in July 2015 and obtained his professional Diploma. Mr. Ma was awarded the “Progressive Individual of Xiaoshan Dongpian Printing, Dyeing and Chemical Industry Provincial Level Environmental Protection Key Regulatory Area Remediation Work” by the People’s Government of Xiaoshan District of Hangzhou City in October 2007. Mr. Ma obtained the award of “Outstanding Contract Manager of Xiaoshan District” jointly offered by the Hangzhou Administration for Industry and Commerce Xiaoshan Branch and Hangzhou City Xiaoshan District Enterprise Contract Management Association in 2010.

## **INDEPENDENT NON-EXECUTIVE DIRECTORS**

### **Ms. Wong Wai Ling (“Ms. Wong”)**

aged 57, is an independent non-executive Director. She is also the chairlady of the audit committee and the remuneration committee under the Board. Ms. Wong has more than twenty-five years of experience in accounting and auditing, and mainly provides her independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. She had worked in major international accounting firms and local accounting firms before she set up her own accounting firm in Hong Kong in 1993.

Ms. Wong is an independent non-executive director and the chairperson of the audit committees of AVIC International Holdings Limited (Main Board stock code: 161). She is also an independent non-executive director and chairperson of the audit committee and remuneration committee of Overseas Chinese Town (Asia) Holdings Limited (Main Board stock code: 3366). Ms. Wong is a non-executive director of Hin Sang Group (International) Holding Co. Limited (Main Board stock code: 6893). Ms. Wong was an independent non-executive director of China Ruifeng Renewable Energy Holdings Limited (Main Board stock code: 527) between 16 May 2006 and 31 January 2019, an executive director of Tonking New Energy Group Holdings Limited (previously known as JC Group Holdings Limited) (GEM stock code: 8326) between 21 June 2013 and 18 October 2016, and an independent non-executive director of Glory Flame Holdings Limited (GEM stock code: 8059) between 2 August 2014 and 22 March 2016.

馬先生於一九九四年七月於浙江省普通中等專業學校完成專業學習，主修染色及加工。彼於二零零七年四月修畢由浙江大學人文學院開設的成長型企業總裁高級研修班。彼亦於二零一五年七月於東華大學完成工商管理網絡教育課程，獲得大專文憑。馬先生於二零零七年十月獲杭州市蕭山區人民政府授予「蕭山東片印染染化行業省級環保重點監管區整治工作先進個人」稱號，並於二零一零年榮獲杭州市工滙商行政管理局蕭山分局及杭州市蕭山區企業合同管理協會聯合評選為「蕭山區優秀合同管理員」。

### **獨立非執行董事**

### **黃慧玲女士（「黃女士」）**

57歲，獨立非執行董事，亦為董事會轄下審核委員會主席及薪酬委員會主席。黃女士於會計及審計方面擁有超過25年經驗，主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。彼於一九九三年於香港成立會計師事務所前，曾於主要國際會計師事務所及本地會計師事務所任職。

黃女士現為中航國際控股股份有限公司（主板股份代號：161）的獨立非執行董事及審核委員會主席。彼亦是華僑城（亞洲）控股有限公司（主板股份代號：3366）的獨立非執行董事及審核委員會及薪酬委員會主席。黃女士為衍生集團（國際）控股有限公司（主板股份代號：6893）的非執行董事。黃女士曾於二零零六年五月十六日至二零一九年一月三十一日期間擔任中國瑞風新能源控股有限公司（主板股份代號：527）獨立非執行董事，曾於二零一三年六月二十一日至二零一六年十月十八日期間擔任同景新能源集團控股有限公司（前稱JC Group Holdings Limited）（GEM股份代號：8326）的執行董事及曾於二零一四年八月二日至二零一六年三月二十二日期間擔任朝威控股有限公司（GEM股份代號：8059）的獨立非執行董事。

## Directors and Senior Management 董事及高級管理層

Ms. Wong obtained a Bachelor of Arts degree from University of Hong Kong in November 1983 and a postgraduate diploma in accounting and finance from the London School of Economics and Political Science, University of London, in the United Kingdom in July 1985. She has been registered as a Certified Public Accountant in Hong Kong since June 1991. Ms. Wong has become a fellow member of the Association of Chartered Certified Accountants (“**FCCA**”) and a fellow member of Hong Kong Institute of Certified Public Accountants (“**FCPA**”) since May 1995 and February 2001 respectively. Ms. Wong has been appointed as an independent non-executive Director since 7 November 2013.

### Mr. Shiping James Wang (“Mr. Wang”)

aged 58, is an independent non-executive Director. He is also a member of the audit committee and the nomination committee under the Board. Mr. Wang mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company. Mr. Wang was the Foreign General Legal Counsel of Zhongxin Law Firm Shanghai Branch from July 2009 to March 2013 and has been the Foreign General Legal Counsel of Shanghai Hanyuan Law Firm since June 2013.

Mr. Wang obtained a master degree of science in biochemical engineering from Massachusetts Institute of Technology in May 1988. He completed his Juris Doctor in Seton Hall Law School in June 1994. Mr. Wang was admitted as an attorney at law in the Supreme Court of New Jersey and the US District Court for the District of New Jersey in December 1994. Mr. Wang has been appointed as an independent non-executive Director since 7 November 2013.

黃女士於一九八三年十一月取得香港大學文學士學位，並於一九八五年七月於英國倫敦大學倫敦政治經濟學院取得會計及財務深造文憑。彼自一九九一年六月起註冊為香港執業會計師，並分別自一九九五年五月及二零零一年二月起成為英國特許公認會計師公會資深會員及香港會計師公會資深會員。黃女士自二零一三年十一月七日起獲委任為獨立非執行董事。

### 王世平先生（「王先生」）

58歲，獨立非執行董事，亦為董事會轄下審核委員會及提名委員會成員。王先生主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。王先生於二零零九年七月至二零一三年三月擔任眾鑫律師事務所上海分所國外法律總顧問，並自二零一三年六月起擔任上海瀚元律師事務所國外法律總顧問。

王先生於一九八八年五月於麻省理工學院取得生化工程專業理學碩士學位，及於一九九四年六月取得Seton Hall法學院法律博士學位。彼於一九九四年十二月取得新澤西州高等法院及新澤西州聯邦地區法院律師資格。王先生自二零一三年十一月七日起獲委任為獨立非執行董事。

### Dr. Wang Huaping (“Dr. Wang”)

aged 53, is an independent non-executive Director. He is also a member of the audit committee, the remuneration committee and the nomination committee under the Board. Dr. Wang mainly provides his independent judgment on strategy, performance, resources, code of conduct and other aspects of the Company.

Dr. Wang has been serving as a professor and a doctoral advisor in the Faculty of Materials Science and Engineering of Donghua University since October 2002, and has been the associate dean of the Research Institute of Donghua University since 2011. Dr. Wang is renowned for his research in nanomaterials for fiber forming and polymer-based nanocomposite fibers, spinning forming theory and processing technology, systems of new clean production: ionic liquid/fiber-forming polymer and has published a number of papers on those topics.

Dr. Wang is an independent director of Jiangsu Jiangnan High Polymer Fiber Co. Ltd, a company which is listed on the Shanghai Stock Exchange (stock code: 600527). Dr. Wang was an independent director of Zhejiang Unifull Industrial Fiber Co., Ltd, a company which is listed on the Shenzhen Stock Exchange (stock code: 002427), and resigned on 4 January 2017.

Dr. Wang obtained a doctorate degree from the Faculty of Materials Science and Engineering of Donghua University in March 2002. From January 1989 to March 1992, Dr. Wang was employed by the China Textile University (currently known as Donghua University) as a trainee researcher from March 1992 to September 1995, Dr. Wang worked at Donghua University as an officer of the Technology Laboratory of Chemical Fiber Engineering Research Centre. Dr. Wang served as an assistant researcher, a deputy officer, an officer, and an associate researcher in the Faculty of Materials Science and Engineering from March 1992 to September 2002. Dr. Wang was appointed as the associate dean of the Faculty of Materials Science and Engineering from November 2004 to April 2010. Since September 2008, Dr. Wang has been a director of the Institute for Engineering Research Center of Advanced Glass Manufacturing Technology.

### 王華平博士 (「王博士」)

53歲，獨立非執行董事，亦為董事會轄下審核委員會、薪酬委員會及提名委員會成員。王博士主要就本公司策略、表現、資源及行為準則等事項提供獨立判斷。

王博士自二零零二年十月起出任東華大學材料科學與工程學院教授及博士研究生導師，及自二零一一年起出任東華大學研究院副院長。王博士於成纖納米材料及聚合納米複合材料纖維、旋壓成形理論及加工技術、新清潔生產系統：離子溶液／成纖聚合物等研究方面享負盛名，並且曾就該等課題發表多篇論文。

王博士現為江蘇江南高纖維股份有限公司（上海證券交易所上市的公司，股份代號：600527）的獨立董事。王博士曾擔任浙江尤夫高新纖維股份有限公司（深圳證券交易所上市的公司，股份代號：002427）的獨立董事，並於二零一七年一月四日辭任。

王博士於二零零二年三月取得東華大學材料科學與工程學院博士學位。於一九八九年一月至一九九二年三月，王博士擔任中國紡織大學（現稱東華大學）實習研究員及於一九九二年三月至一九九五年九月，王博士出任東華大學化纖工程研究中心工藝研究室主任。彼於一九九二年三月至二零零二年九月先後擔任材料科學與工程學院助理研究員、副主任、主任及副研究員，及於二零零四年十一月至二零一零年四月出任東華大學材料科學與工程學院副院長。彼自二零零八年九月起出任高性能纖維及製品教育部重點實驗室主任。

## Directors and Senior Management 董事及高級管理層

Dr. Wang is the deputy director of the Gaoxin Fibers Professional Committee of China Chemical Fibers Association, the deputy director of Fibers Professional Committee of China Textile Engineering Society, deputy director of Fibers Professional Committee of Shanghai Textile Engineering Society, the deputy director of Industrial Standard Committee of China Chemical Fibers Association, a committee member of Expertise Committee of China Nonwovens & Industrial Textiles Association, the expert of the Textile Industry Division of the National Development and Reform Commission, a committee member of Technical Committee of the Engineering Research Centre of the Textile Equipment of the Ministry of Education and the deputy director of the Editorial Committee of China Synthetic Fiber Industry. Dr. Wang has been appointed as an independent non-executive Director since 19 August 2014.

Please refer to the section headed “Directors’ and chief executive’s interest and short positions in shares, underlying shares and debentures” under the “Report of the Directors” of this annual report for details of interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations held by the Directors and chief executive of the Company.

### SENIOR MANAGEMENT

#### Mr. Shi Hongxing (“Mr. Shi”)

aged 50, is the general manager of Nantong Yongsheng, and is mainly responsible for management and supervision of day-to-day operation of fiber manufacturing business of Nantong Yongsheng. Mr. Shi joined the Group in June 2010. Mr. Shi had been the general manager assistant and the head of production department of Nantong Huatong Chemical Fiber Limited from July 1993 to June 2008. He had been the general manager assistant in Shenghong Group Jiangsu Zhonglu Technology Company Limited from August 2008 to May 2010.

Mr. Shi obtained his bachelor degree majoring in chemical fiber from the Suzhou Silk Technical Institute in July 1993. Mr. Shi has been accredited as a senior engineer since December 2008.

王博士為中國化學纖維工業協會高新技術纖維專業委員會副主任、中國紡織工程學會化纖專業委員會副主任、上海市紡織工程學會化纖專業委員會副主任、中國化學纖維工業協會標準化工作委員會副主任委員、中國產業用紡織品行業協會專家委員會委員、國家發改委產業司輕紡工業專家、紡織裝備教育部工程研究中心技術委員會委員及《合成纖維工業》編委會副主任委員。王博士自二零一四年八月十九日起獲委任為獨立非執行董事。

有關董事及本公司主要行政人員於本公司及其任何相聯法團之股份、相關股份及債權證中持有的權益或淡倉詳情，請參閱本年報「董事會報告」項下「董事及最高行政人員於股份、相關股份及債權證的權益及淡倉」一節。

### 高級管理層

#### 石紅星先生（「石先生」）

50歲，南通永盛總經理，主要負責管理及監督南通永盛的化纖製造業務的日常營運。石先生於二零一零年六月加盟本集團。彼於一九九三年七月至二零零八年六月擔任南通華通化纖有限公司總經理助理兼生產部主管，並於二零零八年八月至二零一零年五月擔任盛虹集團江蘇中鱷科技股份有限公司總經理助理。

石先生於一九九三年七月於蘇州絲綢工學院取得學士學位，主修化學纖維。石先生自二零零八年十二月起獲授高級工程師職稱。

### Mr. Ye Hongfu (“Mr. Ye”)

aged 41, is the general manager of Yongsheng Chemical Fiber, and is mainly responsible for management and supervision of day-to-day operation of fiber manufacturing business of Yongsheng Fiber. Mr. Ye joined the Group in May 2006. Mr. Ye had been the head of sales department of Yongsheng Fiber from May 2007 to August 2011. He had been the vice general manager and executive vice general manager in Yongsheng Fiber from August 2011 to March 2016. Mr. Ye had been the supervisor of polyester filament production and after-sales specialist of Far Eastern Industries (Shanghai) Limited from July 2000 to December 2003. He had been the business representative of Huvis Corporation Shanghai Representative Office from December 2003 to May 2006.

Mr. Ye obtained his bachelor degree majoring in materials science from the Faculty of Materials Science and Engineering of Donghua University in July 2000.

### Ms. Zhang Yingli (“Ms. Zhang”)

aged 45, is the head of finance department of the Group, and is mainly responsible for financial reporting and treasury management for subsidiaries of the Group. Ms. Zhang has more than twenty years of experience in accounting and financial reporting. Ms. Zhang joined Yongsheng Group in October 2003. She was the financial accountant of Zhejiang Asia Pacific Electrical and Mechanical Group Limited from July 1995 to November 2001.

Ms. Zhang completed her bachelor degree in finance in Zhengzhou University in August 2015 and higher education in accounting in the Central China Agricultural University in July 1995. Ms. Zhang passed the occupational qualification examination for Chinese Tax Advisers in 2018. Ms. Zhang was granted with the title of intermediate accountant and senior accountant by the Ministry of Finance of the PRC in year 2002 and 2018, respectively. Ms. Zhang has obtained the certificate of passing all the required subjects of the National Uniform CPA Examinations of the Chinese Institute of Certified Public Accountants (“CICPA”) in December 2015, she has been the member of Chinese Institute of Certified Public Accountants in 2016.

### 葉洪福先生 (「葉先生」)

41歲，永盛化纖總經理，主要負責管理及監督永盛化纖的化纖製造業務的日常營運。葉先生於二零零六年五月加盟本集團。彼於二零零七年五月至二零零一年八月擔任永盛化纖的銷售部部長，並於二零零一年八月至二零一六年三月擔任永盛化纖副總經理及常務副總經理。葉先生於二零零零年七月至二零零三年十二月先後擔任遠紡工業（上海）有限公司滌綸長絲工廠生產主管與售後服務專員，並於二零零三年十二月至二零零六年五月擔任匯維仕（株式會社）上海代表處業務代表。

葉先生於二零零零年七月於東華大學材料科學與工程學院取得學士學位，主修材料學。

### 張穎莉女士 (「張女士」)

45歲，本集團財務部主管，主要負責本集團附屬公司的財務申報及庫務管理。張女士於會計及財務申報方面擁有超過20年經驗。張女士於二零零三年十月加盟永盛集團。彼於一九九五年七月至二零零一年十一月擔任浙江亞太機電集團有限公司財務會計師。

張女士分別於一九九五年七月及二零一五年八月修畢華中農業大學的會計學高等教育課程及鄭州大學的金融學大學本科學歷。張女士於二零一八年通過了中國稅務師職業資格證考試。張女士分別於二零零二年及二零一八年獲中國財政部授予中級會計師及高級會計師職稱。於二零一五年十二月取得中國註冊會計師協會的註冊會計師全國統一考試全科合格證，且於二零一六年成為中國註冊會計師協會非執業會員。

## Directors and Senior Management 董事及高級管理層

### Mr. Xu Bing

aged 38, is the head of human resources and administration department of the Group. Mr. Xu Bing has more than fourteen years of experience in human resources and administration management, and is mainly responsible for human resources management and administration of the Group. Mr. Xu Bing joined Yongsheng Weaving in May 2003 as the office manager and then the office manager of Yongsheng Dyeing, and is mainly responsible for human resources, administration and purchasing management. He rotated to the Yongsheng Group as the head of human resources and administration department in December 2008. Mr. Xu Bing worked as the manager of the human resources department of Zhejiang Chenhui Lighting Company Limited from July 2002 to May 2003.

Mr. Xu Bing graduated in Hubei Xiangfan Institute (currently known as Hubei University of Arts and Science) majoring in business administration in June 2002. He further obtained a master degree of business administration from Zhejiang University of Technology in January 2016.

### Mr. Xu Hua

aged 53, is the supervisor of product information department of the Group. Mr. Xu Hua has more than twenty years of experience of fabric product development, and is mainly responsible for product research and development and market research. Mr. Xu Hua joined the Yongsheng Group in March 2011. Mr. Xu Hua had been the head of product development department of Yangzhou Cloth Factory from December 1993 to June 1997 and had been the head of product development department and general engineer of Yangzhou Huayuan Company Limited from November 2004 to February 2011.

Mr. Xu Hua graduated from Nantong Textile Institute in July 1987 majoring in textile engineering. He was awarded the 3rd prize, the 3rd prize and the 2nd prize of “Jiangsu Province Science and Technology Advancement Awards” on his projects of “High Stimulation Twisted Peach Skin Flannel”, “The Ultrafine Composite Fabric Thread” and “The Sea-island Ultrafine Composite Synthetic Chamoic Leather” respectively. Mr. Xu Hua was appraised by the People’s Government of Jiangsu Province for the achievement made from his work in relation to technological transformation in production between 1991 and 1996. He was named as the “Young Professional with outstanding contribution” by the People’s Government of Yangzhou and awarded the “Five-One Labour Medal by Yangzhou Federation of Trade Unions” in 2006. Mr. Xu Hua was named as the head of young professionals in respect of scientific technology of “333 Training Programme for Talented Individuals” by Leading Group for Talented Individuals in Jiangsu Province between 2007 and 2010. Mr. Xu Hua was accredited as a senior engineer in 2002.

### 徐冰先生

38歲，本集團人力資源及行政部主管。徐冰先生於人力資源及行政管理方面擁有超過14年經驗，主要負責本集團的人力資源管理及行政工作。徐冰先生於二零零三年五月加盟永盛紡織，先後擔任永盛紡織及永盛染整的辦公室主任，主要負責人力資源、行政及採購管理。彼於二零零八年十二月調任永盛集團人力資源及行政部主管。徐冰先生於二零零二年七月至二零零三年五月擔任浙江晨輝照明有限公司人力資源部部門經理。

徐冰先生於二零零二年六月畢業於湖北襄樊學院（現稱湖北文理學院），主修工商管理。彼於二零一六年一月在浙江工業大學進一步取得工商管理碩士學位。

### 徐華先生

53歲，本集團產品信息部主管。徐華先生在纖維產品開發方面擁有超過20年經驗，主要負責本集團的產品研發及市場調研。徐華先生於二零一一年三月加盟永盛集團。彼於一九九三年十二月至一九九七年六月擔任揚州布廠產品開發部主管，及於二零零四年十一月至二零一一年二月擔任揚州華源有限公司產品開發部主管兼總工程師。

徐華先生於一九八七年七月畢業於南通紡織工學院，主修紡織工程。彼分別憑藉「高仿真倍捻桃皮絨」項目、「超細複合織物摩絲」項目及「海島極細複合纖維織物麂皮」項目，獲分別頒發「江蘇省科學技術進步獎三等獎」、「江蘇省科學技術進步獎三等獎」及「江蘇省科學技術進步獎二等獎」。徐華先生獲江蘇省人民政府表彰其於一九九一年至一九九六年於生產技術改造方面取得的成就。彼於二零零六年獲揚州市人民政府授予「有突出貢獻的中青年專家」稱號及獲揚州市總工會授予「五一勞動獎章」。彼於二零零七年至二零一零年獲江蘇省人才工作領導小組評選為「333高層次人才培養工程」中青年科學技術帶頭人，並自二零零二年獲授高級工程師職稱。

### Mr. Chung, Kwok Mo John

aged 50, holds a Bachelor of Economics degree from Macquarie University, Australia in 1992 and is also a member of Hong Kong Institute of Certified Public Accountants and CPA Australia, with over 20 years of experience in auditing, financial management and corporate finance. Mr. Chung was an auditor in Arthur Andersen (an international accounting firm) from 1992 to 1999. From 2000, Mr. Chung had held several senior management positions, including chief financial officer, executive director and independent non-executive director, in a number of listed companies in Hong Kong.

Mr. Chung has joined the Group as a vice president of the Company since February 2018. Currently, he is also an independent non-executive director of each of the following listed companies on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"):

- B & S International Holdings Ltd. (Main Board Stock Code: 1705)
- YTO Express (International) Holdings Limited (Main Board Stock Code: 6123)
- BYD Electronic (International) Company Limited (Main Board Stock Code: 285)
- Zhengye International Holdings Company Limited (Main Board Stock Code: 3363)
- Tokyo Chuo Auction Holdings Limited (Main Board Stock Code: 1939)

### Ms. Lo Lok Ting Teresa ("Ms. Lo")

aged 29, holds a Bachelor Degree in Laws from The London School of Economics and Political Science. She is a practicing solicitor in Hong Kong in the field of commercial and corporate finance. Ms. Lo has been appointed as the company secretary of the Company with effect from 26 October 2017.

### 鍾國武先生

50歲，鍾先生於一九九二年取得澳洲麥覺理大學經濟學學士學位，彼亦為香港會計師公會及澳洲會計師公會會員，在審計、財務管理及企業融資方面擁有逾20年經驗。鍾先生於一九九二年至一九九九年出任安達信（一家國際會計師事務所）的審計師，自二零零零年，鍾先生曾於多家香港上市公司出任多個高級管理層職位，包括首席財務官、執行董事及獨立非執行董事。

鍾先生自二零一八年二月起加入本集團擔任本公司副總裁。目前，鍾先生亦於以下各香港聯合交易所有限公司（「聯交所」）上市公司擔任獨立非執行董事：

- 寶仕國際控股有限公司（主板股份代號：1705）
- 圓通速遞（國際）控股有限公司（主板股份代號：6123）
- 比亞迪電子（國際）有限公司（主板股份代號：285）
- 正業國際控股有限公司（主板股份代號：3363）
- 東京中央拍賣控股有限公司（股份代號：1939）

### 盧樂庭女士（「盧女士」）

29歲，畢業於倫敦大學政治及經濟學院，獲得法學學士學位。彼為香港商業及企業融資領域的執業律師。盧女士自二零一七年十月二十六日起獲委任擔任本公司的公司秘書。



# Corporate Governance Report

## 企業管治報告

The Company was committed to achieving and maintaining high standards of corporate governance, the principles of which serve to uphold transparency, accountability and independence in all aspects of business and endeavour to ensure that affairs are conducted in accordance with applicable laws and regulations.

### CORPORATE GOVERNANCE CODE

The Group's corporate governance practices are based on the Corporate Governance Code (the "Code") set out in Appendix 14 to Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). During the Review Period, the Board considered that the Company had complied with the Code.

The Board will periodically review the Company's current corporate practices and procedures and will maintain and further enhance the standard of corporate governance practices of the Company, in order to ensure it is in line with international and local best practices and maximise the interests of the Shareholders, investors, employees, business partners and the public as a whole.

### CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"). Specific enquiry has been made to all the Directors and the Directors have confirmed that they had complied with the Model Code and such code of conduct during the Review Period.

本公司致力達致及維持高水平的企業管治，其原則旨在於各個業務方面維持透明度、問責性及獨立性，並努力確保一切事務均按照適用的法律及法規進行。

### 企業管治守則

本集團的企業管治常規乃以聯交所證券上市規則（「上市規則」）附錄14所載的企業管治守則（「守則」）為基準。於回顧年內，董事會認為本公司一直遵守守則。

董事會將定期檢討本公司現時的企業慣例和程序，並會維持及進一步提升本公司的企業管治常規水平，以確保其符合國際和本地最佳慣例，及盡量提升股東、投資者、僱員、業務夥伴及公眾的整體利益。

### 董事進行證券交易的操守守則

本公司已採納有關董事進行證券交易的操守守則，其條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載的規定標準。本公司已向全體董事作出具體查詢，而各董事已確認彼等於回顧年內一直遵守標準守則及有關操守準則。

## THE BOARD OF DIRECTORS

### Composition of the Board

The Board has a balance of skills and experience appropriate for the requirements of the Group's business. The Board includes a balanced composition of executive and independent non-executive Directors so that independent judgement can be effectively exercised.

During the Review Period and as at the date of this annual report, the Board comprised four executive Directors and three independent non-executive Directors as follows:

### Executive Directors

Mr. Li Cheng (*Chairman*)  
Mr. Zhao Jidong (*Chief Executive Officer*)  
Mr. Li Conghua  
Mr. Ma Qinghai

### Independent non-executive Directors

Ms. Wong Wai Ling  
Mr. Shiping James Wang  
Dr. Wang Huaping

The brief biographical details of and relationships among the existing Directors are set out in the section headed "Directors and Senior Management" on pages 29 to 39. Save as disclosed under the section headed "Directors and Senior Management" of this annual report, there is no financial, business, family or other material or relevant relationship among Board members and in particular, between the Chairman and the CEO.

During the Review Period, the Board maintained a high level of independence, with more than one-third of the Board comprised of independent non-executive Directors, who had exercised independent judgement. The independent non-executive Directors are expressly identified in all corporate communications whenever the names of the Directors are disclosed.

The Company has received from each independent non-executive Director an annual confirmation of his or her independence pursuant to the independence guidelines set out in Rule 3.13 of the Listing Rules. Based on the confirmations received, the Company considers all independent non-executive Directors satisfied the requirement of independence under the Listing Rules.

## 董事會

### 董事會的組成

董事會具備本集團業務所需的適當平衡的技能及經驗。董事會包括執行董事及獨立非執行董事的均衡組成，可更有效地行使獨立判斷。

於回顧年內及本年報日期，董事會由以下四名執行董事及三名獨立非執行董事組成：

### 執行董事

李誠先生 (主席)  
趙繼東先生 (行政總裁)  
李聰華先生  
馬青海先生

### 獨立非執行董事

黃慧玲女士  
王世平先生  
王華平博士

現有董事的簡歷詳情及彼等之間的關係載於第29頁至第39頁「董事及高級管理層」一節。除本年報「董事及高級管理層」一節所披露者外，董事會成員之間，尤其是主席及行政總裁之間，概無任何財務、業務、家族或其他重大或相關關係。

於回顧年內，董事會中超過三分之一成員由獨立非執行董事組成，彼等已行使獨立判斷及維持高水平的獨立性。於所有披露董事姓名的公司通訊中，獨立非執行董事乃獲明確識別。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立性指引發出的年度獨立性確認書。根據所獲取的確認書，本公司認為全體獨立非執行董事均符合上市規則有關獨立性的規定。

## Board meetings and general meetings

Board meetings are held regularly. In addition to regular meetings, meetings are held as and when necessary under particular circumstances. During the Review Period, the Board meetings were held. The Directors attended the meetings in person or by telephone in accordance with the articles of association of the Company (the “**Articles of Association**”).

A record of the Directors’ attendance at the Board meetings and the general meetings held during the Review Period is set out as follows:

## 董事會會議及股東大會

董事會定期召開會議。本公司除例會外，亦於有需要的特定情況下召開會議。於回顧年內，已舉行董事會會議。根據本公司之組織章程細則（「**組織章程細則**」），董事親自或通過電話參加會議。

董事出席於回顧年內舉行的董事會會議及股東大會的記錄載列如下：

		<b>Attendance/ Number of Board meetings held</b> 出席次數／ 所舉行董事會 會議次數	<b>Attendance/ Number of general meetings held</b> 出席次數／ 所舉行股東大會 次數
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. Li Cheng	李誠先生	19/19	2/2
Mr. Zhao Jidong	趙繼東先生	19/19	2/2
Mr. Li Conghua	李聰華先生	19/19	2/2
Mr. Ma Qinghai	馬青海先生	19/19	2/2
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>		
Ms. Wong Wai Ling	黃慧玲女士	19/19	2/2
Mr. Shiping James Wang	王世平先生	19/19	2/2
Dr. Wang Huaping	王華平博士	19/19	2/2

The annual general meeting (“**AGM**”) of the Company were held on 25 May 2018. Our forthcoming AGM will be held on 27 May 2019. Our Directors, chief financial officer and company secretary and other senior executives of the Company will attend the AGM together with our external auditors to answer any questions from the Shareholders. All Directors treasure the opportunity to canvass the views of the Shareholders at the AGM held annually.

本公司的股東週年大會（「**股東週年大會**」）於二零一八年五月二十五日舉行。本公司應屆股東週年大會將於二零一九年五月二十七日舉行。本公司董事、財務總監及公司秘書以及其他高級行政人員連同本公司外聘核數師將出席股東週年大會，並回答股東的任何提問。全體董事均重視於每年舉行的股東週年大會上徵詢股東意見的機會。

## Board responsibilities and delegation

The Board is responsible for the leadership and control of the Group and is collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board focuses on formulating the Group's overall strategies, authorising the annual development plan and budget, monitoring financial and operating performance, reviewing the effectiveness of the internal control system, supervising and managing management's performance and determining the corporate governance policy of the Group. The Board delegates the day-to-day management, administration and operation of the Group to management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The Board gives clear directions to management as to the matters that must be approved by the Board before decisions are made on behalf of the Group.

During the Review Period, the Board had reviewed and discussed the corporate governance policy of the Group and is satisfied with the effectiveness of the corporate governance policy.

## Appointment, re-election and removal of Directors

The Company has established the nomination committee under the Board (the "**Nomination Committee**") on 7 November 2013. The Nomination Committee has from time to time identified individuals suitably qualified to become Board members and make recommendations to the Board. The main consideration in selecting candidates for directorships is whether their characters, qualifications and experience are appropriate for the businesses of the Group.

Each of the independent non-executive Directors has entered into a service contract for a term of 3 years which may be terminated by either party giving to the other party at least 3 months' prior written notice. All independent non-executive Directors are subject to rotation and re-election at the AGM in accordance with the Articles of Association.

In accordance with Article 108(a) of the Articles of Association, at each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every director shall be subject to retirement at an annual general meeting at least once every three years. All such retiring Directors, being eligible, may offer themselves for re-election. Accordingly, Mr. Li Cheng, Mr. Ma Qinghai and Mr. Shiping James Wang will retire from office as Directors, being eligible, and will offer themselves for re-election at the forthcoming AGM.

## 董事會責任及授權

董事會負責領導及監控本集團，及透過指導及監督本集團的事務，集體負責促進本集團取得理想業績。董事會專注於制訂本集團的整體策略、審批年度發展計劃及預算、監察財務及營運表現、審查內部監控制度的有效性、監督和管理管理層的表現及釐定本集團的企業管治政策。董事會授權管理層處理本集團的日常管理、行政及營運。董事會定期檢討授出的職能，以確保該等職能配合本集團的需要。對於須經由董事會批准的事宜，董事會會先行給予管理層清晰指示，再由管理層代表本集團作出決策。

於回顧年內，董事會已審閱及討論本集團的企業管治政策，並信納企業管治政策的有效性。

## 董事的委任、重選及罷免

本公司已於二零一三年十一月七日成立董事會轄下的提名委員會（「**提名委員會**」）。提名委員會不時物色具備合適資格出任董事會成員的人選，並向董事會作出推薦建議。挑選候選董事人選的主要考慮在於其性格、資歷及經驗是否適合本集團的業務。

各獨立非執行董事已訂立為期三年的服務合約，並可由一方向另一方發出最少三個月的書面通知予以終止。所有獨立非執行董事均須按照組織章程細則於股東週年大會上輪席退任及膺選連任。

根據組織章程細則第108(a)條，於每屆股東週年大會上，當時最少三分之一董事（或倘人數並非三(3)的倍數，則為最接近但不少於三分之一的人數）將輪席退任，惟每位董事須最少每三年於股東週年大會上退任一次。所有符合資格的有關退任董事可膺選連任。因此，李誠先生、馬青海先生及王世平先生將於應屆股東週年大會上退任董事職務，並符合資格且願意膺選連任。

## Insurance of the directors and officers

The Company has arranged liability insurance for the Directors and officers of the Group in respect of legal action against them which is in compliance with code provision A.1.8 of the Code.

## Induction and continuous professional development

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and Board's policies. The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. Each Director is briefed and updated from time to time to ensure that he is fully aware of his responsibilities under the Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participating in any suitable training to develop and refresh their knowledge and skills. According to the records provided by the Directors, a summary of training received by the Directors during the Review Period is set out below:

## 董事及高級人員的保險

本公司已遵守守則的守則條文第A.1.8條，就針對董事及本集團高級人員的法律訴訟投購董事及高級人員責任保險。

## 入職簡報及持續專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。本公司致力為全體董事的持續專業發展向彼等安排及資助適當的培訓。各董事不時獲簡介及更新最新發展，以確保其充分知悉其於上市規則及適當法例及監管規定以及本集團管治政策項下的責任。全體董事亦明白持續專業發展的重要性，並承諾參與任何合適的培訓，以發展及更新彼等的知識與技能。按董事提供的記錄，董事於回顧年內所接受的培訓概要載列如下：

**Types of continuous  
professional development  
programmes**  
持續專業發展課程類型

### Executive Directors

Mr. Li Cheng	執行董事 李誠先生	1
Mr. Zhao Jidong	趙繼東先生	1
Mr. Li Conghua	李聰華先生	1
Mr. Ma Qinghai	馬青海先生	1

### Independent non-executive Directors

Ms. Wong Wai Ling	獨立非執行董事 黃慧玲女士	1
Mr. Shiping James Wang	王世平先生	1
Dr. Wang Huaping	王華平博士	1

*Note:*

1. Read relevant materials of workshops/internal trainings/updates on the Listing Rules and other applicable regulations.

*附註：*

1. 閱讀研討會／內部培訓／有關上市規則及其他適用法規的更新資料的相關材料。

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Chairman of the Board is Mr. Li Cheng and the CEO is Mr. Zhao Jidong. The Chairman of the Board is responsible for providing leadership to, and overseeing, the functioning of the Board and seeking to ensure that all Directors are properly briefed on issues arising at Board meetings and that they receive, in a timely manner, adequate and reliable information. The CEO is responsible for managing the business of the Group and leading the management team to implement strategies and objectives adopted by the Board. Their respective responsibilities are clearly established and set out in writing.

## BOARD COMMITTEES

### Remuneration Committee

The Company has established the remuneration committee under the Board (the “**Remuneration Committee**”) which comprises one executive Director and two independent non-executive Directors. The roles and functions of the Remuneration Committee include consulting the Chairlady of the Board about their remuneration proposals for other executive Directors, making recommendation to the Board on the Company’s remuneration policy and structure for all Directors and senior management. The Remuneration Committee also makes recommendations to the Board on the remuneration packages of individual Directors and senior management, by reference to, among other things, market level of salaries paid by comparable companies, the respective responsibilities of the Directors and senior management and the performance of the Group. The Remuneration Committee’s authority and duties are set out in written terms of reference that are posted on the website of each of the Stock Exchange and the Company.

During the Review Period, among others, the Remuneration Committee has reviewed the Group’s remuneration policy and the terms of the executive Directors’ service contracts, made recommendation to the Board on the policy for the remuneration of executive Directors, independent non-executive Directors and the CEO, assessed performance of executive Directors, independent non-executive Directors and the CEO and approved the terms of independent non-executive Directors’ service contracts.

## 主席及行政總裁

根據守則的守則條文第A.2.1條，主席及行政總裁的角色應有所區分，並不應由同一人士兼任。董事會主席為李誠先生，而行政總裁為趙繼東先生。董事會主席負責領導和監督董事會的運作，及設法確保所有董事均獲適當簡介有關董事會會議上處理的事項，及彼等適時取得充足及可靠的資料。行政總裁負責管理本集團的業務及領導管理團隊執行董事會採納的策略與目標。彼等各自的職責已明確制定並以書面記載。

## 董事委員會

### 薪酬委員會

本公司已成立董事會轄下的薪酬委員會（「**薪酬委員會**」），由一名執行董事及兩名獨立非執行董事組成。薪酬委員會的職責及職能包括向董事會主席諮詢彼等就其他執行董事的薪酬建議，就本公司薪酬政策及全體董事及高級管理層的架構向董事會作出推薦建議。薪酬委員會亦參照（其中包括）可比較公司所支付的市場薪金水平、董事及高級管理層各自的職責以及本集團的表現，就個別董事及高級管理層的薪酬待遇向董事會作出推薦建議。薪酬委員會的權力及職責載於書面職權範圍內，並刊載於聯交所及本公司各自的網站。

於回顧年內，（其中包括）薪酬委員會已檢討本集團的薪酬政策及執行董事服務合約的條款，就執行董事、獨立非執行董事及行政總裁的薪酬政策向董事會作出推薦建議，評價執行董事、獨立非執行董事及行政總裁的表現以及批准獨立非執行董事的服務合約條款。

## Corporate Governance Report 企業管治報告

One meeting was held during the Review Period and the attendance by each committee member is set out below:

於回顧年內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of the Remuneration Committee	薪酬委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Ms. Wong Wai Ling ( <i>Chairlady</i> )	黃慧玲女士 (主席)	1/1
Mr. Zhao Jidong	趙繼東先生	1/1
Dr. Wang Huaping	王華平博士	1/1

### Nomination Committee

The nomination committee comprises one executive Director and two independent non-executive Directors. The roles and functions of the Nomination Committee include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board, identifying individuals suitably qualified to become Board members and assessing the independence of independent non-executive Directors. The Nomination Committee is established with specific terms of reference which deal clearly with the committee's authority and duties and are available on the website of each of the Stock Exchange and the Company.

During the Review Period, the Nomination Committee has reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors. The Nomination Committee has also reviewed the Board's diversity policy (the "**Board Diversity Policy**") and nomination policy.

As part of the Board Diversity Policy, the Company recognises and embraces the benefits of having a diverse Board to enhance its performance. All Board appointments will be based on meritocracy, and candidates will be considered against selection criteria. Selection of candidates will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will from time to time review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

### 提名委員會

本公司已成立由一名執行董事及兩名獨立非執行董事組成的提名委員會。提名委員會的職責及職能包括審閱董事會的架構、規模及組成（包括技能、知識及經驗），識別合適資格人士出任董事會成員及評估獨立非執行董事的獨立性。提名委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司各自的網站。

於回顧年內，提名委員會已檢討董事會的架構、規模及組成，並已評估獨立非執行董事的獨立性。提名委員會亦已檢討董事會成員多元化政策（「**董事會成員多元化政策**」）及提名政策。

作為董事會成員多元化政策的一部份，本公司認同並深信董事會成員多元化有利於提升本公司的表現。所有董事會成員的委任均以用人唯才為原則，並在考慮人選時會採用甄選準則。甄選人選將按一系列多元化範疇為基準，可包括（但不限於）性別、年齡、文化及教育背景、專業資格、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。提名委員會將不時在適當時候檢討董事會成員多元化政策，以確保其行之有效。

One meeting was held during the Review Period and the attendance by each committee member is set out below:

於回顧年內，舉行了一次會議，每位委員會成員的出席情況載列如下：

Members of the Nomination Committee	提名委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Mr. Li Cheng ( <i>Chairman</i> )	李誠先生 (主席)	1/1
Mr. Shiping James Wang	王世平先生	1/1
Dr. Wang Huaping	王華平博士	1/1

## Audit Committee

The audit committee under the Board (the “**Audit Committee**”) currently consists of three independent non-executive Directors. The primary duties of the Audit Committee are to review the Company’s financial information, review and supervise the Company’s financial reporting process and internal control procedures, nominate and monitor external auditors and provide advice and comments to the Board. The Audit Committee is established with specific terms of references which deal clearly with the committee’s authority and duties and are available on the website of the Stock Exchange and the Company. During the Review Period, the Audit Committee discussed and reviewed the interim and final results of the Group and certain other businesses. The effectiveness of the Company’s internal control was also discussed at the meetings. The Audit Committee has also reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls, risk management and financial reporting matters including a review of the interim report, annual report and the final result of the Group for the financial year ended 31 December 2018. The Group’s final results for the financial year ended 31 December 2018 has been reviewed by the Audit Committee before submission to the Board for approval. The Audit Committee has also reviewed this annual report, and confirmed that this annual report complies with the Listing Rules. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

## 審核委員會

董事會轄下的審核委員會（「**審核委員會**」）現由三位獨立非執行董事組成。審核委員會的主要職責是審閱本公司的財務資料，檢討及督管本公司的財務申報流程及內部監控程序、提名及監察外聘核數師以及向董事會提供意見及評論。審核委員會訂明具體職權範圍，清楚說明委員會的職權和責任，並刊載於聯交所及本公司網站。於回顧年內，審核委員會討論及審閱本集團的中期及末期業績以及若干其他事宜。本公司亦於該等會議上討論內部監控的成效。審核委員會亦已與管理層檢討本集團所採納的會計原則和慣例，並討論內部監控、風險管理及財務申報事宜，包括審閱本集團的中期報告、截至二零一八年十二月三十一日止財政年度的年報及末期業績。本集團於截至二零一八年十二月三十一日止財政年度的末期業績於提交董事會審批前，已由審核委員會審閱。審核委員會亦已審閱本年報，並確認本年報符合上市規則的規定。審核委員會認為，並無有關可能對本集團的持續經營能力構成重大疑問的事件或狀況的重大不明朗因素。董事會與審核委員會在外聘核數師的甄選、委任、辭任或罷免方面並無意見分歧。



## Corporate Governance Report 企業管治報告

There were three meetings held during the Review Period and the attendance by each committee member is set out below:

於回顧年內，舉行了三次會議，每位委員會成員的出席情況載列如下：

Members of the Audit Committee	審核委員會成員	Attendance/ Number of meetings 出席次數／會議次數
Ms. Wong Wai Ling ( <i>Chairlady</i> )	黃慧玲女士 (主席)	2/2
Mr. Shiping James Wang	王世平先生	2/2
Dr. Wang Huaping	王華平博士	2/2

## INTERNAL CONTROL AND RISK MANAGEMENT

## 內部監控及風險管理

The Board is committed to managing business risks and maintaining a proper and effective system of risk management and internal control to safeguard the Shareholders' investments and the Group's assets. On 30 December 2015 and 20 December 2018, the terms of reference of the Audit Committee have been amended to include risk management as part of the internal control of the Company. During the Review Period, the Board reported the risks associated with the Company and the Audit Committee was satisfied that the risks have been properly dealt with by the Group.

董事會致力管理業務風險，並維持適當及有效的風險管理和內部監控制度，以保障股東投資及本集團資產。於二零一五年十二月三十日及二零一八年十二月二十日，審核委員會的職權範圍已予修訂，以納入風險管理作為本公司內部監控的一部分。於回顧年內，董事會已呈報與本公司相關的風險，而審核委員會信納本集團已適當處理有關風險。

The Board, through the Audit Committee, has conducted annual review of the effectiveness of the Group's system of risk management and internal control covering all controls, including financial, operational and compliance controls. The Board is satisfied that the Group had fully complied with the Code in respect of internal controls during the Review Period.

董事會已透過審核委員會對本集團風險管理和內部監控制度的有效性進行年度檢討，其中涵蓋財務、營運及合規控制的所有監控事宜。董事會信納本集團於回顧年內已全面遵守有關內部監控的守則。

## SENIOR MANAGEMENT'S REMUNERATION

The senior management's remuneration payment of the Group during the Review Period falls within the following band:

## 高級管理層薪酬

於回顧年內，本集團高級管理層的薪酬款項介乎下列範圍：

		Number of individuals 人數
Nil to HK\$1,000,000	零至1,000,000港元	9
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	2
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	0

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## COMPLIANCE AND ENFORCEMENT OF THE NON-COMPETITION UNDERTAKING FROM CONTROLLING SHAREHOLDERS

As disclosed in the prospectus of the Company dated 15 November 2013 (the "**Prospectus**"), Mr. Li Cheng and Ever Thrive Global Limited are the controlling shareholders of the Company (the "**Controlling Shareholders**"). To protect the Group from any potential competition, the Controlling Shareholders has given an irrevocable non-competition undertaking (the "**Non-competition Undertaking**") in favour of the Company on 7 November 2013. Pursuant to the Non-competition Undertaking, each of the Controlling Shareholders has, among other matters, undertaken with the Company that each of the Controlling Shareholders and their respective associates (other than the Group) shall not engage in any business which will or may compete with the business currently and from time to time engaged by the Group. Details of the Non-competition Undertaking have been set out in paragraph headed "Relationship with our controlling shareholders – Non-competition Undertaking" of the Prospectus.

## 控股股東對不競爭承諾的遵守及執行

誠如本公司日期為二零一三年十一月十五日的招股章程（「招股章程」）所披露，李誠先生及恆盛環球有限公司為本公司的控股股東（「控股股東」）。為保護本集團免遭受任何潛在競爭，控股股東已於二零一三年十一月七日為本公司作出不可撤銷的不競爭承諾（「不競爭承諾」）。根據不競爭承諾，各控股股東已（其中包括）向本公司承諾，各控股股東及彼等各自的聯繫人（本集團除外）不得參與任何將或可能與本集團目前及不時從事的業務構成競爭的業務。有關不競爭承諾的詳情載於招股章程「與我們的控股股東的關係－不競爭承諾」一段。

## Corporate Governance Report 企業管治報告

The Company has received the annual declaration from each of the Controlling Shareholders in respect of their respective compliance with the terms of the Non-competition Undertaking during the Review Period. The independent non-executive Directors, having reviewed the aforementioned annual declarations and made reasonable enquiry, are satisfied that the Controlling Shareholders have complied with the terms of the Non-competition Undertaking during the Review Period.

### AUDITORS' REMUNERATION

The Group's external auditors is Ernst & Young. The remuneration paid or payable to the external auditors of the Group for the year ended 31 December 2018 comprised fees for audit services of approximately RMB950,000 (2017: RMB950,000). During the year ended 31 December 2018, there was no non-audit service provided by the Group's external auditors.

### DIRECTORS' AND AUDITORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

All Directors are responsible for the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. The auditor of the Company acknowledges its reporting responsibilities in the auditor's report on the financial statements of the Company for the year ended 31 December 2018. The statement by the auditors of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the financial statements on a going-concern basis.

### COMPANY SECRETARY

Ms. Lo Lok Ting Teresa ("**Ms. Lo**") has been appointed as the company secretary with effect from 26 October 2017.

本公司已接獲各控股股東有關彼等各自於回顧年內遵守不競爭承諾條款的年度聲明。獨立非執行董事已審閱上述年度聲明，及經合理查詢後認為各控股股東於回顧年內一直遵守不競爭承諾的條款。

### 核數師酬金

本集團的外聘核數師為安永會計師事務所。本集團於截至二零一八年十二月三十一日止年度已付或應付外聘核數師的薪酬包括審核服務費用約人民幣950,000元（二零一七年：人民幣950,000元）。於截至二零一八年十二月三十一日止年度，本集團外聘核數師並無提供非審核服務。

### 董事及核數師對財務報表所負的責任

全體董事負責編製真實及公平地反映本集團事務狀況的財務報表。本公司核數師在本公司截至二零一八年十二月三十一日止年度財務報表的核數師報告中確認其申報責任。本公司核數師就其對財務報表所負責任的聲明載於本年報所載的獨立核數師報告內。董事並不知悉任何有關可能對本公司的持續經營能力構成重大疑問的事件或狀況的重大不明朗因素，故董事已按持續經營基準編製財務報表。

### 公司秘書

盧樂庭女士（「**盧女士**」），自二零一七年十月二十六日起，獲委任為公司秘書。

The company secretary reports to the Chairman of the Board and is responsible for advising the Board on corporate governance matters and facilitating communication among Board members, the Shareholders and management of the Company. Ms. Lo has duly complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biography of the Company Secretary is set out in the section headed “Directors and senior management” on page 39 of this annual report.

## THE SHAREHOLDERS' RIGHTS

### Convening an extraordinary general meeting by Shareholders

Pursuant to Article 64 of the Articles of Association, extraordinary general meetings shall be convened on the requisition of one or more Shareholders, at the date of deposit of the requisition, holding not less than one-tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Procedures for putting forward proposals at general meetings by Shareholders

Shareholders are requested to follow Article 64 of the Articles of Association for including a resolution at an extraordinary general meeting. The requirements and procedures are set out above in the paragraph headed “Convening an extraordinary general meeting by Shareholders”. Pursuant to Article 113 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless a notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days. The procedures for the Shareholders to propose a person for election as a Director is posted on the website of the Company.

公司秘書向董事會主席匯報，並負責就企業管治事宜向董事會提供意見及促進董事會成員、本公司股東及管理層之間的溝通。盧女士已妥為遵守上市規則第3.29條項下的相關專業培訓規定。公司秘書的履歷載於本年報第39頁的「董事及高級管理層」一節。

## 股東權利

### 股東召開股東特別大會

根據組織章程細則第64條，股東特別大會須於一名或多名於遞呈要求當日持有不少於本公司有權於股東大會上投票的繳足股本十分之一的股東要求時召開。有關要求須以書面向董事會或公司秘書作出，以供董事會應該要求中所指定的任何事項而召開股東特別大會。該大會須於該項要求呈遞後兩個月內舉行。倘董事會於呈遞該要求後21日內未能召開該大會，則提出要求者本人（彼等）可以相同方式召開大會，而本公司須向要求者償付要求者因董事會未能召開大會而產生的所有合理開支。

### 股東於股東大會上提呈建議的程序

股東須遵照組織章程細則第64條於股東特別大會提呈決議案。有關要求及程序載於上文「股東召開股東特別大會」一段。根據組織章程細則第113條，除非有意提名選舉該人士為董事的書面通知及該人士表明願意接受選舉的書面通知已遞交總辦事處或登記處，否則除退任董事外，任何人士概無資格於任何股東大會上膺選董事職位，惟遞交通知的期限由不早於就有關參選的指定股東大會通告寄發後當日起計至不遲於該股東大會舉行日期前七日止，而向本公司寄發通知的最短期限為最少七日。股東提名人士參選董事的程序於本公司網站刊載。

## Communication with Shareholders

Information of the Group is delivered to the Shareholders through a number of channels, which include annual report, interim report, announcements and circulars at the corporate website (<http://www.chinaysgroup.com>). The latest information of the Group together with the published documents is also available on the Company's website. Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company whose contact details are as follows:

Yongsheng Advanced Materials Company Limited  
Unit C2, 29/F, Tower 1,  
Admiralty Centre,  
No. 18 Harcourt Road,  
Admiralty, Hong Kong  
Website: [www.chinaysgroup.com](http://www.chinaysgroup.com)  
Tel No.: (852) 2776 5228  
Fax No.: (852) 2994 9699

The Company will handle both telephone and written enquiries from the Shareholders from time to time. Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant committees of the Board, where appropriate, to answer the Shareholders' questions.

## INVESTOR RELATIONS

### Constitutional documents

During the Review Period, the Company did not make any changes to the memorandum of association and Articles of Association of the Company, the current version of which is available on the websites of the Stock Exchange and the Company.

### Number of shares

The total number of issued shares of the Company as at 31 December 2018 was 394,487,500. The Company will periodically announce the total number of its issued shares in its monthly returns.

## 與股東交流

本公司通過多個渠道向股東提供本集團的資料，該等渠道包括於公司網站(<http://www.chinaysgroup.com>) 刊載年報、中期報告、公佈及通函。本公司網站亦載有本集團的最新資料以及已刊發的文件。股東可於任何時間以書面方式透過本公司向董事會提出查詢及關切問題，其聯絡詳情如下：

永盛新材料有限公司  
香港金鐘  
夏慤道18號  
海富中心  
一座29樓C2室  
網站：[www.chinaysgroup.com](http://www.chinaysgroup.com)  
電話號碼：(852) 2776 5228  
傳真號碼：(852) 2994 9699

本公司將不時處理股東的電話及書面查詢。在適當的情況下，股東的查詢及關切問題將轉交董事會及／或相關董事委員會，以解答股東的提問。

## 投資者關係

### 憲章文件

本公司於回顧年內並無對本公司的組織章程大綱及細則作出任何變動，其當前版本刊載於聯交所及本公司網站。

### 股份數目

本公司於二零一八年十二月三十一日的已發行股份總數為394,487,500股。本公司將定期於其月報表內公佈其已發行股份總數。

## Important schedule for the Shareholders – AGM

An AGM of the Company will be held at Admiralty Conference Centre, 1804A, 18/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong on 27 May 2019. A circular containing, among others, details of the AGM has been despatched to the Shareholders together with this annual report.

## Information for Hong Kong branch registrar

Tricor Investor Services Centre  
Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong  
Tel No: (852) 2980 1333  
Fax No: (852) 2810 8185  
Email: is-enquiries@hk.tricorglobal.com  
Website: www.tricoris.com  
Office Hours: 9:00 am – 4:30 pm  
(Monday to Friday, except public holidays)

## CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of complying and applying with the Code but also about promoting and developing a healthy and ethical corporate culture. The Company will continue to review and, where appropriate, improve the current practices on the basis of the experience, regulatory changes and developments. Any views and suggestions from the Shareholders to improve and promote the transparency are welcomed.

On behalf of the Board  
**Li Cheng**  
*Chairman*  
Hong Kong, 26 March 2019

## 股東的重要議事日程－股東週年大會

本公司的股東週年大會將於二零一九年五月二十七日於香港金鐘夏慤道18號海富中心1座18樓1804A室金鐘商務會議中心舉行。一份載有(其中包括)股東週年大會詳情的通函已連同本年報一併寄發予股東。

## 香港股份過戶登記分處資料

卓佳投資者服務中心  
香港皇后大道東183號合和中心22樓  
電話號碼: (852) 2980 1333  
傳真號碼: (852) 2810 8185  
電郵: is-enquiries@hk.tricorglobal.com  
網站: www.tricoris.com  
辦公時間: 上午九時正至下午四時三十分  
(星期一至星期五, 公眾假期除外)

## 提升企業管治水平

提升企業管治水平並非只為遵守及應用守則, 亦為推動及發展健全與具道德的企業文化。本公司將按經驗、監管變動及發展, 不斷檢討及於適當時改善現行常規。本公司亦歡迎股東提出任何意見和建議, 以改善及提高其透明度。

代表董事會  
主席  
**李誠**  
香港, 二零一九年三月二十六日

# Report of the Directors

## 董事會報告

The Board is pleased to present the annual report and the audited financial statements of the Group for the financial year ended 31 December 2018.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (as revised) of the Cayman Islands on 19 April 2012. The registered office of the Company is at P.O. Box 10008, Willow House, Cricket Square Grand Cayman KY1-1001, Cayman Islands and its principal place of business in Hong Kong is at Unit C2, 29/F, Tower 1, Admiralty Centre, No. 18 Harcourt Road, Admiralty, Hong Kong. The principal activity of the Company is investment holding and its subsidiaries are principally engaged in the development and manufacturing of PFY, provision of dyeing services of differentiated polyester filament fabric and trading of PFY in the PRC.

Further discussion and analysis of the business activities of the Group, can be found in the sections headed “Chairman’s Statement” and “Business Review” as set out on pages 7 to 21 of this annual report. These discussions form part of this report of the directors.

### SUBSIDIARIES

Particulars of the Company and each member of the Group as at 31 December 2018 are set out in note 1 to the financial statements.

### FINANCIAL STATEMENTS

The profit of the Group and the financial conditions of the Group for the financial year ended 31 December 2018 are set out in the financial statements on pages 104 to 222 of this annual report.

董事會欣然提呈本集團截至二零一八年十二月三十一日止財政年度的年度報告及經審計財務報表。

### 主要業務及業務回顧

本公司於二零一二年四月十九日根據開曼群島公司法（經修訂）在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處位於P.O. Box 10008, Willow House, Cricket Square Grand Cayman KY1-1001, Cayman Islands，其香港主要營業地點位於香港金鐘夏慤道18號海富中心一座29樓C2室。本公司主要業務為投資控股，而其附屬公司主要在中國從事開發及製造滌綸長絲、提供差別化滌綸面料染色服務、滌綸長絲貿易。

有關本集團業務活動的進一步討論和分析，可見於本年報第7頁至第21頁「主席報告」及「業務回顧」章節。該等討論構成本董事報告的一部分。

### 附屬公司

於二零一八年十二月三十一日，本公司及本集團各成員公司的詳情載列於財務報表附註1。

### 財務報表

截至二零一八年十二月三十一日止財政年度的本集團溢利及本集團的財務狀況乃載於本年報第104頁至第222頁的財務報表。

## ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise the Group's environmental impact by water-recycling initiatives, sewage treatment implementation, energy saving and wastage reduction, and encouraging recycle of office supplies and other materials. The Group also requires its factories to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant PRC regulators.

## KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Directors recognise that employees, customers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its employees and business partners and improving the quality of services to the customers.

Employees are regarded as the most important and valuable assets of the Group. The Group ensures all staff is reasonably remunerated and its workers are provided with regular training courses on operation of different types of machinery, as well as work safety. The Group strives to motivate its employees with a clear career path and offer them opportunities for advancement and improvement of their skills. The Group also rewards its employees for their work performance through incentives, such as bonuses and options, to motivate their continuous contribution.

The Group also stays connected with its customers and suppliers and has ongoing communications with its customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the Mainland China while the ordinary shares (the "Shares") of the Company are listed on the Main Board of the Stock Exchange. The Group's establishment and operations accordingly shall comply with relevant laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2018 and up to the date of this annual report, the Group's operation has complied with all the relevant laws and regulations in the PRC and Hong Kong in all material respects.

## 環境政策

本集團致力建立高度關注保護自然資源的環保機構。本集團銳意透過中水回用、實施污水處理、節能降耗及鼓勵將辦公室物資和其他物料循環再用，藉此盡量減低本集團對環境的影響。本集團亦規定廠房嚴格遵守相關的環境法規和規則，以及向相關中國監察當局領取一切必須的許可證和批文。

## 與僱員、客戶及供應商的主要關係

董事深知僱員、客戶及業務夥伴為本集團持續發展的關鍵。本集團致力於與其僱員及業務夥伴之間建立緊密及關懷關係，以及改善提供予客戶的服務質素。

僱員被視為本集團最為重要及最有價值資產。本集團確保所有員工獲得合理薪酬及向其員工就不同種類機器的操作以及工作安全提供定期培訓課程。本集團致力以清晰的晉陞前景來激勵彼等，並給予彼等機會提升及改進其技能。本集團亦通過獎金、期權等激勵方式，肯定彼等的工作表現及激勵員工的積極性。

本集團亦與其客戶及供應商保持聯繫以及透過各種渠道與客戶及供應商交流，例如電話、電郵及會面藉此獲知彼等的反饋及建議。

## 遵守法例和法規

本公司於中國內地的附屬公司主要進行本集團的營運工作，而本公司普通股（「股份」）於聯交所主板上市。因此，本集團的成立及營運須遵守中國及香港相關法例及法規。截至二零一八年十二月三十一日止年度至本年報日期為止，本集團的業務於一切重大方面已遵守中國及香港所有相關法例及法規。



## RESERVES

Movements in reserves during the financial year ended 31 December 2018 are set out in the Consolidated Statement of Changes in Equity on page 108 of this annual report.

As at 31 December 2018, the Company had distributable reserves of approximately RMB129,972,000 (2017: approximately RMB174,425,000) available for distribution to the Shareholders.

## SHARE CAPITAL AND SHARE OPTION SCHEME

Details of the Company's share capital and share option scheme are set out in notes 26 and 27 to the financial statements and the paragraph headed "Share option scheme of the Company" below, respectively.

## DIVIDEND

The Board has recommended the payment of a final dividend (the "Final Dividend") of HK\$0.022 per Share for the financial year ended 31 December 2018. This, together with the interim dividend of HK\$0.033 per Share that was paid in 2018, amounts to an aggregate dividend payment of HK\$0.055 per Share for the full financial year of 2018. The Final Dividend, if approved by the Shareholders at the AGM, will be paid to the Shareholders whose names appear on the register of members of the Company on 5 June 2019.

## PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the financial year ended 31 December 2018 are set out in Note 13 to the financial statements.

## 儲備

截至二零一八年十二月三十一日止財政年度的儲備變動情況載列於本年報第108頁的合併權益變動表。

於二零一八年十二月三十一日，本公司擁有可供分派儲備約人民幣129,972,000元（二零一七年：約人民幣174,425,000元）可用於向股東作出分派。

## 股本及購股權計劃

本公司股本及購股權計劃的詳情分別載於財務報表附註26及27及下文「本公司的購股權計劃」一段。

## 股息

董事會建議就截至二零一八年十二月三十一日止財政年度派付末期股息（「末期股息」）每股0.022港元。此項股息連同已於二零一八年派付的中期股息每股0.033港元，即指二零一八年整個財政年度的股息總額為每股0.055港元。倘股東於股東週年大會上批准末期股息，末期股息將派付予於二零一九年六月五日名列本公司股東名冊的股東。

## 物業、廠房及設備

截至二零一八年十二月三十一日止財政年度的物業、廠房及設備變動情況載列於財務報表附註13。

## MAJOR SUPPLIERS AND CUSTOMERS

During the financial year ended 31 December 2018, the percentages of major suppliers and customers of the Group of the purchases and sales for the year ended 31 December 2018 are as follows:

### The aggregate purchases

Five largest suppliers accounted for 44.67%

### The aggregate sales

Five largest customers accounted for 11.43%

So far as known to the Directors, other than those disclosed in the section headed "Continuing connected transactions and related party transactions" below, none of the Directors, their close associates (as defined in the Listing Rules) or substantial shareholders (which to the best knowledge of the Directors own more than 5% of the Company's issued share capital) had any interest in the above major suppliers or customers.

## CHARITABLE DONATIONS

The Group made charitable donations of approximately RMB1,060,500 during the financial year ended 31 December 2018 (2017: RMB325,500).

## BANK BORROWINGS

During the financial year ended 31 December 2018, the Group had bank borrowings of approximately RMB37.7 million, which was mainly used for the expansion of production capacity in Nantong Yongsheng.

## DIRECTORS

The Directors during the financial year ended 31 December 2018 and up to the date of this annual report were:

Mr. Li Cheng (*Chairman*)  
Mr. Zhao Jidong (*Chief Executive Officer*)  
Mr. Li Conghua  
Mr. Ma Qinghai  
Ms. Wong Wai Ling  
Mr. Shiping James Wang  
Dr. Wang Huaping

## 主要供應商及客戶

截至二零一八年十二月三十一日止財政年度，本集團主要供應商及客戶佔截至二零一八年十二月三十一日止年度之採購額及銷售額百分比如下：

### 採購總額

五大供應商合計 44.67%

### 銷售總額

五大客戶合計 11.43%

據董事所知，除下文「持續關聯交易及關聯方交易」一節所披露外，概無董事、彼等之緊密聯繫人（定義見上市規則）或任何股東（指據董事所深知擁有本公司5%以上已發行股本權益之股東）並無於上述主要供應商或客戶中擁有任何權益。

## 慈善捐款

本集團於截至二零一八年十二月三十一日止財政年度作出慈善捐款約人民幣1,060,500元（二零一七年：人民幣325,500元）。

## 銀行借款

於截至二零一八年十二月三十一日止財政年度，本集團的銀行借款為約人民幣37.7百萬元，主要用於南通永盛之產能擴充。

## 董事

於截至二零一八年十二月三十一日止財政年度及直至本年報日期，董事為：

李誠先生（主席）  
趙繼東先生（行政總裁）  
李聰華先生  
馬青海先生  
黃慧玲女士  
王世平先生  
王華平博士

## Report of the Directors 董事會報告

Mr. Li Cheng, Mr. Ma Qinghai and Mr. Shiping James Wang will retire as Directors at the forthcoming AGM. Being eligible, they offer themselves for re-election at the AGM. None of the retiring Directors proposed for re-election at the forthcoming AGM 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). Details of the Directors proposed for re-election at the forthcoming AGM are set out in the circular of the Company which had been despatched to the Shareholders together with this annual report.

### DIRECTOR'S SERVICE CONTRACTS

Each of the Directors has entered into a service contract with the Company for a fixed term of three years commencing from 7 November 2016 (except for Dr. Wang Huaping, whose service contract commenced on 19 August 2014) subject to termination, among others, by giving not less than three months' notice in writing. Each of such Directors will be subject to retirement by rotation and re-election at the AGM every three years. Mr. Li Cheng and Mr. Ma Qinghai are entitled to an annual director's fee of HKD100,000 respectively, and Mr. Shiping James Wang is entitled to an annual director's fee of HKD100,000, as proposed by the Board and approved by the Shareholders. Director's fees are payable on a pro-rata basis for any non-full year's service. The remuneration of the Directors is determined with reference to their duties, responsibilities and experience in the Company, and the prevailing market conditions. No Directors have waived or agreed to waive any emoluments.

### INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no transaction arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or an entity connected with the Directors had a material interest, whether directly or indirectly, subsisted at the end of the Review Period or at any time during the Review Period.

### MANAGEMENT CONTRACTS

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

李誠先生、馬青海先生及王世平先生將於應屆股東週年大會上退任董事，惟彼等均符合資格，並願意於股東週年大會上膺選連任。於應屆股東週年大會上提呈重選的退任董事與本公司概無訂立本公司不得在一年內於毋須作出賠償（法定賠償除外）下將其終止的任何服務合約。連同本年報一併寄發予股東的本公司通函內，已載有擬於應屆股東週年大會上膺選連任之董事的詳情。

### 董事的服務合約

各董事已與本公司訂立服務合約，固定期限由二零一六年十一月七日起計（王華平博士的服務合約由二零一四年八月十九日起計除外）三年，惟可（其中包括）藉發出不少於三個月的書面通知予以終止。各董事將每三年於股東週年大會上輪席退任及重選。李誠先生、馬青海先生分別享有由董事會建議並由股東批准的董事袍金每年100,000港元，王世平先生享有由董事會建議並由股東批准的董事袍金每年100,000港元，服務不足一年的，按服務時間比例支付董事袍金。董事的酬金乃參考彼等於本公司的職務、責任、經驗及當前市況等釐定。概無董事已放棄或同意放棄任何酬金。

### 於合約的權益

除本年報所披露者外，本公司或其任何附屬公司概無訂立董事或董事的關連實體（直接或間接）享有重大權益而於回顧期終結時或回顧年內任何時間存續的重要交易安排或合約。

### 管理合約

於回顧年內概無訂立或存在任何有關本公司全部或任何重大部分業務的管理及行政合約。

## CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries during the Review Period.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save for the share option scheme of the Company, at no time during the financial year ended 31 December 2018 was the Company, its subsidiaries or its ultimate holding company or any subsidiary of that ultimate holding company a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTOR'S INTERESTS IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the Review Period and up to and including the date of this annual report.

## CONFIRMATION OF INDEPENDENCE

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and based on the confirmations received, considers all the independent non-executive Directors to be independent.

## 與控股股東的合約

除本年報所披露者外，本公司或其任何附屬公司並無於回顧年內與本公司的控股股東或彼等之附屬公司訂立任何重大合約。

## 購買股份或債權證的安排

除本公司的購股權計劃外，於截至二零一八年十二月三十一日止財政年度內，本公司、其附屬公司或其最終控股公司或該最終控股公司的任何附屬公司均無任何安排，致令董事因取得本公司或任何其他法人團體的股份或債權證而獲得利益。

## 董事於競爭業務的權益

於回顧年內及直至和包括本年報日期止期間內任何時間，董事概無於本集團業務以外且現在或以前與本集團業務直接或間接競爭或可能構成競爭的任何業務中擁有權益。

## 獨立性的確認

本公司已獲各獨立非執行董事按照上市規則第3.13條發出其每年的獨立性確認書，並根據所接獲的確認書，認為全體獨立非執行董事均具獨立性。

**DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at 31 December 2018, interests or short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Law of Hong Kong) ("SFO") held by the Directors and chief executive of the Company which have been 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 were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to the Model Code in Appendix 10 to the Listing Rules are as follows:

**(A) Long position in the Shares and underlying Shares**

Name of Director	Capacity/Nature
董事姓名	身份／性質
Mr. Li Cheng ("Mr. Li") (Note 1) 李誠先生(「李先生」)(附註1)	Interest in controlled corporation 受控法團權益
Mr. Ma Qinghai ("Mr. Ma") (Note 2) 馬青海先生(「馬先生」)(附註2)	Beneficial owner 實益擁有人
Mr. Zhao Jidong ("Mr. Zhao") (Note 3) 趙繼東先生(「趙先生」)(附註3)	Beneficial owner 實益擁有人 Interest of spouse 配偶之權益

**董事及最高行政人員於股份、相關股份及債權證的權益及淡倉**

於二零一八年十二月三十一日，董事及本公司的最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例第XV部）股份、相關股份及債權證中，持有已根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條文彼等被當作或視為擁有的權益及淡倉），或列入本公司遵照證券及期貨條例第352條保存的登記冊內的權益或淡倉，或根據上市規則附錄10標準守則已知會本公司及聯交所的權益或淡倉如下：

**(A) 於股份及相關股份的好倉**

Number of Shares and underlying Shares held/ interested	Approximate percentage of shareholding
所持／ 擁有權益股份及 相關股份數目	概約股權 百分比

479,132,990	121.46%
7,075,677	1.79%
7,000,000	1.77%
2,553,927	0.65%

*Note 1:* Mr. Li beneficially owned approximately 95.71% of the issued share capital of Ever Thrive Global Limited which in turn, beneficially had 206,471,700 Shares. Therefore, Mr. Li was deemed or taken to be interested in all the Shares held by Ever Thrive Global Limited for the purposes of the SFO. Mr. Li was also the sole director of Ever Thrive Global Limited.

Pursuant to the share purchase agreement dated 1 November 2018, 165,591,746 ordinary shares of the Company would be allotted and issued to Astute Horizon Limited upon completion, and 107,069,544 ordinary shares of the Company would be allotted and, issued to Astute Horizon Limited within 3 months period after the fulfillment of conditions precedent as set out in the share purchase agreement. Mr. Li beneficially owned approximately 90% of the issued share capital of Astute Horizon Limited which in turn, beneficially had 272,661,290 shares. Such acquisition had completed on 4 January 2019.

*Note 2:* As at 31 December 2018, share options to subscribe for 4,400,000 Shares were granted to Mr. Ma. Besides, Mr. Ma beneficially owned 2,675,677 Shares. Therefore, Mr. Ma was interested in 7,075,677 Shares in aggregate.

*Note 3:* As at 31 December 2018, share options to subscribe for 5,700,000 Shares were granted to Mr. Zhao. Mr. Zhao also held 1,300,000 Shares beneficially. Besides, Ms. Chen Xi, the spouse of Mr. Zhao, beneficially owned 2,553,927 Shares. Therefore, Mr. Zhao was deemed, or taken to be, interested in the said 2,553,927 Shares for the purpose of the SFO. Accordingly, Mr. Zhao was interested in 9,553,927 Shares in aggregate.

*附註1:* 李先生實益擁有恆盛環球有限公司約95.71%的已發行股本，而恆盛環球有限公司實益持有206,471,700股股份。因此，根據證券及期貨條例，李先生被視為或當作於恆盛環球有限公司持有的全部股份中擁有權益。李先生亦為恆盛環球有限公司的唯一董事。

根據日期為二零一八年十一月一日之股權轉讓協議，本公司將分別於完成時及股權轉讓協議所載先決條件達成後向睿景有限公司配發及發行165,591,746股普通股及107,069,544股普通股。李先生實益擁有睿景有限公司約90%之已發行股本，而睿景有限公司實益擁有272,661,290股股份。該收購事項已於二零一九年一月四日完成。

*附註2:* 截至二零一八年十二月三十一日，馬先生獲授可認購4,400,000股股份的購股權。此外，馬先生實益擁有2,675,677股股份。因此，馬先生合共於7,075,677股股份中擁有權益。

*附註3:* 截至二零一八年十二月三十一日，趙先生獲授可認購5,700,000股股份的購股權。趙先生亦實益持有1,300,000股股份。此外，陳曦女士（趙先生的配偶）實益擁有2,553,927股股份。因此，就證券及期貨條例而言，趙先生被視為或當作於上述2,553,927股股份中擁有權益。因此，趙先生合共於9,553,927股股份中擁有權益。

(B) Long position in shares of associated corporation

(B) 於相聯法團股份的好倉

Name of Director	Name of Associated Corporation	Capacity/Nature	Number of Shares held/ interested 所持／擁有權益 股份數目	Percentage of shareholding 股本 百分比
董事姓名	相聯法團名稱	身份／性質		
Mr. Li 李先生	Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	446	95.71%
	Astute Horizon Limited (Note 1) 睿景有限公司(附註1)	Beneficial owner 實益擁有人	100	90.00%

*Note 1:* Pursuant to the share purchase agreement dated 1 November 2018, 165,591,746 ordinary shares of the Company would be allotted and issued to Astute Horizon Limited upon completion, and 107,069,544 ordinary shares of the Company would be allotted and issued to Astute Horizon Limited within 3 months period after the fulfillment of conditions precedent as set out in the share purchase agreement. Mr. Li beneficially owned approximately 90% of the issued share capital of Astute Horizon Limited which in turn, beneficially had 272,661,290 shares. Such acquisition had completed on 4 January 2019.

*附註1:* 根據日期為二零一八年十一月一日之股權轉讓協議，本公司將於完成時向睿景有限公司配發及發行165,591,746股普通股及於股權轉讓協議所載先決條件獲達致後3個月內向睿景有限公司配發及發行107,069,544股普通股。李先生實益擁有睿景有限公司約90%之已發行股本，而睿景有限公司實益擁有272,661,290股股份。該收購事項已於二零一九年一月四日完成。

Apart from those disclosed herein, as at 31 December 2018, none of the directors nor the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of the SFO) that is required to be recorded and kept in the register in accordance with section 352 of the SFO or any interests required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除本文所披露者外，於二零一八年十二月三十一日，董事或本公司的最高行政人員並無於本公司或其任何相聯法團（定義見證券及期貨條例）的股份、相關股份或債權證中擁有根據證券及期貨條例第352條須記入該條所述的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益。

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, so far as is known to the Directors, the following persons (other than a Director or chief executive of the Company) had or were deemed or taken to have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

## 主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一八年十二月三十一日，據董事所知，以下人士（董事或本公司的最高行政人員除外）擁有或被視為或當作於股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須向本公司及聯交所披露的權益或淡倉，或直接或間接持有附有權利可於任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本的面值5%或以上的權益：

Name of Shareholder 股東名稱／姓名	Capacity/Nature 身份／性質	Number of Shares held/ interested 所持／擁有權益 股份數目	Approximate percentage of shareholding 概約股權 百分比
Ever Thrive Global Limited 恆盛環球有限公司	Beneficial owner 實益擁有人	206,471,700	52.34%
Astute Horizon Limited (Note 1) 睿景有限公司 (附註1)	Beneficial owner 實益擁有人	272,661,290	69.12%
Ms. Chen Fangqin (Note 2) 陳芳芹女士 (附註2)	Interest of spouse 配偶的權益	479,132,990	121.46%

Note 1: Pursuant to the share purchase agreement dated 1 November 2018, 165,591,746 ordinary shares of the Company would be allotted and issued to Astute Horizon Limited upon completion, and 107,069,544 ordinary shares of the Company would be allotted and, issued to Astute Horizon Limited within 3 months period after the fulfillment of conditions precedent as set out in the share purchase agreement. Mr. Li beneficially owned approximately 90% of the issued share capital of Astute Horizon Limited which in turn, beneficially had 272,661,290 shares. Such acquisition had completed on 4 January 2019.

Note 2: Ms. Chen Fangqin is the spouse of Mr. Li. Therefore, Ms. Chen Fangqin was deemed, or taken to be interested in all the Shares in which Mr. Li had interest for the purposes of the SFO.

附註1: 根據日期為二零一八年十一月一日之股權轉讓協議，本公司將於完成時向睿景有限公司配發及發行165,591,746股普通股及於股權轉讓協議所載先決條件獲達致後3個月內向睿景有限公司配發及發行107,069,544股普通股。李先生實益擁有睿景有限公司約90%之已發行股本，而睿景有限公司實益擁有272,661,290股股份。該收購事項已於二零一九年一月四日完成。

附註2: 陳芳芹女士為李先生的配偶，因此，就證券及期貨條例而言，陳芳芹女士被視為或當作於李先生擁有權益的全部股份中擁有權益。



## **SUBSTANTIAL SHAREHOLDERS OF OUR SUBSIDIARIES**

Huvis held 30% of the equity interests in Yongsheng Chemical Fiber as at 31 December 2018. For details, please refer to the paragraph headed “Yongsheng Chemical Fiber” set out in the section headed “History and development” of the Prospectus.

On 27 August 2018, Yongsheng Dyeing, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Huvis, pursuant to which Yongsheng Dyeing agreed to sell and Huvis agreed to purchase 30% of equity interests in Nantong Yongsheng held by Yongsheng Dyeing, at the consideration of RMB17,660,140 in cash. After completion, Nantong Yongsheng was owned as to 67% by Yongsheng Dyeing, 30% by Huvis and 3% by certain minority shareholders of Nantong Yongsheng. Please refer to the announcements dated 27 August 2018 of the Company for details.

## **本集團附屬公司的主要股東**

Huvis於二零一八十二月三十一日持有永盛化纖30%股權。詳情請參閱招股章程「歷史及發展」一節所載「永盛化纖」一段。

於二零一八年八月二十七日，本公司間接全資附屬公司永盛染整與Huvis訂立股權轉讓協議，據此，永盛染整同意出售而Huvis同意購買永盛染整持有的南通永盛30%股權，代價為現金人民幣17,660,140元。於完成後，南通永盛由永盛染整、Huvis及南通永盛若干少數股東分別擁有67%、30%及3%權益。詳情請參閱本公司日期為二零一八年八月二十七日之公告。

## SHARE OPTION SCHEME OF THE COMPANY

The Company adopted a share option scheme (the “Scheme”) on 7 November 2013 as to attract and retain the best available personnel and to provide additional incentive to the eligible participants under the Scheme. Pursuant to the Scheme, the Board is authorised, at its absolute discretion and subject to the terms of the Scheme, to grant options to subscribe the Shares to any employees (full-time or part-time), Directors, consultants or advisor of the Group, or any substantial shareholder of the Group, or any distributor, contractor, supplier, agent, customer, business partner or service provider of the Group. The Scheme shall be valid and effective for a period of ten years commencing on 7 November 2013, subject to early termination provisions contained in the Scheme.

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to the Company on acceptance of the offer for the grant of an option is HK\$1.00. The subscription price of a Share in respect of any particular option granted under the Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which an option is offered to a participant; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 trading days immediately preceding the date on which an option is offered to a participant; and (iii) the nominal value of a Share on the date on which an option is offered to a participant.

The Company shall be entitled to issue options, provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not exceed 10% of the shares in issue on the listing date of the Company (i.e. 27 November 2013).

The Company may at any time refresh such limit, subject to the Shareholders’ approval and issue of a circular in compliance with the Listing Rules, provided that the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes of the Company shall not exceed 30% of the Shares in issue from time to time.

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue unless approved by the Shareholders in accordance with the requirements of the Listing Rules.

## 本公司的購股權計劃

本公司於二零一三年十一月七日採納一項購股權計劃（「該計劃」），旨在吸引及挽留最稱職人員及向該計劃項下的合資格參與者提供額外獎勵。根據該計劃，董事會獲授權全權酌情及按該計劃的條款向本集團任何僱員（全職或兼職）、董事、諮詢人員或顧問、或本集團任何主要股東、或任何分銷商、承包商、供貨商、代理、客戶、商業夥伴或服務供貨商授出購股權以認購股份。該計劃將自二零一三年十一月七日起十年期有效及具效力，惟受該計劃的提早終止條文所規限。

授出購股權的建議須於發出有關建議日期（包括當日）起計七日內接納。購股權承授人須於接納購股權建議時就每份購股權向本公司支付1.00港元。就根據該計劃授出的任何指定購股權的股份認購價，將完全由董事會釐定並通知參與者，但不得低於下列較高者：(i)聯交所每日報價表所報股份在授予參與者購股權當日的收市價；(ii)聯交所每日報價表所報股份於緊接截至授予參與者購股權前五個交易日的平均收市價；及(iii)授予參與者購股權日期的股份面值。

本公司有權發行購股權，惟將根據該計劃及本公司任何其他購股權計劃授出的所有購股權獲行使時將予發行的股份總數，不得超過本公司上市日期（即二零一三年十一月二十七日）已發行股份的10%。

本公司可於取得股東批准及根據上市規則發出通函後隨時更新該限額，惟根據本公司所有購股權計劃已授出但尚未行使的所有購股權獲行使時將予發行的股份總數不得超過當時已發行股份的30%。

於任何12個月期間內，授予各參與者的購股權（包括已行使及尚未行使購股權）獲行使時已發行及將予發行的股份總數不得超過已發行股份的1%，惟根據上市規則的規定獲得股東批准者除外。

## Report of the Directors 董事會報告

An option may be exercised in accordance with the terms of the Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

During the financial year ended 31 December 2018, no share options were granted (15,000,000 share options and 16,300,000 share options were granted on 6 January 2015 and 30 December 2015, respectively, under the terms of the Scheme (collectively, the “Grants”), representing approximately 7.93% of the issued shares of the Company as at 31 December 2018). Details of the Grants are disclosed in the announcements of the Company dated 6 January 2015 and 30 December 2015, respectively.

Up to 31 December 2018, the following set forth the summary of the changes in share options granted, details of which are set out in Note 27 to the consolidated financial statements:

購股權可根據該計劃條款於董事會釐定的期間內隨時行使，惟有關年期不得超出購股權授出日期起計十年，並須受該計劃的提早終止條文所規限。

截至二零一八年十二月三十一日止財政年度，並無授出購股權（先後於二零一五年一月六日及二零一五年十二月三十日根據該計劃的條款授出15,000,000份購股權及16,300,000份購股權（統稱「授出」），相當於本公司於二零一八年十二月三十一日已發行股份約7.93%）。授出的詳情披露於本公司日期分別為二零一五年一月六日及二零一五年十二月三十日的公佈內。

直至二零一八年十二月三十一日，已授出購股權的變動概要如下，詳情載於合併財務報表附註27：

Name and category of participant	As at 1 January 2018	Granted during the year	Cancelled/ forfeited during the year	Exercised during the year	Number of unlisted share options 非上市購股權數目		Date of grant of share options	Vesting period of share options	End of exercise period	Share price of the Company as at the date of grant of share options 本公司股份於購股權授出日期的價格 (HKD per Share) (每股港元)
					Exercise price	As at 31 December 2018				
參與者姓名及類別	於二零一八年一月一日	年內授出	年內註銷/沒收	年內行使	行使價 (HKD per Share) (每股港元)	於二零一八年十二月三十一日	購股權授出日期	購股權歸屬期	行使期結束日期	
Directors 董事										
Mr. Zhao Jidong 趙繼東先生	2,800,000	-	-	600,000	\$1.212	2,200,000	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%: 二零一六年四月二日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	\$1.48
	3,500,000	-	-	-	-	3,500,000	30 December 2015 二零一五年十二月三十日	50%: 1 April 2017 to 5 January 2025* 50%: 二零一七年四月一日至二零二五年一月五日* 50%: 2 April 2017 to 30 December 2025** 50%: 二零一七年四月二日至二零二五年十二月三十日** 50%: 1 April 2018 to 30 December 2025** 50%: 二零一八年四月一日至二零二五年十二月三十日**	30 December 2025 二零二五年十二月三十日	\$1.52

Number of unlisted share options  
非上市購股權數目

Name and category of participant	As at 1 January 2018	Granted during the year	Cancelled/ forfeited during the year	Exercised during the year	Exercise price	As at 31 December 2018	Date of grant of share options	Vesting period of share options	End of exercise period	Share price of the Company as at the date of grant of share options
參與者姓名及類別	於二零一八年一月一日	年內授出	年內註銷/ 沒收	年內行使	行使價 (HKD per Share) (每股港元)	於二零一八年十二月三十一日	購股權授出日期	購股權歸屬期	行使期結束日期	本公司股份於購股權授出日期的價格 (HKD per Share) (每股港元)
Mr. Ma Qinghai 馬青海先生	2,200,000	-	-	-	-	2,200,000	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%: 二零一六年四月二日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	\$1.48
	2,200,000	-	-	-	-	2,200,000	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%: 二零一七年四月二日至二零二五年十二月三十日** 50%: 1 April 2017 to 5 January 2025* 50%: 二零一七年四月一日至二零二五年一月五日*	30 December 2025 二零二五年十二月三十日	\$1.52
Other employees 其他僱員	5,722,000	-	-	1,242,800	\$1.245	3,672,900	6 January 2015 二零一五年一月六日	50%: 2 April 2016 to 5 January 2025* 50%: 二零一六年四月二日至二零二五年一月五日*	5 January 2025 二零二五年一月五日	\$1.48
				806,300	\$1.212			50%: 1 April 2017 to 5 January 2025* 50%: 二零一七年四月一日至二零二五年一月五日*		
	8,190,400	-	-	458,800	\$1.345	7,337,600	30 December 2015 二零一五年十二月三十日	50%: 2 April 2017 to 30 December 2025** 50%: 二零一七年四月二日至二零二五年十二月三十日**	30 December 2025 二零二五年十二月三十日	\$1.52
				394,000	\$1.312			50%: 1 April 2018 to 30 December 2025** 50%: 二零一八年四月一日至二零二五年十二月三十日**		
Total 總計	24,612,400	-	-	3,501,900		21,110,500				

Notes:

- The vesting and exercise of the options granted under the Scheme on 6 January 2015 are subject to the performance conditions set out in the announcement of the Company dated 6 January 2015.
- The vesting and exercise of the options granted under the Scheme on 30 December 2015 are subject to the performance conditions set out in the announcement of the Company dated 30 December 2015.

附註:

- 根據該計劃於二零一五年一月六日授出之購股權的歸屬及行使，須遵守本公司日期為二零一五年一月六日的公佈內所載的表現條件。
- 根據該計劃於二零一五年十二月三十日授出之購股權的歸屬及行使，須遵守本公司日期為二零一五年十二月三十日的公佈內所載的表現條件。

## CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

### (A) Continuing Connected Transactions

During the financial year ended 31 December 2018, the Group entered into the following continuing connected transactions which are subject to the reporting and annual review requirements set out in Chapter 14A of the Listing Rules.

Details of the continuing connected transactions are set out below:

#### **Master Procurement Agreement**

As Huvis is a substantial shareholder of Yongsheng Chemical Fiber, a non-wholly owned subsidiary of the Company, Huvis is a connected person of the Company under the Listing Rules.

On 30 December 2015, Huvis and Yongsheng Chemical Fiber entered into an agreement pursuant to which the Group agreed to purchase textile-related products for trading and production of differentiated PFY from Huvis and/or its associate(s) from time to time for a term of three years commencing from 1 January 2016 and ending on 31 December 2018 in accordance with the terms and conditions stipulated therein (the “**Master Procurement Agreement**”). On 7 March 2017, the Group adjusted the above annual caps for 2017 and 2018 from RMB50,000,000 and RMB60,000,000 to RMB80,000,000 and RMB100,000,000, respectively, based on actual operating needs. As of 31 December 2018, the Group’s purchases from Huvis were approximately RMB29.1 million.

On 28 November 2018, Yongsheng Advanced Materials (HK) Limited and Huvis entered into a master procurement agreement, pursuant to which the Group agreed to purchase PFY products for production of differentiated PFY from Huvis and/or its associate(s). The annual caps under the master procurement agreement for each of the three years ending 31 December 2021 are RMB100,000,000, RMB130,000,000 and RMB160,000,000, respectively.

## 持續關連交易及關連方交易

### (A) 持續關連交易

截至二零一八年十二月三十一日止財政年度，本集團訂立以下須遵守上市規則第14A章所載申報及年度審閱規定的持續關連交易。

持續關連交易的詳情乃載於下文：

#### **主採購協議**

由於Huvis為本公司非全資附屬公司永盛化纖的主要股東，根據上市規則，Huvis為本公司的關連人士。

於二零一五年十二月三十日，Huvis與永盛化纖訂立一項協議，據此，本集團同意根據協議訂明的條款及條件不時向Huvis及／或其聯繫人採購紡織相關產品以進行貿易及生產差別化滌綸長絲，為期三年，自二零一六年一月一日起至二零一八年十二月三十一日止（「**主採購協議**」）。於二零一七年三月七日，本集團根據實際經營所需，將上述二零一七年及二零一八年之年度上限額分別由人民幣50,000,000元及人民幣60,000,000元調整為人民幣80,000,000元及人民幣100,000,000元。截至二零一八年十二月三十一日止，本集團向Huvis之採購額約為人民幣29.1百萬元。

於二零一八年十一月二十八日，永盛新材料（香港）有限公司與Huvis訂立一份主採購協議，據此，本集團同意向Huvis及／或其聯繫人購買滌綸長絲產品以生產差別化滌綸長絲。截至二零二一年十二月三十一日止三個年度各年，主採購協議項下之年度上限分別為人民幣100,000,000元、人民幣130,000,000元及人民幣160,000,000元。

### Technology and Brand Licensing Agreements

On 27 August 2018, Nantong Yongsheng and Huvis entered into a technology and brand licensing agreement (“**Nantong Technology and Brand Licensing Agreement**”), pursuant to which Huvis agreed to grant to Nantong Yongsheng, among other things, the exclusive right (except as to Yongsheng Chemical Fiber) to use certain licensed technology and certain brands in the PRC. Nantong Yongsheng is required to (i) pay royalty fees for the use of licensed technology ranging from 3.625% to 6.5% of the profit before tax generated from the sale of licensed products, depending on the type of licensed technology used in the licensed products; (ii) pay royalty fee for the use of new technologies developed by Huvis at a royalty rate to be determined upon categorisation of such new technologies into the licensed technology by mutual agreement of Nantong Yongsheng and Huvis; and (iii) pay royalty fees for the use of the brands of 0.1% of the revenue generated from the sale of the licensed products, exclusive of value-added tax.

On 27 August 2018, Yongsheng Chemical Fiber and Huvis entered into a brand licensing agreement (“**Hangzhou Brand Licensing Agreement**”), pursuant to which Huvis agreed to grant to Yongsheng Chemical Fiber, among other things, the exclusive right (except as to Nantong Yongsheng to use certain brands in the PRC. Yongsheng Chemical Fiber is required to pay royalty fees of 0.1% of the revenue generated from the sale of the licensed products.

The annual caps for the transactions contemplated under the Nantong Technology and Brand Licensing Agreement for the year ended 31 December 2018 and each of the two years ending 31 December 2020 are as follows:

**Year ended/ending 31 December**  
截至十二月三十一日止年度

2018	二零一八年
2019	二零一九年
2020	二零二零年

As at 31 December 2018, there were no transaction under the Nantong Technology and Brand Licensing Agreement.

### 技術與品牌許可協議

於二零一八年八月二十七日，南通永盛與Huvis訂立一份技術與品牌許可協議（「**南通技術與品牌許可協議**」），據此Huvis同意向南通永盛授出（其中包括）於中國使用若干許可技術及若干品牌的排他使用權（永盛化纖除外）。南通永盛須(i)就使用許可技術支付特許權費，金額介乎銷售許可產品所得除稅前溢利的3.625%至6.5%（具體取決於許可產品所使用的許可技術類別）；(ii)就使用Huvis開發之新技術支付特許權費，收費率將於有關新技術分類至許可技術時由南通永盛與Huvis共同協定；及(iii)就使用品牌支付特許權費，金額為銷售許可產品所得收益的0.1%（不包括增值稅）。

於二零一八年八月二十七日，永盛化纖及Huvis訂立一份品牌許可協議（「**杭州品牌許可協議**」），據此Huvis同意向永盛化纖授出（其中包括）於中國使用若干品牌的排他使用權（南通永盛除外）。永盛化纖須支付特許權費，金額為銷售許可產品所得收益的0.1%。

南通技術與品牌許可協議項下擬進行之交易截至二零一八年十二月三十一日止年度以及截至二零二零年十二月三十一日止兩個年度各年之年度上限如下：

**RMB'000**  
人民幣千元

257
4,500
6,782

於二零一八年十二月三十一日，南通技術與品牌許可協議項下並無交易。

## Report of the Directors 董事會報告

The annual caps for the transactions contemplated under the Hangzhou Brand Licensing Agreement for the year ended 31 December 2018 and each of the two years ending 31 December 2019 and 2020 are as follows:

**Year ended/ending 31 December**  
截至十二月三十一日止年度

**RMB'000**  
人民幣千元

2018	二零一八年	78
2019	二零一九年	256
2020	二零二零年	281

The annual caps under the Nantong Technology and Brand Licensing Agreements and the Hangzhou Brand Licensing Agreement are determined based on the projected annual growth in demand and selling price of the licensed products.

As at 31 December 2018, there were no transaction under the Hangzhou Brand Licensing Agreement.

### **The Exclusive Agency and Distribution Agreements**

On 27 August 2018 (after trading hours), Nantong Yongsheng and Huvis entered into (i) an exclusive agency and distribution agreement (“**Huvis Exclusive Agency and Distribution Agreement**”), pursuant to which Huvis appoints Nantong Yongsheng as an exclusive distributor of PFY products in the PRC on behalf of Huvis; and (ii) an exclusive agency and distribution agreement (“**Yongsheng Exclusive Agency and Distribution Agreement**”), pursuant to which Nantong Yongsheng appoints Huvis as an exclusive distributor of PFY products in South Korea on behalf of Nantong Yongsheng.

Pursuant to the Huvis Exclusive Agency and Distribution Agreement, the purchase prices for the PFY products supplied by Huvis shall be agreed by Nantong Yongsheng and Huvis with reference to the then prevailing purchasing prices of comparable products in the market. Huvis shall pay Nantong Yongsheng a commission of (i) 5% of the value of PFY products purchased by Nantong Yongsheng from Huvis; or (ii) 3% of the value of the PFY products which are imported by and purchased by Nantong Yongsheng on behalf of customers of Huvis located in the PRC.

Pursuant to the Yongsheng Exclusive Agency and Distribution Agreements, the purchase price for the PFY products supplied by Nantong Yongsheng shall be agreed by Huvis and Nantong Yongsheng with reference to the then prevailing purchasing prices of comparable products in the market. Nantong Yongsheng shall pay Huvis a commission of (i) 5% of the value of the PFY products purchased by Huvis from Nantong Yongsheng; or (ii) 3% of the value of the PFY products which are imported by and purchased by Huvis on behalf of customers of Nantong Yongsheng located in South Korea.

杭州品牌許可協議項下擬進行之交易截至二零一八年十二月三十一日止年度以及截至二零一九年及二零二零年十二月三十一日止兩個年度各年之年度上限如下：

南通技術與品牌許可協議及杭州品牌許可協議項下之年度上限乃根據許可產品的預計年度需求增長及售價釐定。

於二零一八年十二月三十一日，杭州品牌許可協議項下並無交易。

### **排他代理及分銷協議**

於二零一八年八月二十七日（交易時段後），南通永盛與Huvis(i)訂立一份排他代理及分銷協議（「**Huvis排他代理及分銷協議**」），據此，Huvis委任南通永盛為代表Huvis於中國的滌綸長絲產品排他分銷商；及(ii)訂立一份排他代理及分銷協議（「**永盛排他代理及分銷協議**」），據此，南通永盛委任Huvis為代表南通永盛於南韓的滌綸長絲產品排他分銷商。

根據Huvis排他代理及分銷協議，Huvis所供應的滌綸長絲產品購買價應由南通永盛與Huvis經參考市場內可比較產品的當時現行購買價後協定。Huvis應向南通永盛支付佣金，費率為(i)南通永盛向Huvis購買滌綸長絲產品的價值的5%；或(ii)南通永盛進口及代表Huvis的中國客戶購買滌綸長絲產品的價值的3%。

根據永盛排他代理及分銷協議，南通永盛所供應的滌綸長絲產品購買價應由Huvis與南通永盛經參考市場內可比較產品的當時現行購買價後協定。南通永盛應向Huvis支付佣金，費率為(i)Huvis向南通永盛購買滌綸長絲產品的價值的5%；或(ii)Huvis進口及代表南通永盛的南韓客戶購買滌綸長絲產品的價值的3%。

Annual caps	:	The annual caps for the transactions contemplated under the Huvis Exclusive Agency and Distribution Agreement for the year ended 31 December 2018 and each of the two years ending 31 December 2020 are as follows:	The annual caps for the transactions contemplated under the Yongsheng Exclusive Agency and Distribution Agreement for each of the three years ending 31 December 2018, 2019 and 2020 are as follows:
年度上限	:	Huvis排他代理及分銷協議項下擬進行的交易於截至二零一八年十二月三十一日止年度以及截至二零二零年十二月三十一日止兩個年度各年的年度上限如下:	永盛排他代理及分銷協議項下擬進行的交易於截至二零一八年、二零一九年及二零二零年十二月三十一日止三個年度各年的年度上限如下:

*Sum of purchase payable by  
Nantong Yongsheng to Huvis  
南通永盛向Huvis支付之購買金額*

Year ended/ending 31 December 截至十二月三十一日 止年度	RMB'000 人民幣千元
2018 二零一八年	974
2019 二零一九年	19,508
2020 二零二零年	28,649

*Sum of purchase payable by  
Huvis to Nantong Yongsheng  
Huvis向南通永盛支付之購買金額*

Year ended/ending 31 December 截至十二月三十一日 止年度	RMB'000 人民幣千元
2018 二零一八年	584
2019 二零一九年	11,705
2020 二零二零年	17,189

*Commission collected by  
Nantong Yongsheng from Huvis  
南通永盛向Huvis收取之佣金*

Year ended/ending 31 December 截至十二月三十一日 止年度	RMB'000 人民幣千元
2018 二零一八年	551
2019 二零一九年	3,975
2020 二零二零年	4,432

*Commission collected by  
Huvis from Nantong Yongsheng  
Huvis向南通永盛收取之佣金*

Year ended/ending 31 December 截至十二月三十一日 止年度	RMB'000 人民幣千元
2018 二零一八年	35
2019 二零一九年	702
2020 二零二零年	1,031

The annual caps under the Exclusive Agency and Distribution Agreements are determined based on the projected annual growth in demand and selling price of the PFY Products through the exclusive agency and distribution arrangement.

排他代理及分銷協議項下的年度上限乃根據滌綸長絲產品的需求及售價的預期年度增幅透過排他代理及分銷安排釐定。

As at 31 December 2018, there were no transaction under the Huvis Exclusive Agency and Distribution Agreement.

於二零一八年十二月三十一日，Huvis排他代理及分銷協議項下並無交易。



## Report of the Directors 董事會報告

### **Confirmation from the independent non-executive Directors**

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors had reviewed the above continuing connected transactions and confirmed that the transactions had been entered into:

- (i) in the ordinary and usual course of the business of the Group;
- (ii) either (a) on normal commercial terms; or (b) where there is no available comparable terms, on terms no less favourable to the Company than terms available to or from independent third parties; and
- (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

### **Confirmation from the auditors**

Pursuant to Rule 14A.56 of the Listing Rules, the Board had engaged the auditors of the Company to perform certain assurance procedures on the continuing connected transactions. As of 31 December 2018, the annual purchase amount of the continuing connected transactions under the Master Procurement Agreement was approximately RMB29.1 million, which did not exceed the proposed maximum annual transaction amount for 2018. The auditors of the Company has provided the Board with a letter, confirming that they were not aware of any matters that cause them to believe that the continuing connected transactions disclosed have exceeded the annual cap set by the Company.

### **獨立非執行董事的確認**

根據上市規則第14A.55條，獨立非執行董事已審閱上述持續關連交易並確認該等交易已按下列訂立：

- (i) 於本集團日常業務過程中；
- (ii) 按(a)正常商業條款；或(b)倘並無可資比較條款，按不遜於向或自獨立第三方條款提供予本公司的條款；及
- (iii) 根據規管該等交易的相關協議按公平合理並符合股東整體利益的條款。

### **核數師的確認**

根據上市規則第14A.56條，董事會已委聘本公司核數師對持續關連交易進行若干核證程序。截至二零一八年十二月三十一日，年度主採購協議下之持續關聯交易之年度採購額約為人民幣29.1百萬元，並未超過擬定的二零一八年度交易額上限。本公司核數師已向董事會提供一份函件，確認彼等概無注意到任何事項令彼等相信所披露的持續關聯交易已超過本公司所設定的年度上限金額。

## (B) Connect transactions

### *The Disposal*

On 27 August 2018, Yongsheng Dyeing, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Huvis, pursuant to which Yongsheng Dyeing agreed to sell and Huvis agreed to purchase 30% of equity interests in Nantong Yongsheng held by Yongsheng Dyeing, at the consideration of RMB17,660,140 in cash. After completion, Nantong Yongsheng was owned as to 67% by Yongsheng Dyeing, 30% by Huvis and 3% by certain shareholders of Nantong Yongsheng (“**Nantong Minority Shareholders**”). Please refer to the announcement dated 27 August 2018 of the Company for details.

### *The Formation Of Joint Venture*

Upon completion of the disposal of Nantong Yongsheng, Nantong Yongsheng continued to be a subsidiary of the Company and it became a joint venture formed between Yongsheng Dyeing, Huvis and the Nantong Minority Shareholders. Yongsheng Dyeing, Huvis and the Nantong Minority Shareholders entered into a joint venture agreement to regulate their respective rights and obligations in respect of ownership and management of Nantong Yongsheng immediately upon and after completion.

### *First Intelligence Share Purchase Agreement*

On 1 November 2018, the Group together with Astute Horizon Limited (as the vendor) and First Intelligence International Limited (as the target company) entered into a share purchase agreement (the “**First Intelligence Share Purchase Agreement**”), pursuant to which the Company has conditionally agreed to purchase and the vendor has conditionally agreed to sell the entire issued share capital of the target company for a total consideration of RMB800 million, which was satisfied as to (1) RMB200 million in cash paid by the Company to the vendor upon completion; and (2) RMB600 million by the allotment and issue of the 272,661,290 new Shares of the Company. The acquisition was completed on 4 January 2019, upon which all of the conditions precedent for cash consideration and first allotment have been fulfilled for this acquisition. Please refer to the announcement dated 1 November 2018 of the Company for details.

## (B) 關連交易

### 出售事項

於二零一八年八月二十七日，本公司間接全資附屬公司永盛染整與Huvis訂立股權轉讓協議，據此，永盛染整同意出售而Huvis同意購買永盛染整持有的南通永盛30%股權，代價為現金人民幣17,660,140元。於完成後，南通永盛由永盛染整、Huvis及南通永盛若干股東（「**南通少數股東**」）分別擁有67%、30%及3%權益。詳情請參閱本公司日期為二零一八年八月二十七日之公告。

### 成立合資企業

完成出售南通永盛後，南通永盛仍為本公司附屬公司，並成為永盛染整、Huvis及南通少數股東所成立的合資企業。永盛染整、Huvis及南通少數股東已訂立一份合資合同以規定緊接完成後彼等各自有關南通永盛所有權及管理的權利及義務。

### 穎元股權轉讓協議

於二零一八年十一月一日，本集團與睿景有限公司（作為賣方）及穎元國際有限公司（作為目標公司）訂立一份股權轉讓協議（「**穎元股權轉讓協議**」），據此，本公司已有條件同意購買，而賣方已有條件同意出售目標公司之全部已發行股本，總代價為人民幣800百萬元，已按以下方式結算：(1)人民幣200百萬元已於完成時由本公司以現金支付予賣方；(2)人民幣600百萬元以配發及發行272,661,290股本公司新股份之形式結算。於二零一九年一月四日，有關收購事項之現金代價及第一次配發之先決條件均已達成，故完成已於該日落實。詳情請參閱本公司日期為二零一八年十一月一日之公告。

### (C) Related party transactions

Details of the significant related party transactions undertaken in the normal course of business of the Group are provided under note 32 to the financial statements. None of these related party transactions constitutes a connected transaction as defined under the Listing Rules that is required to be disclosed, except for those disclosed above, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

### SUBSEQUENT IMPORTANT EVENTS AFTER THE REVIEW PERIOD

Further to the First Intelligence Share Purchase Agreement, the acquisition was completed on 4 January 2019, upon which all of the conditions precedent for cash consideration and first allotment have been fulfilled for this acquisition. Please refer to the Circular of the Company dated 7 December 2018 for further details.

On 1 February 2019 (after trading hours), the Company and Easy Speed Inc. (as the vendor), among others, entered into a sale and purchase agreement (the “**Summer Power Purchase Agreement**”), pursuant to which the Company has conditionally agreed to acquire and the vendor has conditionally agreed to sell the entire issued share capital of the Summer Power International Inc. for an aggregate consideration of HK\$206,000,000, which was satisfied by HK\$6,000,000 in cash and HK\$200,000,000 by way of allotment and issue of 80,000,000 new shares of the Company (“**Consideration Share**”) at the issue price of HK\$2.50 per Consideration Share to the vendor by the Company in accordance with the terms and conditions of the sale and purchase agreement. The acquisition was completed on 22 February 2019, upon which all of the conditions precedent for cash and allotment consideration have been fulfilled for this acquisition. Please refer to the announcements of the Company dated 1 February 2019, 13 February 2019 and 22 February 2019 for further details.

Save as disclosed above, there were no important events after the Review Period and up to the date of this annual report.

### (C) 關連方交易

於本集團日常業務過程中進行的重大關連方交易的詳情乃於財務報表附註32項下提供。該等關連方交易概無構成一項根據上市規則界定須予披露的關連交易，惟上文已披露者除外，該等交易已根據上市規則第14A章遵守披露規定。

### 回顧期後重大事項

穎元股權轉讓協議項下有關收購事項之現金代價及第一次配發之先決條件均已達成，故該收購事項已於二零一九年一月四日完成。其他詳情請參閱本公司日期為二零一八年十二月七日之通函。

於二零一九年二月一日（交易時段後），（其中包括）本公司與速易有限公司（作為賣方）訂立一份買賣協議（「**夏力買賣協議**」）。據此，本公司已有條件同意收購而賣方已有條件同意出售夏力國際有限公司之全部已發行股本，總代價為206,000,000港元，將由本公司根據買賣協議條款及條件向賣方以現金方式支付6,000,000港元以及按每股代價股份2.50港元的發行價配發及發行80,000,000股本公司新股份（「**代價股份**」）的方式支付200,000,000港元。該收購事項之現金代價及第一次配發之先決條件均已達成，故該收購事項已於二零一九年二月二十二日完成。其他詳情請參閱本公司日期為二零一九年二月一日、二零一九年二月十三日及二零一九年二月二十二日之公告。

除上文所披露者外，於回顧期後及直至本年報日期，概無發生重大事項。

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the best knowledge of the Directors as at the date of this annual report, the Company has maintained the prescribed public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

## PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has maintained appropriate Directors' liability insurance coverage for the Directors during the financial year ended 31 December 2018.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association and the laws of Cayman Islands, which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

## PURCHASE, SALE OR REDEMPTION OF SHARES

During the Review Period, the Company repurchased a total of 9,940,000 ordinary shares of HK\$0.01 each ("Shares") on the Stock Exchange at aggregate consideration (before expenses) of HK\$27,129,125. All the repurchased Shares were subsequently cancelled.

## 充足的公眾持股量

於本年報日期，根據本公司所得的公開資料及據董事所深知，本公司已根據上市規則維持所規定的不少於本公司已發行股份25%的公眾持股量。

## 獲准許的彌償條文

組織章程細則規定，各董事有權就其任期內，或因執行其職務而可能遭致或發生與此相關的一切損失或責任從本公司資產中獲得彌償。截至二零一八年十二月三十一日止財政年度，本公司已為董事投購買合適的董事責任保險作為保障。

## 優先購買權

組織章程細則及開曼群島法律並無優先購買權的規定，致使本公司須按比例基準向現有股東發售新股份。

## 購買、出售或贖回股份

於回顧年內，本公司於聯交所購回合共9,940,000股每股0.01港元之普通股（「股份」），總代價（扣除開支前）為27,129,125港元。所有購回之股份均已於其後註銷。

Date	Number of Shares Repurchased	Purchased price		Aggregate consideration (before expenses) 總代價 (扣除開支前)	
		Highest 最高	Lowest 最低		
日期	所購回股份數目	購回價格			
2018-5-18	二零一八年五月十八日	3,000,000	2.35	2.35	7,050,000
2018-5-30	二零一八年五月三十日	3,000,000	2.94	2.94	8,820,000
2018-6-7	二零一八年六月七日	2,000,000	3.05	3.04	6,098,925
2018-7-27	二零一八年七月二十七日	1,940,000	2.66	2.65	5,160,200
		9,940,000			27,129,125

## Report of the Directors 董事會報告

On 27 August 2018, Yongsheng Dyeing, an indirect wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Huvis, pursuant to which Yongsheng Dyeing agreed to sell and Huvis agreed to purchase 30% of equity interests in Nantong Yongsheng held by Yongsheng Dyeing, at the consideration of RMB17,660,140 in cash. After completion, Nantong Yongsheng was owned as to 67% by Yongsheng Dyeing, 30% by Huvis and 3% by Nantong Minority Shareholders.

Save as disclosed above, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities during the Review Period.

### AUDITORS

The financial statements now presented have been audited by Ernst & Young, Certified Public Accountants. Ernst & Young will retire and, being eligible, will offer themselves for re-appointment at the forthcoming AGM. A resolution for the re-appointment of Ernst & Young as auditors of the Company will be proposed at the forthcoming AGM.

### PROPOSED FINAL DIVIDEND AND CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 21 May 2019 to 27 May 2019, both days inclusive, for the purpose of determining Shareholders' entitlement to attend the forthcoming AGM to be held on Monday, 27 May 2019, during which period no transfer of Shares will be registered. In order to qualify for attending the AGM, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 20 May 2019.

於二零一八年八月二十七日，本公司間接全資附屬公司永盛染整與Huvis訂立股權轉讓協議，據此，永盛染整同意出售而Huvis同意購買永盛染整持有的南通永盛30%股權，代價為現金人民幣17,660,140元。於完成後，南通永盛由永盛染整、Huvis及南通少數股東分別擁有67%、30%及3%權益。

除上文所披露者外，本公司及其任何附屬公司於回顧年內概無購買、出售或贖回任何本公司證券。

### 核數師

現呈報的財務報表已由執業會計師安永會計師事務所審核。於應屆股東週年大會上，安永會計師事務所將告退任，惟符合資格，並願意膺選連任。應屆股東週年大會上將提呈決議案，以續聘安永會計師事務所為本公司核數師。

### 建議末期股息及暫停辦理股份過戶登記

本公司將於二零一九年五月二十一日至二零一九年五月二十七日（包括首尾兩日）期間暫停辦理股東登記，以釐定有權出席於二零一九年五月二十七日（星期一）舉行的應屆股東週年大會的股東身份，期間概不會辦理股份的過戶登記手續。為符合資格出席股東週年大會，股東應確保所有過戶文件連同有關股票及過戶表格須於二零一九年五月二十日下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）。

The Board recommends the payment of the final dividend of HK\$0.022 per Share to the Shareholders whose names appear on the register of members of the Company on Wednesday, 5 June 2019. The payment of the final dividend is subject to approval by the Shareholders at the AGM. If the resolution for the final dividend is passed at the AGM, the register of members will be closed from 31 May 2019 to 5 June 2019, both days inclusive, and the final dividend is expected to be paid on Friday, 28 June 2019. In order to qualify for the final dividend, the Shareholders should ensure that all transfers accompanied by the relevant share certificates and transfer forms are lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 30 May 2019.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the financial results and of the assets and liabilities of the Group for the last five financial years is set out on pages 223 to 224 of this annual report.

By Order of the Board  
**LI Cheng**  
*Chairman and Executive Director*  
Hong Kong, 26 March 2019

董事會建議向於二零一九年六月五日（星期三）名列本公司股東名冊的股東派付末期股息每股0.022港元。末期股息須待股東於股東週年大會上批准後，方可派付。倘末期股息的決議案在股東週年大會上獲得通過，股東名冊將於二零一九年五月三十一日至二零一九年六月五日（包括首尾兩日）期間暫停辦理股東登記，並且預期於二零一九年六月二十八日（星期五）派付末期股息。為符合資格獲取末期股息，股東應確保所有過戶文件連同有關股票及過戶表格須於二零一九年五月三十日下午四時三十分前交回本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）。

## 五年財務概要

本集團於最近五個財政年度的財務業績、資產及負債概要乃載於本年報第223頁至224頁。

承董事會命  
主席兼執行董事  
**李誠**  
香港，二零一九年三月二十六日

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### ESG REPORT INDEX

### ESG報告索引表

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## INTRODUCTION

### About this report

This is the third Environmental, Social and Governance (the “ESG”) report published by the Company for the purpose of disclosing the initiatives of the Group in relation to its ESG development.

As per the “Environmental, Social and Governance Reporting Guide” (the “Reporting Guide”) published by the Stock Exchange, the Board has overall responsibility for the Group’s ESG strategy and reporting. The Board is responsible for assessing and determining the risks in relation to the ESG of the Group, as well as ensuring the establishment of appropriate and effective ESG risk management and internal control systems by the Group. The management of the Group is responsible for reporting to the Board for confirmation of the effectiveness of these systems.

The ESG report aims at improving the stakeholders’ confidence and understanding of the Group’s environmental and social performance as well as the sustainable development strategies of the Group. The Board of the Company has reviewed and confirmed the ESG report has contained material, complete and balanced content.

### Preparation standards

The report is prepared based on the principles set out in the Reporting Guide set out in Appendix 27 to the Listing Rules.

The ESG report covers the Group’s two main businesses: (i) PFY production and (ii) differentiated fabrics dyeing and processing in the PRC.

This report covers the financial year ended 31 December 2018.

## ENVIRONMENTAL ASPECTS

### Build a sustainable ecosystem

In response to urge for accelerating the development of “conservation-oriented society”, the Group has actively complied with the relevant laws and regulations in relation to emissions and pollutants control, and the Group has put in practices the “Quality and Environmental Management Manual” in association with management procedure manuals in relation to waste water treatment, gas emission, waste handling and resources management procedures to monitor the treatment and disposal of waste water, gas emissions and waste disposal. The Group has been accredited with the ISO 14001 environmental management certification since February 2015 and has completed the external audit and renewal related to ISO during the Review Period.

## 引言

### 關於本報告

此乃本公司之第三份環境、社會及管治（「環境、社會及管治」）報告，借此披露有關永盛之在環境、社會及管治方面之發展及措施。

根據聯交所發佈的《環境、社會及管治報告指引》（「報告指引」），董事會全權負責本集團的環境、社會及管治策略及報告。董事會負責評估及釐定本集團有關環境、社會及管治的風險，並確保本集團設立合適及有效的環境、社會及管治風險管理及內部控制系統。本集團的管理層負責向董事會提供有關該等系統是否有效的確認。

環境、社會及管治報告旨在提高持份者對本集團環境及社會表現以及本集團可持續發展策略之信心及理解。本公司董事會已審閱並確認環境、社會及管治報告已載列重要、完整及均衡內容。

### 編制准則

報告乃遵照上市規則附錄二十七之報告指引所載原則而編製。

環境、社會及管治報告涵蓋本集團於中國之兩大主要業務：(i)滌綸長絲生產及(ii)差別化面料加工及染色。

本報告涵蓋截至二零一八年十二月三十一日止財政年度。

### 環境方面

#### 締造可持續發展的生態環境

為積極響應國家提出的加快建設「節約型社會」的要求，本集團積極遵守有關排放物及污染物監控之相關法律法規，本集團已實行與管理程序手冊相關之「品質環境管理手冊」，有關內容包括廢水處理、廢氣排放、廢棄物處理及資源管理流程，以及監控廢水、氣體排放物處理、處置以及廢棄物處置。本集團已自二零一五年二月取得ISO 14001環境管理體系認證，並於回顧期內完成了ISO外部審核及ISO轉換證工作。



## A1. Emission policies

### **Gas emission policy**

The Group has formulated the “Gas Emission Management Procedure” in order to effectively and efficiently manage its gas emission and ensure the Group’s compliance with the relevant rules and regulations regarding gas emissions in the PRC.

The Group primarily produces the greenhouse gas (“**GHG**”) due to energy consumption in the production process. Pursuant to the GHG Protocol (an international standard for measuring emissions from private and public operations) in translating the GHG emission resulted from energy consumption under Scope 2 Guidance of the GHG Protocol (an international standard regarding how corporations measuring emissions from purchased or acquired electricity, steam, heat and cooling), the Group has a total GHG emission of approximately 81,676 tonnes of carbon dioxide equivalence during the Period Under Review.

### **Waste water treatment policy**

The Group has formulated the “Waste Water Management Procedure” in order to effectively and efficiently manage the treatment and disposal of waste water and comply with the rules and regulations regarding waste water disposal.

The Group adopts measures to separate waste water produced during its production from other uses. Waste water segregation is adopted in the production sites in order to facilitate segregation in treatments for different types of waste water.

The Group’s waste water is mainly produced in the dyeing facilities. In order to comply with the local government requirements to ensure waste water was pre-treated (i.e. reducing the Chemical Oxygen Demand (“**COD**”) level of the waste water) before entering the municipal drainage system, the Group had built a water pre-treatment facility on the dyeing production site in 2015 with further enhancement in 2018.

## A1. 排放政策

### **氣體排放政策**

為有效及高效管理其氣體排放及確保本集團符合中國有關氣體排放的相關規則及規例，本集團已制定「廢氣管理程序」。

本集團的溫室氣體排放主要源於生產過程的能源消耗。於回顧期間，根據溫室氣體（「**溫室氣體**」）核算體系（一項計量私營及公營企業排放物的國際標準）對範圍二項下由於能源消耗導致的溫室氣體排放進行折算（一項關於企業如何計量購買式收購電力、蒸汽、加熱及製冷產生之排放之國際標準），本集團合共產生溫室氣體排放量約81,676噸二氧化碳當量。

### **廢水處理政策**

為有效及高效管理廢水處理及處置，並遵從有關廢水處置之規則及規例，本集團已制定「廢水管理程序」。

本集團採取措施對來自其他用途的生產過程中產生的廢水進行分流。於生產現場採用廢水分流，以利於對各類廢水分流分治。

本集團之廢水主要產生於染整裝置。為符合當地政府規定以確保廢水在進入市政排水系統前得到預處理（即降低廢水的化學需氧量（「**COD**」）水平），本集團已於二零一五年在染整裝置生產現場建立廢水預處理設施，並二零一八年得到進一步提升。

During the Review Period, the Group also installed the Distributed Control System (“DCS”) central control system and ammonia nitrogen automatic monitoring system for wastewater treatment process in its workshops. The DCS central control system is designed to monitor the whole process of wastewater treatment by continuously monitoring sewage inflow, inflow temperature, PH value, operating condition of circulating water pump, discharge amount and other real time indexes on 24 hours basis. With such systems, wastewater treatment was under global monitoring and steady control, ensuring discharged wastewater after treatment met environmental requirements, such as COD under 200mg/L, PH value within the range of 6 to 9, ammonia-nitrogen below 20mg/L and total nitrogen below 30mg/L.

於回顧期間，本集團於其車間安裝廢水處理過程的Distributed control systems (「DCS」) 中控系統和氨氮自動監測系統。DCS中控系統主要針對整個污水處理過程進行監控，包括污水進水量、進水溫度、PH值、循環水泵狀態、排水量等多項實時指標進行24小時持續監測，使污水處理在整個過程全程監控穩定控制，確保外排廢水達到COD 200mg/L以下、PH值介於6-9之間、氨氮20mg/L以下和總氮30mg/L以下等環保要求。



Yongsheng Dyeing's shallow air flotation system  
永盛染整的淺層氣浮系統

In May 2018, Yongsheng Dyeing invested approximately RMB840,000 to upgrade the sewage treatment system, including investment into a 100 tons/hour shallow air flotation system which has effectively replaced the inefficient sewage physicochemical treatment system of the primary sedimentation tank in the original sewage biochemical system. The investment was also used to add a sewage anaerobic circulation system which has effectively solved the problem of occasional blockage of the original sewage anaerobic water distributor pipes, further ensuring the smooth operation of the sewage treatment system.

2018年5月，永盛染整投入約人民幣84萬元對污水處理系統進行升級改造，其中投入100噸／小時的淺層氣浮系統一套，有效取代了原污水生化系統中初沉池低效的污水物化系統，同時增加了一套污水厭氧循環系統，有效解決了原污水厭氧布水器管道偶爾堵塞的問題，進一步保證了污水處理系統的可靠運行。

In August 2018, Yongsheng Dyeing invested approximately RMB140,000 to upgrade the sewage online monitoring equipment, including the additional installation of a total nitrogen detector which can monitor the total nitrogen index in the discharged sewage in real time.

2018年8月，永盛染整投入約人民幣14萬元對污水在線監控設備進行升級改造，加裝總氮檢測儀1台，從而對排放污水中的總氮指標也進行實時監控。

### **Waste management policy**

The Group has formulated the “Waste Management Procedure” in order to effectively and efficiently manage the treatment and disposal of solid waste.

### **廢棄物管理政策**

為有效及高效管理固體廢棄物處理及處置，本集團已制定「廢棄物處理程序」。

## Environmental, Social and Governance Report 環境、社會及管治報告

Hazardous waste produced by the Group during its production process mainly includes dyeing sludge and waste oil from stenter. The Group stores such hazardous waste separately by their classification and adds labels on each depositary to specify the type, quantity and deposited time before they were transferred to professional third party for disposal.

In June 2018, Yongsheng Dyeing invested approximately RMB218,000 to purchase a high-pressure diaphragm filter press to upgrade the sludge treatment part of the sewage system, which not only significantly improved the printing and dyeing sludge treatment efficiency, but also made the treated sludge have a very low water content, thus significantly reducing the cost of subsequent sludge disposal.



Yongsheng Dyeing's high pressure diaphragm filter press  
永盛染整的高壓隔膜壓濾機

Non-hazardous waste produced by the Group mainly derived from packaging materials in production and domestic wastes from staff dormitory and office. The Group strives to reduce the packaging of the products. The Group maintains optimal design for packaging materials in accordance with environmental protection requirements, for example: to reduce product size, minimise packaging and save storage space. Given the needs to meet customer expectations and logistics requirements, the Group strives to cut down the usage of packaging materials. The main packaging materials for the Group's PFY products include carton boxes, paper cones, foam boards, plastic bags and plastic films, while the packaging materials for dyed fabric products include paper cones and plastic films. Wooden supports are used for product storage and auxiliary transportation and will be disposed of as general industrial waste only when damaged. The new wooden supports are those recyclable old wooden supports. On the other hand, domestic wastes are handled by municipal cleaning service.

本集團生產過程中產生的有害廢棄物主要是指印染污泥及定型機廢油。該部分有害廢棄物，本集團會進行分類管理、單獨存放，並於存放點樹立標籤，標明種類、數量及存放時間，再交由專業的第三方機構進行處理。

2018年6月，永盛染整投入約人民幣21.8萬元購入高壓隔膜壓濾機一台，對污水系統的污泥處理部分進行升級改造，不但印染污泥處理效率顯著提高，而且處理出來的污泥含水量極低，明顯降低了污泥後期的處理費用。

本集團的無害廢棄物主要源於生產包裝材料及員工宿舍及辦公室生活垃圾。本集團致力減少產品的包裝材料。本集團根據環保規定對包裝進行優化設計，例如：減少產品尺寸、最小化包裝及節省存儲空間。鑑於滿足客戶期望之需要及物流規定之前提下，本集團盡量減少使用包裝材料。本集團滌綸長絲產品的主要包裝材料包括紙箱、紙筒、泡沫板、塑料袋及塑料薄膜，而染色面料產品的包裝材料包括紙筒及塑料薄膜。用於產品儲存、運輸輔助的木架僅於損壞時才作為一般工業廢棄物處置。新增的木架為回收的可用的舊木架。另一方面，生活垃圾由市政清潔服務進行處理。

2018 A1 Emissions KPI

The following table sets out the gas emission and waste disposal data of the Group for the year ended 31 December 2018:

KPI	Specific indicator	Emission	Intensity
KPI	具體指標	排放量	密度
A1.1	Waste water 廢水	596,549 tons 596,549噸	877.05 tons/RMB million sales 877.05噸／百萬元人民幣銷售額
A1.2	GHG 溫室氣體	81,676 tons 81,676噸	120.08 tons/RMB million sales 120.08噸／百萬元人民幣銷售額
A1.3	Hazardous waste 有害廢棄物	1,240 tons 1,240噸	1.82 tons/RMB million sales 1.82噸／百萬元人民幣銷售額
A1.4	Non-hazardous waste 無害廢棄物	3,425 tons 3,425噸	5.04 tons/RMB million sales 5.04噸／百萬元人民幣銷售額

A2. Use of resources

The following table sets out the consumption rate of electricity, water and packaging materials for the year ended 31 December 2018:

KPI	Specific indicator	Resource consumption	Intensity
KPI	具體指標	資源消耗量	密度
A2.1	Electricity 電力	150,674MWh 150,674兆瓦時	221.52MWh/RMB million sales 221.52兆瓦時／百萬元人民幣銷售額
A2.2	Water 水	628,737 tons 628,737噸	924.37 tons/RMB million sales 924.37噸／百萬元人民幣銷售額
A2.5	Packing materials 包裝材料	3,425 tons 3,425噸	5.04 tons/RMB million sales 5.04噸／百萬元人民幣銷售額

Please refer to paragraph A3 below for description of energy use efficiency initiatives adopted by the Group and the results achieved.

2018年A1排放物關鍵績效指標

下表列載本集團截至二零一八年十二月三十一日止年度的廢氣排放及廢棄物處理數據：

A2. 資源使用

下表列載截至二零一八年十二月三十一日止年度的電力、水及包裝材料的消耗率：

請參閱下文A3段有關本集團所採納能源使用效益舉措及所取得成效的內容。

### **A3. Environment and natural resources**

#### **Environmental protection measures**

The main types of energy which the Group used in production are electricity and steam, all were supplied by the municipal facilities.

The Group aims at increasing energy efficiency through proper equipment maintenance and replacement of factory equipment. The Group has reduced electricity consumption from production by upgrading and replacing air compression systems. The Group adopted the “coal-to-steam” system which uses steam as driving force of stenter machines. Such system significantly reduces gas emission.

During the Review Period, Nantong Yongsheng, for the purpose of power saving, has replaced its high pressure air compressors with low pressure air compressors that could secure production needs. Besides, it has replaced all piston air compressors, featuring heavy noise and high electricity consumption with screw-air compressors featuring low noise and low electricity consumption, and has adopted converters to control all fans and water pumps. Upon the implementation of above improvement measures, workshops of the Group achieved more than 10% electricity consumption saving and reduced the impact of noise on the environment.

During the Review Period, Yongsheng Dyeing and Yongsheng Chemical Fiber successfully passed the test on the enterprise’s electric energy balance conducted by the Government of Xiaoshan District, Hangzhou, Zhejiang Province. The test mainly focused on the following two major parts of the enterprise: i) electricity consumption and power balance test, including power load, daily load rate, main electricity consumption per day, high-and low-voltage output line three-phase current and other parameters; and ii) the actual operating conditions test on on-site electrical equipment to understand whether electrical equipment operates smoothly and whether there is power-saving potential.

### **A3. 環境及天然資源**

#### **環保措施**

本集團生產所用能源主要類型為電力及蒸汽，均由市政設施供應。

本集團旨在透過適當的設備維護及更換工廠設備提高能源效益。本集團已經透過升級及更換空氣壓縮系統減少生產耗電量。本集團亦通過煤氣技術改造，所有定型機使用蒸汽定型大大降低了廢氣排放。

於回顧期內，南通永盛採取將高壓的空氣壓縮機技改成可保證生產需要的低壓壓縮機，以節省電耗；將噪音大耗電多的活塞空氣壓縮機全部更換成噪音小能耗低的螺桿式空氣壓縮機；對所有風機水泵採用變頻器控制。經過上述改進，集團車間用電節約10%以上，並且還降低了噪音對環境的影響。

於回顧期內，永盛染整及永盛化纖順利通過了浙江省杭州市蕭山區政府開展的關於企業電能平衡的測試，該測試主要圍繞企業的以下兩大部分進行：i)用電潮流及電量平衡測試，包括用電負荷、日負荷率、主要電元日用電量、高低壓輸出路線三相電流等參數；及ii)現場用電設備實際運行工況測試，了解是否正常運行及是否有節電潛力。

Based on the above test data in two aspects and combined with the comprehensive analysis of the current status of equipment operation, the Group proposed a related rectification plan for the production process. Through rectification, Yongsheng Dyeing and Yongsheng Chemical Fiber finally saved energy by over 7%.

The Group has a circulating cooling water system in place to reduce the consumption of water for cooling down during this Period. Furthermore, Yongsheng Dyeing has installed a water recycling system to recycle dyed water generated from its production and reduce water consumption.

The Group strives to recycle all recyclable industrial resources by 1) re-using leftover materials resulted from production; 2) selling sub-standard filament to downstream manufacturers; and 3) collecting and re-using packaging materials of raw materials. All these initiatives have significantly reduced packaging wastes. During the Review Period, the sub-standard filaments recycled were approximately 1,323 tonnes, representing approximately 3.8% of production volume.

本集團針對以上兩部分的測試數據並結合對設備運行現狀的綜合分析，提出了相關的生產工藝的整改方案，通過整改，永盛染整及永盛化纖最終實現節能7%以上。

本集團設置循環冷卻水系統以減少即期降溫的用水。此外，永盛染整已安裝水循環系統以回收染整生產用水及降低水資源消耗量。

本集團致力於回收所有可回收的工業資源，主要透過1)重複使用生產中所產生的邊角料；2)向下游製造商銷售較次標準的長絲；及3)收集及重複利用原材料的包裝材料。所有該等舉措已大幅減少包裝廢棄物。於回顧期間，回收較次標準的長絲共計約1,323噸，相當於生產量的約3.8%。



Energy-saving air compressor in Nantong Yongsheng  
南通永盛的節能空壓機

Nantong Yongsheng conducted full pipe insulation of rare earth materials in a workshop, which reduced heat loss and improved ambient temperature.

南通永盛對一車間進行稀土材料全管道保溫，降低熱能損耗，改善環境溫度。



## Environmental, Social and Governance Report 環境、社會及管治報告

### Environmental friendly products application

During the Review Period, the Group continued to use environmental products that were granted with two national invention patents. The “Nylon Ultrafine Fabric Filament and Leather-Feel Velvet Fabric” are manufactured with lower temperature printing and dyeing methods which significantly reduced energy consumption and emissions, as compared with the manufacturing of regular polyester ultrafine fiber. Meanwhile, the microfiber filaments of “Ultrafine Fabric and Naked Shammy Fabric” require less or no dyestuff in production result in less or no sewage being discharged during the production process. These two patented products achieve energy-saving and environmental protection at the same time.

### 環保產品應用

於回顧期間內，本集團繼續使用獲授兩項國家發明專利的環保產品。「尼龍超細纖維長絲及皮感絨織物」乃使用低溫印染方法生產，該方法較生產常規滌綸超細纖維能大幅減少能源消耗及排放。同時，「超細纖維長絲及無染麂皮織物」的超細纖維細絲在生產中需要很少或不需要染料，進而令生產過程中排放很少或不排放廢水。該等兩種專利產品同時實現了節能及環保。

### Evaluation of the environmental performance:

### 環境表現的評估：

	永盛染整 Yongsheng Dyeing			永盛化纖 Yongsheng Chemical Fiber			南通永盛 Nantong Yongsheng		
	2018 二零一八年	2017 二零一七年	Changes 變動	2018 二零一八年	2017 二零一七年	Changes 變動	2018 二零一八年	2017 二零一七年	Changes 變動
Production volume 產量	Million metres 50.5百萬米	Million metres 50.9百萬米	-0.8%	Thousand tonnes 10.4千噸	Thousand tonnes 14.7千噸	-29.3%	Thousand tonnes 24.1千噸	Thousand tonnes 19.5千噸	23.6%
water usage-tonnes/per meter 每米用水量/噸	0.01226	0.01264	-2.99%	Immaterial 不重大			Immaterial 不重大		
electricity usage- kwh/per meter 每米用電量/千瓦時	0.31	0.28	9.89%	1,135.29	1,146.36	-0.97%	2,008.89	2,201.75	-8.76%
steam usage-tonnes/per meter 每米用蒸汽量/噸	0.00178	0.00164	8.33%	Not used 不使用			Not used 不使用		
water treatment usage-tonnes/per meter 每米水處理量/噸	0.01162	0.01267	-8.27%	Immaterial 不重大			Immaterial 不重大		
2018 Initiatives 二零一八年之措施	<ul style="list-style-type: none"> <li>Water recycle initiatives 水循環計劃</li> <li>Water pre-treatment facility 廢水預處理設施</li> <li>Shift from coal-to-gas to reduce exhaust emission 採用煤改汽技術減少廢氣排放</li> <li>Increased the overall efficiency in electricity usage 提高用電之整體效率</li> </ul>			<ul style="list-style-type: none"> <li>Analyse measuring data of electric energy balance to improve the overall efficiency in electricity usage 分析電能平衡測試數據，提高用電之整體效率</li> </ul>			<ul style="list-style-type: none"> <li>Replace high pressure air compressors with low pressure air compressors 將高壓空氣壓縮機改為低壓空氣壓縮機</li> <li>Apply frequency conversion control to all fan pumps 對所有的風機水泵採用變頻控制</li> </ul>		

## SOCIAL ASPECTS

### Care for the employees

#### B1. Employment

The management of the Group believes that “cooperation” and “reciprocity” are the key success elements in a harmonious employment relationship. Hence, the Group strictly complies with labour laws, regulations and industry practices in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare. The Group participates in the social insurance schemes operated by the relevant local PRC government authorities which include: retirement pension, medical insurance, unemployment insurance, industrial injuries insurance and maternity insurance as required by the relevant PRC regulations. Apart from competitive salaries and incentives such as bonus and share options which is based on the evaluation of their contributions to the Group, the Group also provides promotion prospects and training opportunities to staff.

The Group also provides a series of facilities and benefits for its staff and their families. The Group aimed at equipping its staff with all-rounded skills and developing the full potential of its staff. Most of the senior management worked over five years for the Group.

#### *Gender equality and diversity*

The Group promotes equal opportunity and advocates diversity. All recruitment and promotions are based on meritocracy and all candidates will be considered during the recruitment procedures. Selection of candidates will be based on a diverse range of criteria, including but not limited to gender, age, cultural and educational background, experience, skills and knowledge. Necessary procedures are also exercised to ensure fair and non-discriminatory recruitment.

## 社會方面

### 關懷員工

#### B1. 僱傭

本集團管理層認為，「合作」與「互惠」乃和諧僱傭關係之關鍵成功要素。因此，本集團嚴格遵守有關薪酬及解聘、招聘及晉升、工時、休息時間、平等機會、多元化、反歧視以及其他待遇及福利之勞動法律、法規及行業慣例。本集團參與有關當地中國政府部門之社會保險制度，包括：有關中國法規規定之退休養老金、醫療保險、失業保險、工傷保險及生育保險。除具競爭力之薪金及激勵（如根據其對本集團之貢獻評估釐定之花紅及購股權）外，本集團亦為員工提供晉升前景及培訓機會。

本集團亦為員工及其家屬提供一系列便利及福利。本集團致力為員工發展全面技能，並充分發掘員工潛力。大部分高級管理人員已於本集團工作五年以上。

#### *性別平等及多元化*

本集團倡導機會平等並提倡多元化。所有招聘及晉升均以用人唯才為原則，且在招聘程序中會考慮所有人選。甄選候選人將以多元化標準為基準，包括但不限於性別、年齡、文化及教育背景、經驗、技能及知識。本集團於必要時亦會採取措施確保公平及非歧視招聘。

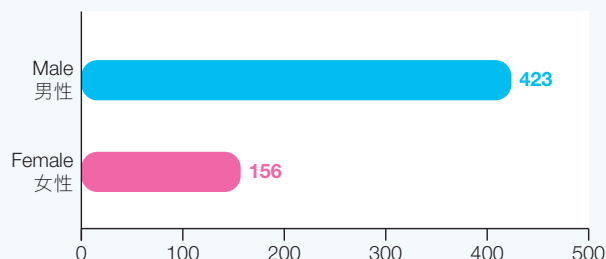


## Environmental, Social and Governance Report 環境、社會及管治報告

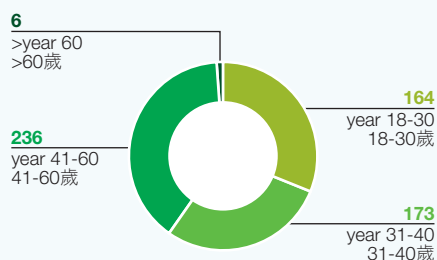
As at 31 December 2018, the Group had a total of 579 employees and all of them are full-time employees. During the Review Period, the Group's overall average employee turnover rate is approximately 4.04%.

於二零一八年十二月三十一日，本集團共僱用員工579人，全部為全職僱員。於回顧期間內，本集團之整體平均僱員流失率為約4.04%。

The Group's employee profile by gender is illustrated as below:  
本集團僱員按性別分布如下：



The Group's employee profile by age is illustrated as below:  
本集團僱員按年齡段分布如下：



### Staff activities

The Group has organised various leisure activities and festival celebrations for its staff. During the Review Period, the Group organised a series of activities to celebrate festivals like Chinese New Year, Women's Day etc.. The Group also organised staff travel and other sports activities, in order to encourage work-life balance among its staff. The Group arranged thanksgiving gifts to its staff during Chinese New Year, Mid-Autumn Festival etc.. As a caring company, senior management of the Group regularly paid visits to staff under inferior living conditions and assist them with sincere gratitude.

### 員工活動

本集團已為員工組織豐富的休閒活動及節日慶典。於回顧期間內，本集團已組織一系列慶祝春節、婦女節等節日活動。本集團亦組織員工旅行及其他體育活動，旨在促進員工平衡工作與生活。本集團在春節及中秋節等期間為員工準備感恩禮物。作為一間充滿關懷的公司，本集團高級管理層定期走訪慰問困難職工，並提供誠摯幫助。



Our chairman signed off the safety production responsibility statement with general managers from subsidiaries

總裁與各子公司總經理簽訂安全生產責任書

Fun Games organized for employees  
員工趣味運動會



Visiting employees in difficulty  
走訪困難職工

## B2. Health and Safety

### Strengthened Production Safety

The Group strictly abides by the local laws and regulations related to employee health and safety, such as the Production Safety Law of People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, and the Measures for the Supervision and Administration of Occupational Health Surveillance. It regulates the work regarding production safety and prevention of occupational diseases in a standardized way and strengthens the protection of female employees through a series of internal rules and regulations.

In addition, in accordance with the requirements from systems such as the Safety Production Management System, the Group enhances accident and non-compliance management, supervises production safety, and carefully analyzes and reflects on the lessons learned from non-compliance or production accidents to prevent further non-compliance. The principal of "four prohibition" on incomplete cause investigation, incomplete disciplinary action for responsible staff member, incomplete rectification measures and incomplete training for relevant staff member is upheld to improve safety education and implement rectifying measures.

The Group has installed comprehensive fire alarm systems and fire-fighting equipment at each workplaces to reduce potential fire risk. All of the Group's new staff had attended the safety trainings. Apart from the basic safety training, the Group also focused on implementing the "6S" lean management framework in daily works. The Group also requires proper safety training to be conducted before new equipment or techniques being employed or being operated.

## B2. 健康與安全

### 重視安全生產

本集團嚴格遵守當地與員工健康與安全相關的法律法規，如《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《職業健康監護管理辦法》等，通過系列的內部規章制度來規範格式的安全生產與職業病防護工作，加強女職工的保護。

此外，本集團按照《安全生產管理制度》等制度規定，加強事故及違章管理，監管安全生產及，認真分析並反省有關違章或者生產意外帶來的教訓，杜絕重複現象發生，落實事故原因未查清不放過，責任人員未處理不放過，整改措施未落實不放過和有關人員未受到教育不放過的「四不放過」原則，做好職工安全的教育及整改措施。

本集團已在每個生產車間安裝綜合性火災報警系統及滅火設備，以降低潛在火災風險。本集團所有新員工均參加安全培訓。除基礎安全培訓外，本集團亦集中於日常工作中應用「6S」精益管理體系。本集團亦要求操作或運用新設備或技術前進行適當的安全培訓。

## Environmental, Social and Governance Report 環境、社會及管治報告

### Emphasis on occupational disease prevention

In accordance with the relevant local laws and regulations, the Group offers health and safety education to employees and provides induction safety training and arranges safety retraining for elder employees.

Yongsheng Chemical Fiber and Nantong Yongsheng distribute protection gears, such as earplugs and masks regularly, and offer proper training in respect of which is carried out among staff.

To promote a safe working environment and protect employees from occupational hazards, the Group had formulated its own procedures of the handling of chemical products and machinery management.

The Group posts notices and warning signals at workplaces where occupational hazards exist in order to raise the awareness of self-protection of employees.

### 重視職業病防護

本集團根據當地的有關法律法規，對員工進行健康安全教育，實行入職前安全培訓和老員工安全再培訓。

永盛化纖及南通永盛定期分發耳塞、口罩等勞保用品，並對如何正確佩戴進行員工培訓。

為促進安全工作環境及保障僱員避免職業性危害，本集團已制定「化學品管理程序」及「生產設備管理程序」。

在車間有職業危害的地方進行告知和警示，提高員工自我防護意識。

### B3. Development and training

Communications are keys to the success of the Group. Internal management meetings of the Group were held regularly, such as management monthly meetings, periodic meetings for ad-hoc projects, functional meetings and daily team briefings, etc.. Also, in order to promote a safe production environment, efficiency and uphold the quality of the Group's products, organised trainings were provided to staff, such as new staff induction program, fire prevention seminars, work safety seminars, seminars on technical topics, managerial skills, rules and regulations updates.

### B3. 發展及培訓

溝通是本集團成功的關鍵。本集團定期舉行內部管理會議，如管理月度會議、專案定期會議、功能會議及日常團隊簡會。此外，為提升安全生產環境、效率及提高本集團產品質量，本集團已為員工提供系統培訓，如新員工入職培訓、防火培訓、工作安全研討會、技術專題研討會、管理技能、規章制度更新等。

#### Efficient process for talent development 高效的人才發展流程



#### B4. Labour standards

The Group strictly complies with the relevant laws and regulations in relation of the prohibition of child and forced labour. The Group strictly prohibited employment of any staff under the age of 16. The human resources department of the Group strictly implements measures to prevent any violations thereof, for example identity cards, certificates of skills and graduation certificates of each staff member are verified before signing formal employment agreements with the candidates. The Group also has measures in place to reconfirm whether the newly recruited staff meets the recruitment criteria. The Group will pay minimum salary on a monthly basis which is no less than those required by local government in accordance with the government regulations during the probation period. It will determine staff salary in accordance with the skills and technical requirements of the position.

### OPERATING PRACTICES

#### B5. Supply chain management

*Corporate certifications, qualifications and awards*

The Group promotes the concept of “innovation” with strong research and development capabilities. The Group obtained certifications in quality and environment management aspects (ISO9001 and ISO14001). In addition, the Group has obtained a series of corporate certifications, qualifications and awards as listed out in the “Certifications and Qualifications” section above in recognition in its effort in promoting “innovation”.

#### B4. 勞工準則

本集團嚴格遵守有關禁止童工及強制勞工之有關法律及法規。本集團嚴格禁止僱傭任何16歲以下的員工。本集團人力資源部門與候選人簽署正式僱傭協議前會嚴格執行如核查每個員工的身份證、技能證書及畢業證書等措施，防止任何違規行為。本集團亦採取措施重新確認新招聘員工是否符合徵聘標準。根據政府規定，於試用期內，本集團將支付之每月最低薪金不低於地方政府規定之標準。本集團將根據職位之技能及技術要求釐定員工薪金。

### 營運慣例

#### B5. 供應鏈管理

*企業認證、資格及獎勵*

本集團力推具有強大研發能力的「創新」理念。本集團已取得質量及環境管理方面之認證（ISO9001及ISO14001）。此外，本集團已取得一系列為表彰其推動「創新」所作出努力的公司認證資格及獎勵（誠如上文「認證及資格」一節所載）。

*Procurement reliability and relationships with suppliers*

The Group monitors its procurement procedures closely as raw materials directly affect products quality. During the Period Under Review, the major suppliers of the Group were mainly located in Zhejiang province, Jiangsu province and other regions of the PRC and had over 5 years of relationship with the Group on average. When liaising with new suppliers, the sourcing department of the Group is responsible for evaluating the potential suppliers with reference to the criteria set out in the “Stakeholders Environmental Management Procedures”, for example the compliance of relevant statutory requirements, product quality, production stability, compliance with safety and environmental protection rules and regulations and pricing. The Group only engages the suppliers which have passed the evaluation. Subsequent to the engagement of the suppliers, the Group performs regular evaluation of its suppliers in order to monitor product quality.

*Emergencies management*

The Group formulated the “Emergency Management Procedures” and “Fire Prevention Management Procedures” and other production safety management systems to cope with emergencies. In addition, the Group has designated personnel to conduct safety inspections on production facilities and conduct instant follow-up when any exceptional situation was found.

In order to minimise the environmental and social impact due to emergencies, the Company will set up a central team to manage emergencies and designate relevant personnel to formulate evacuation plans, conduct post-incident repair and investigations in order to avoid the re-occurrence of similar incidents in accordance with the “Ratification and Prevention Measures Management Procedures”.

*採購可靠性及與供應商的關係*

由於原材料直接影響產品質量，本集團密切監控其採購程序。於回顧期間內，本集團之主要供應商主要分佈在中國浙江省、江蘇省及其他地區，且與本集團平均維持超過五年的關係。當聯絡新供應商時，本集團採購部門負責參考「相關方環境管理程序」所載標準評估潛在供應商，如相關法定要求之合規性、產品質量、產品穩定性、安全及環保規章制度之合規性及定價。本集團僅與已通過評估之供應商合作。於選擇供應商後，本集團定期評估供應商，以監控產品質量。

*突發事件管理*

本集團已制定「應急準備和回應管理程序」及「消防管理程序」以及其他生產安全管理制度，以應對突發事件。此外，本集團已指定人員對生產設施進行安全檢查，並在發生特殊情況時及時跟進。

為最大程度減輕突發事件造成的環境及社會影響，本公司將成立中央小組管理突發事件，並指定相關人員根據「糾正和預防措施管理程序」制定疏散計劃、進行事後維修及調查，以免再次發生類似事件。

**B6. Product responsibility**

*Product quality*

The Group is committed to offer quality products to its customers and complying with the requirements of relevant standards in relation to health and safety, advertising, labeling and privacy matters of its products. The Group has formulated the “Product Quality Monitoring and Measurement Procedures”, the “Defective Product Management Procedures” and the “Data Analysis Monitoring Procedures” in order to strictly manage product quality. The following chart illustrates the quality and environmental management framework of Yongsheng:

**B6. 產品責任**

*產品質量*

本集團致力為客戶提供優質產品，遵守有關產品健康及安全、廣告、標籤及保密事宜之相關標準規定。本集團已制定「產品的監視和測量管理程序」、「不合格品管理程序」及「資料分析控制程序」，以嚴格管理產品質量。下圖列示永盛的質量及環境管理體系的框架：

**The quality and environmental management framework of the Group**  
本集團之質量及環境管理體系框架



## Environmental, Social and Governance Report 環境、社會及管治報告

### Patents

As one of the leading manufacturers of differentiated PFY and dyeing and processing of differentiated polyester filament fabrics in the PRC, product quality is the top priority of the Group. The Group owned 67 utility model patents and 2 invention patents. The number of patents owned by each member of the Group is as follows:

		Invention patents 發明專利	Utility model patents 實用新型專利	Number of patents being owned 擁有專利數
Yongsheng Dyeing	永盛染整	2	19	21
Yongsheng Chemical Fiber	永盛化纖	–	16	16
Nantong Yongsheng	南通永盛	–	32	32
		2	67	69

The Group sets “innovation” as the top priority for its business growth. The Group pays great attention to the protection of intellectual property and product secrecy in order to safeguard the fruit of its innovation. The product information department is responsible for managing the patents and projects of the Group. The Group will cooperate with intellectual property service companies to improve the quantity and quality of future patents applications. The Group will continue to develop a sustainable innovation model through internal research and development, industry-university-research cooperation and others research and development efforts.

The Group will also perform periodic customer satisfaction surveys in order to understand customer demand.

### 專利

作為中國領先的差別化滌綸長絲及差別化滌綸面料染色及加工的生產商之一，產品質量為本集團之首要事項。本集團擁有67項實用新型專利及2項發明專利。本集團各成員公司之擁有專利數如下：

本集團將「創新」設為業務增長之第一要務，本集團高度重視保護知識產權及產品保密，以保護創新成果。產品信息部門負責管理本集團的專利及項目。本集團將與知識產權服務公司合作，提高未來專利申請之數量及質量。本集團將通過自主研發、產學研合作及其他研發工作繼續發展可持續創新模式。

本集團亦將定期進行客戶滿意度調查，以瞭解客戶需求。

## B7. Anti-corruption

The Group emphasises on transparency and responsibility in order to fulfill the corporate motto of “integrity”. The Group strives to achieve zero occurrence of incidents that are detrimental to the interests of shareholders, investors, customers and other stakeholders of the Group. The Group had formulated a set of anti-corruption policies to ensure compliance with all applicable anti-corruption laws and regulations in relation to bribery, extorting, fraud and money laundering. All directors, staff, agents and representatives and any individuals acting on behalf of the Group are prohibited from directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback or other corruptive payment or anything of value, to or from any person or organisation, including government agencies, individual government officials, private companies and employees of those private companies under any circumstances. During the Period Under Review, the Group did not have any non-compliance with laws and regulations in respect of anti-corruption, including but not limited to Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and Criminal Law of the PRC.

Moreover, the Group had formulated a whistle-blowing policy to increase employees’ awareness to uphold integrity. The chairman, chief executive officer and the audit committee of the Company will receive report of the whistle-blowing incidents and have the discretion to initiate independent investigations according to the nature of the incidents or refer the incidents to relevant regulatory authorities. The Group engaged investors and stakeholders periodically by publishing quarterly financial and business updates, organising visits to its factories and arranging focus group meetings with institutional investors and stock commentators. The Group also publish announcements in relation to its major development in accordance with the seven “Principles of Responsible Ownership” published by the Securities and Futures Commission (“SFC”).

## B8. Community investment

### *Community service*

Management of the Group actively participates in the public positions in community service. The chairman of the Group has been elected as a representative of the Hangzhou City Xiaoshan District People’s Congress of the PRC since December 2016. The chief executive officer of the Group has been elected as a member of the Hangzhou City Xiaoshan District Committee of the Chinese People’s Political Consultative Conference since December 2016.

## B7. 反貪污

本集團著力保持透明度及責任感，以踐行「誠信」的企業理念。本集團致力杜絕發生有損本集團股東、投資者、客戶及其他利益相關者利益之事件。本集團已制定反貪污政策，確保遵守所有適用反貪污法律及有關賄賂、勒索、欺詐及洗黑錢之法規。所有董事、員工、代理及代表以及代表本集團行事之任何個人於任何情況下均不可直接或間接向任何人士或組織提供、作出、索取或收取任何形式的賄賂、回扣或其他腐敗付款或任何有價值的物品，其中包括政府機構、個人政府官員、私營公司及該等私營公司僱員。於回顧期間內，本集團並未違反任何有關反貪污之法律及法規，包括但不限於香港法例第201章防止賄賂條例及中國刑法。

此外，本集團已制定舉報政策，以加強員工堅守公正廉潔的意識。本公司主席、行政總裁及審核委員會將收到舉報事件報告，可酌情根據事件性質進行獨立調查，或將該等事件轉介予有關監管機構。本集團通過刊發季度財務及業務更新資料定期接洽投資者及利益相關者，組織工廠參觀並與機構投資者及股評家進行小組重點會議。本集團亦根據期貨事務監察委員會（「證監會」）制定之七項《負責任的擁有權原則》刊發有關其重大進展之公佈。

## B8. 社區投資

### *社區服務*

本集團管理層積極參與為社區服務之公共職位。本集團主席自二零一六年十二月起當選為中國人民代表大會杭州市蕭山區代表（人大代表）。本集團行政總裁自二零一六年十二月起當選為中國人民政治協商會議杭州市蕭山區委員會委員（政協委員）。



## Environmental, Social and Governance Report 環境、社會及管治報告

The Group is keen on contributing to the society. During the Period Under Review, the Group donated approximately RMB1,060,500 to surrounding communities and social organisations.

### Community care

In 2018, the Group was once again listed as one of the “Top Ten Enterprises (十強企業)” and won the honorary title of “Advanced Taxpaying Enterprise (納稅先進企業)” released by the government of Jingjiang Street of Hangzhou.

In 2018, Yongsheng Dyeing was rated as “Excellent Enterprise (卓越企業)” of Hangzhou Airport Economic Zone in 2018. “Excellent enterprise” refers to an enterprise with an annual sales value (operating income) of RMB100 million or more and paying a treasury tax of RMB10 million or more in 2018, an enterprise with a tax of RMB400,000 or more per mu, an enterprise with the founder or one of the founders meeting or better than the “5213” talent (project) (“5213”人才(項目)) certification standards of the District, and other enterprises that have significantly promoted or influenced the airport transformation and upgrading, airport industry agglomeration and digital economy development.

Apart from paying high attention to corporate developments, the Group also cares about the development of the communities where its factories and offices locate. The Group has not only provided financial support to those who are in need in the surrounding communities, but also organised community events and encouraged its staff to participate.

Yongsheng Advanced Materials organized its employees to participate in blood donation activity  
永盛新材料組織員工參加「無償獻血活動」



本集團熱衷於奉獻社會。於回顧期間內，本集團已向周邊社區及社會組織捐獻約人民幣1,060,500元。

### 關愛社區

於2018年年內，本集團再次榮獲杭州市靖江街道頒發的「十強企業」及「納稅先進企業」的榮譽稱號。

於2018年年內，永盛染整被評為杭州空港經濟區2018年度「卓越企業」。「卓越企業」是指2018年度銷售產值（營業收入）1億元及以上且入庫稅收1000萬元及以上的企業；畝產稅收40萬元及以上企業；創始人為或創業團隊成員符合區「5213」人才（項目）及以上認定標準企業；其他對空港轉型升級、臨空產業集聚和數字經濟發展具有重大推動作用或有較大影響力的企業。

除高度重視企業發展外，本集團亦關心其工廠及辦事處所在社區發展。本集團不僅為周邊社區有需要人士提供資金支持，亦組織社區活動並鼓勵員工參與。



Yongsheng Dyeing was rated as “2018 Excellent Enterprise” of Hangzhou Airport Economic Zone  
永盛染整獲杭州市空港經濟區2018年度「卓越企業」

The Group was listed as one of the “Top Ten Enterprises” and won the honorary title of “Advanced Taxpaying Enterprise” released by the government of Jingjiang Street of Hangzhou  
獲杭州市靖江街道頒發的「十強企業」及「納稅先業企業」



# Independent Auditor's Report 獨立核數師報告



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To the shareholders of  
**Yongsheng Advanced Materials Company Limited**  
*(Incorporated in the Cayman Islands with limited liability)*

致永盛新材料有限公司股東  
*(於開曼群島註冊成立的有限公司)*

## OPINION

We have audited the consolidated financial statements of Yongsheng Advanced Materials Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 104 to 222 which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("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.

## 意見

本核數師(以下簡稱「我們」)已審核第104頁至第222頁所載的永盛新材料有限公司(「貴公司」)及其附屬公司(「貴集團」)的合併財務報表,此等合併財務報表包括於二零一八年十二月三十一日的合併財務狀況表與截至該日止年度的合併損益及其他全面收入表、合併權益變動表及合併現金流量表,以及合併財務報表附註(包括主要會計政策概要)。

我們認為,此等合併財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於二零一八年十二月三十一日的合併財務狀況,及截至該日止年度的合併財務表現及合併現金流量,並已按照香港《公司條例》的披露規定妥為編製。

## 意見的基礎

我們已根據香港會計師公會(「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在本報告「核數師就審核合併財務報表須承擔的責任」部分中進一步闡述。根據香港會計師公會頒佈的專業會計師道德守則(「守則」),我們獨立於 貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審核憑證能充分及適當地為我們的審核意見提供基礎。

## KEY AUDIT MATTERS

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

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

### Key audit matter

#### 關鍵審核事項

#### *Provision for impairment of trade receivables*

##### 貿易應收款項減值撥備

As at 31 December 2018, the Group had trade receivables of RMB19,685,000 before provision for impairment of RMB1,171,000. As the fiber industry continued to be impacted by certain macroeconomic challenges, the Group experienced uncertainty over the collectability of trade receivables.

於二零一八年十二月三十一日，貴集團扣除減值撥備人民幣1,171,000元前的貿易應收款項為人民幣19,685,000元。由於纖維行業繼續受到若干宏觀經濟挑戰所影響，貴集團對於收回貿易應收款項面對不確定性。

The Group uses a provision matrix to calculate expected credit loss ("ECL") for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns. The impact of economic factors, both current and future, is considered in assessing the likelihood of recovery from customers. We focused on this area because of the significant judgement required and the materiality of the amounts involved.

本集團運用矩陣提列計算貿易應收款項之預期信貸虧損（「預期信貸虧損」）。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。在評估回收客戶款項的可能性時，亦考慮當前及未來經濟因素的影響。我們重視該範疇，原因為須作出重大判斷及所涉及金額重大。

## 關鍵審核事項

關鍵審核事項是根據我們的專業判斷，對本期合併財務報表的審核最為重要的事項。該等事項是在我們審核整體合併財務報表及出具意見時處理，且我們不會對該等事項提供單獨的意見。我們對下述每一事項在審核中是如何處理的描述也以此為背景。

我們已履行本報告「核數師就審核合併財務報表須承擔的責任」一節所述的責任，包括有關該等事項的責任。因此，我們的審核包括執行為應對合併財務報表重大錯報風險的評估而設的程序。審核程序（包括處理以下事項的程序）的結果為我們就隨附的合併財務報表的審核意見提供基礎。

### How our audit addressed the key audit matter

#### 在審核中如何處理關鍵審核事項

We evaluated the design and implementation of management's controls over assessment of recoverability of trade receivables. We sent trade receivable confirmations and checked bank receipts for the payments received subsequent to year end, on a sample basis. We also assessed the assumptions used to determine the ECL of trade receivables by checking the ageing of receivables and historical payment patterns as well as evaluating the impact of macroeconomic factors that management considered affecting the ability of the customers to settle the receivables by checking the correlation between such macroeconomic factors and the historical observed default rates.

我們評估管理層對貿易應收款項可回收性評估的控制性措施的設計及執行。我們抽樣發送貿易應收款項確認書及核驗於年結日後收取的付款的銀行對賬單。我們亦評估釐定貿易應收款項預期信貸虧損所用的假設，方法為查核應收款項的賬齡及過往還款模式以及通過查核與過往觀察到的違約率的相關性，評估管理層認為影響客戶結清應收款項能力的宏觀經濟因素的影響。

**Key audit matter**

**關鍵審核事項**

**How our audit addressed the key audit matter**

**在審核中如何處理關鍵審核事項**

**Provision for impairment of trade receivables (Continued)**

**貿易應收款項減值撥備 (續)**

The related disclosures of accounting judgements and estimates and impairment of trade receivables are set out in notes 3 and 17 to the consolidated financial statements.

重大判斷及估計以及貿易應收款項減值之相關披露載於合併財務報表附註3及17。

**Inventory provision assessment**

**存貨撥備評估**

As at 31 December 2018, the Group recorded inventories of RMB85,205,000 which were material to the Group. Management judgement is required in assessing if the carrying value is higher than the net realisable value ("NRV") of the inventories on hand at the year end, especially of those slow-moving inventories which may become obsolete.

於二零一八年十二月三十一日，貴集團錄得存貨人民幣85,205,000元，對貴集團而言屬重大。在評估年末時手頭存貨的賬面值是否高於可變現淨值（「可變現淨值」），尤其是可能變得過時的滯銷存貨時，需要運用管理層判斷。

Significant judgements are also required in determining the write-down of inventories to NRV which involves management's expectations of the forecast inventory sales and usage and the estimated selling price of inventory based on the current market condition and the historical experience of selling products of a similar nature.

釐定存貨被撇減至可變現淨值時亦須作出重大判斷，涉及管理層根據目前市況及出售類似性質產品的過往經驗對存貨之銷售額及使用量作出預測及預估存貨售價。

The related disclosures of accounting judgements and estimates and the balances of inventories are set out in notes 3 and 16 to the consolidated financial statements.

會計判斷及估計以及存貨結餘之相關披露資料載於合併財務報表附註3及16。

We attended inventory counts at all locations with significant inventory balances, and performed testing on the samples of inventories to assess their cost and net realisable values.

我們出席具有重大存貨結餘的地點的盤點，並抽取存貨樣本進行測試從而評估其成本及可變現淨值。

We obtained an understanding of the Group's inventory provision policy and checked the calculation of the inventory provision based on the Group's policy. We evaluated management's assumptions used to calculate the provision by checking the ageing of inventories, subsequent sales and usage of inventories on a sampling basis. We assessed the reasonableness of the Group's inventory provision policy by checking the subsequent realization rate of different ageing of inventories.

我們了解貴集團存貨撥備政策及根據貴集團的政策查核存貨撥備的計算。我們透過抽查方式查核存貨的賬齡、存貨期後的銷售額及使用量來評估管理層用於計算撥備的假設。我們查核不同賬齡的存貨的期後變現率，評估貴集團存貨撥備政策的合理性。

## Independent Auditor's Report 獨立核數師報告

### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

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

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

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

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

### 年報內收錄的其他資料

貴公司董事須對其他資料承擔責任。其他資料包括年報中所包含的資料，但不包括合併財務報表及我們就此發出的核數師報告。

我們對合併財務報表作出的意見並未涵蓋其他資料，我們亦不對其他資料發表任何形式的核證結論。

就審核合併財務報表而言，我們的責任是閱讀其他資料，從而考慮其他資料是否與合併財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若我們基於已完成的工作認為其他資料出現重大錯誤陳述，我們須報告該事實。我們就此並無任何事項須報告。

### 董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定編製真實而公平的合併財務報表，以及維持貴公司董事認為編製合併財務報表所必需的有關內部監控，以確保有關合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製合併財務報表時，貴公司董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非貴公司董事有意將貴集團清盤，或停止營運，或除此之外並無其他實際可行的辦法，否則貴公司董事須採用以持續經營為基礎的會計法。

審核委員會協助貴公司董事履行監督貴集團的財務報告流程的責任。

## 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, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

## 核數師就審核合併財務報表須承擔的 責任

我們的目標是對合併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，並發出包含我們意見的核數師報告。我們僅向閣下作出整體報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理確定屬高層次的核證，但不能保證根據香港審計準則進行的審核在某一重大錯誤陳述存在時總能發現。重大錯誤陳述可源於欺詐或錯誤，倘個別或整體在合理預期情況下可影響使用者根據該等合併財務報表作出的經濟決定時，則被視為重大錯誤陳述。

我們根據香港審計準則進行審核的工作之一，是運用專業判斷，在整個審核過程中保持專業懷疑態度。我們亦：

- 識別及評估合併財務報表由於欺詐或錯誤而導致的重大錯報風險，因應這些風險設計及執行審核程序，以及獲得充足和適當的審核憑證為我們的意見提供基礎。由於欺詐可能涉及合謀串通、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報風險比未能發現由於錯誤而導致的重大錯報風險更高。
- 了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的內部控制的有效性發表意見。

## Independent Auditor's Report 獨立核數師報告

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
  - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估董事所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。
  - 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明朗因素。倘若我們總結認為有重大不明朗因素，我們需要在核數師報告中提請注意合併財務報表內的相關資料披露，或如果相關披露不足，則發表非無保留意見。我們的結論是基於截至核數師報告日期所獲得的審核憑證。然而，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。
  - 評估合併財務報表的整體列報、架構和內容，包括披露資料，以及合併財務報表是否已公平地反映及列報相關交易及事項。
  - 就貴集團內各實體或業務活動的財務資料獲得充份適當的審核憑證，以就合併財務報表發表意見。我們須負責指導、監督和執行貴集團的審核工作。我們須為我們的審核意見承擔全部責任。

### 核數師就審核合併財務報表須承擔的 責任（續）

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lawrence K. W. Lau.

**Ernst & Young**  
*Certified Public Accountants*  
Hong Kong  
26 March 2019

## 核數師就審核合併財務報表須承擔的 責任 (續)

我們就(其中包括)審核工作的計劃範圍和時間及重大審計發現,包括在審核過程中識別出的內部控制的任何重大缺失與審核委員會進行溝通。

我們亦向審核委員會作出聲明,確認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獨立性的關係和其他事宜以及適用的相關保障措施,與審核委員會進行溝通。

我們通過與審核委員會溝通,確定哪些是本期合併財務報表審核工作的最重要事項,即關鍵審核事項。除非法律或法規不容許公開披露此等事項或在極罕有的情況下,我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露,否則我們會在核數師報告中描述此等事項。

出具本獨立核數師報告的審核項目合夥人為劉國華。

**安永會計師事務所**  
執業會計師  
香港  
二零一九年三月二十六日



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 合併損益及其他全面收入表

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
REVENUE	收益	5	<b>680,180</b>	647,811
Cost of sales	銷售成本		<b>(523,403)</b>	(467,652)
<b>Gross profit</b>	<b>毛利</b>		<b>156,777</b>	180,159
Other income and gains, net	其他收入及收益淨額	5	<b>25,089</b>	15,523
Selling and distribution expenses	銷售及分銷開支		<b>(10,760)</b>	(7,857)
Administrative expenses	行政開支		<b>(64,119)</b>	(66,262)
Finance costs	融資成本	7	<b>(1,537)</b>	(766)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	6	<b>105,450</b>	120,797
Income tax expense	所得稅開支	10	<b>(18,771)</b>	(22,347)
<b>PROFIT FOR THE YEAR</b>	<b>年內溢利</b>		<b>86,679</b>	98,450
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>	<b>其他全面收入／(虧損)</b>			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:	往後期間可能重列至損益的其他全面收入／(虧損)：			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		<b>608</b>	(1,876)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX</b>	<b>年內其他全面收入／(虧損) (扣除稅項)</b>		<b>608</b>	(1,876)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>年內全面收入總額</b>		<b>87,287</b>	96,574

## Consolidated Statement of Profit or Loss and Other Comprehensive Income 合併損益及其他全面收入表

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

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit attributable to:	以下應佔溢利：			
Shareholders of the Company	本公司股東		<b>80,751</b>	92,144
Non-controlling interests	非控股權益		<b>5,928</b>	6,306
			<b>86,679</b>	98,450
Total comprehensive income attributable to:	以下應佔全面收入總額：			
Shareholders of the Company	本公司股東		<b>81,359</b>	90,268
Non-controlling interests	非控股權益		<b>5,928</b>	6,306
			<b>87,287</b>	96,574
<b>EARNINGS PER SHARE ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY</b>	本公司股東應佔每股盈利			
		12		
Basic	基本		人民幣RMB20.4 cents分	人民幣RMB23.0 cents分
Diluted	攤薄		人民幣RMB19.9 cents分	人民幣RMB22.7 cents分

# Consolidated Statement of Financial Position

## 合併財務狀況表

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	13	<b>234,055</b>	205,339
Prepayments for property, plant and equipment	物業、廠房及設備的預付 款項		<b>3,405</b>	26,777
Prepaid land lease payments	預付土地租賃款項	14	<b>27,121</b>	28,522
Other intangible assets	其他無形資產	15	<b>4,372</b>	5,507
Deferred tax assets	遞延稅項資產	25	<b>-</b>	369
Total non-current assets	非流動資產總額		<b>268,953</b>	266,514
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨	16	<b>85,205</b>	93,175
Trade and bills receivables	貿易應收款項及應收票據	17	<b>137,277</b>	149,986
Prepayments, deposits and other receivables	預付款項、按金及其他應收 款項	18	<b>41,051</b>	14,888
Trust loan receivable	應收委託貸款	18	<b>50,000</b>	50,000
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的 金融資產	19	<b>68,134</b>	60,600
Amounts due from related parties	應收關連方款項	32	<b>3,190</b>	2,800
Pledged deposits	已抵押存款	20	<b>2,743</b>	10,150
Cash and cash equivalents	現金及現金等值物	20	<b>144,573</b>	152,837
Total current assets	流動資產總額		<b>532,173</b>	534,436
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade and bills payables	貿易應付款項及應付票據	21	<b>78,556</b>	140,404
Amounts due to a related party	應付關連方款項	32	<b>38</b>	5
Other payables and accruals	其他應付款項及應計款項	22	<b>49,991</b>	48,775
Interest-bearing bank and other borrowings	計息銀行及其他借款	23	<b>37,700</b>	15,000
Government grants	政府資助	24	<b>1,225</b>	1,225
Income tax payable	應付所得稅		<b>12,206</b>	11,734
Total current liabilities	流動負債總額		<b>179,716</b>	217,143
<b>NET CURRENT ASSETS</b>	<b>流動資產淨額</b>		<b>352,457</b>	317,293
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>621,410</b>	583,807

## Consolidated Statement of Financial Position 合併財務狀況表

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

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>				
	<b>非流動負債</b>			
Government grants	政府資助	24	<b>11,285</b>	12,510
Deferred tax liabilities	遞延稅項負債	25	<b>10,211</b>	6,440
Total non-current liabilities			<b>21,496</b>	18,950
Net assets			<b>599,914</b>	564,857
<b>EQUITY</b>				
	<b>權益</b>			
Equity attributable to shareholders of the Company	本公司股東應佔權益			
Share capital	股本	26	<b>3,121</b>	3,173
Share premium	股份溢價	26	<b>130,657</b>	173,359
Other reserves	其他儲備	28	<b>422,420</b>	342,274
			<b>556,198</b>	518,806
Non-controlling interests	非控股權益		<b>43,716</b>	46,051
Total equity			<b>599,914</b>	564,857

**Li Cheng**  
李誠  
Director  
董事

**Zhao Jidong**  
趙繼東  
Director  
董事

# Consolidated Statement of Changes In Equity

## 合併權益變動表

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

		Attributable to shareholders of the Company 本公司股東應佔								Non-controlling interests	Total equity
		Share capital	Share premium	Retained earnings*	Foreign currency translation reserve*	Statutory surplus reserve*	Equity-settled arrangement reserve*	Other reserves*	Total		
		RMB'000 人民幣千元 (附註26)	RMB'000 人民幣千元 (附註26)	RMB'000 人民幣千元 (附註26)	RMB'000 人民幣千元 (附註28)	RMB'000 人民幣千元 (附註28)	RMB'000 人民幣千元 (附註27)	RMB'000 人民幣千元 (附註28)	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	3,173	173,359	324,130	(2,786)	52,084	14,976	(46,130)	518,806	46,051	564,857
Profit for the year	年內溢利	-	-	80,751	-	-	-	-	80,751	5,928	86,679
Other comprehensive income for the year:	年內其他全面收入：										
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	608	-	-	-	608	-	608
Total comprehensive income for the year	年內全面收入總額	-	-	80,751	608	-	-	-	81,359	5,928	87,287
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	(26,285)	-	-	-	-	-	(26,285)	-	(26,285)
Dividends paid to non-controlling interests	向非控股權益支付股息	-	-	-	-	-	-	-	-	(21,315)	(21,315)
Appropriation to statutory reserves	分撥至法定儲備	-	-	(16,087)	-	16,087	-	-	-	-	-
Disposal of partial interests in a subsidiary without losing control (note 29)	在不喪失控制權的前提下出售一間附屬公司部分權益 (附註29)	-	-	-	-	-	-	105	105	17,556	17,661
Acquisition of additional interests in a subsidiary	增持於一間附屬公司之權益	-	-	-	-	-	-	267	267	(4,504)	(4,237)
Shares repurchased and cancelled (note 26)	購回並註銷之股份 (附註26)	(82)	(22,299)	-	-	-	-	-	(22,381)	-	(22,381)
Exercise of share options	行使購股權	30	5,882	-	-	-	(2,110)	-	3,802	-	3,802
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	-	-	525	-	525	-	525
At 31 December 2018	於二零一八年十二月三十一日	3,121	130,657	388,794	(2,178)	68,171	13,391	(45,758)	556,198	43,716	599,914
At 1 January 2017	於二零一七年一月一日	3,165	195,859	245,370	(910)	38,700	12,014	(46,130)	448,068	49,145	497,213
Profit for the year	年內溢利	-	-	92,144	-	-	-	-	92,144	6,306	98,450
Other comprehensive income for the year:	年內其他全面收入：										
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	(1,876)	-	-	-	(1,876)	-	(1,876)
Total comprehensive income for the year	年內全面收入總額	-	-	92,144	(1,876)	-	-	-	90,268	6,306	96,574
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	(24,046)	-	-	-	-	-	(24,046)	-	(24,046)
Dividends paid to non-controlling interests	向非控股權益支付股息	-	-	-	-	-	-	-	-	(11,000)	(11,000)
Appropriation to statutory reserves	分撥至法定儲備	-	-	(13,384)	-	13,384	-	-	-	-	-
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	1,600	1,600
Exercise of share options	行使購股權	8	1,546	-	-	-	(541)	-	1,013	-	1,013
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	-	-	3,503	-	3,503	-	3,503
At 31 December 2017	於二零一七年十二月三十一日	3,173	173,359	324,130	(2,786)	52,084	14,976	(46,130)	518,806	46,051	564,857

\* These reserve accounts comprise the consolidated other reserves of RMB422,420,000 (2017: RMB342,274,000) in the consolidated statement of financial position.

\* 該等儲備賬包括合併財務狀況表內的合併其他儲備人民幣422,420,000元(二零一七年:人民幣342,274,000元)。

# Consolidated Statement of Cash Flows

## 合併現金流量表

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

	Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動現金流量</b>		
Profit before tax:	除稅前溢利：	<b>105,450</b>	120,797
Adjustments for:	就以下項目作出的調整：		
Finance costs	融資成本	<b>1,537</b>	766
Interest income	利息收入	<b>(4,942)</b>	(5,635)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>48</b>	264
Gain on disposal of prepaid land lease payments	出售預付土地租賃款項之收益	<b>(6,720)</b>	-
Fair value gains, net:	公平值收益淨額：		
Financial assets designated as at fair value through profit or loss	指定按公平值計入損益的金融資產	<b>(7,266)</b>	(7,111)
Depreciation	折舊	<b>20,241</b>	15,686
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	<b>814</b>	814
Amortisation of other intangible assets	其他無形資產攤銷	<b>1,170</b>	1,230
Impairment of trade receivables and other receivables	貿易應收款項及其他應收款項減值	<b>34</b>	288
Equity-settled share option expense	股權結算購股權開支	<b>525</b>	3,503
		<b>110,891</b>	130,602
Decrease/(increase) in inventories	存貨減少／(增加)	<b>7,970</b>	(45,582)
(Increase)/decrease in due from related parties	應收關連方款項(增加)／減少	<b>(390)</b>	202
Decrease/(increase) in trade and bills receivables	貿易應收款項及應收票據減少／(增加)	<b>12,675</b>	(19,937)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	<b>(3,912)</b>	(4,206)
(Decrease)/increase in trade and bills payables	貿易應付款項及應付票據(減少)／增加	<b>(61,815)</b>	45,267
Increase/(decrease) in government grants and other payables and accruals	政府補助及以及其他應付款項及應計費用增加／(減少)	<b>4,428</b>	(8,748)
Cash generated from operations	經營所得現金	<b>69,847</b>	97,598
Interest received	已收利息	<b>1,674</b>	1,448
Income tax paid	已付所得稅	<b>(14,158)</b>	(18,673)
Net cash flows from operating activities	經營活動所得現金流量淨額	<b>57,363</b>	80,373

## Consolidated Statement of Cash Flows 合併現金流量表

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

	Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b> 投資活動所得現金流量			
Interest received		9,151	4,187
Purchases of items of property, plant and equipment		(31,520)	(91,985)
Proceeds from disposal of items of property, plant and equipment		1,398	1,833
Proceeds from disposal of prepaid land lease payments		5,055	-
Additions to other intangible assets	15	(35)	(775)
Proceeds from settlement of financial assets designated as at fair value through profit or loss		180,000	345,362
Increase in trust loan receivable	18	(50,000)	(50,000)
Withdrawal of trust loan receivable		50,000	50,000
Deposit paid for potential acquisitions	18	(20,000)	-
Purchases of financial assets designated as at fair value through profit or loss		(186,150)	(225,000)
Release of pledged deposits		26,712	7,575
Additions to pledged deposits		(19,305)	(16,020)
Net cash flows (used in)/from investing activities		(34,694)	25,177
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b> 融資活動所得現金流量			
Proceeds from issue of shares		3,802	1,013
New bank loans		61,100	20,000
Capital injection from non-controlling interests		-	1,600
Repayment of bank loans		(38,400)	(5,000)
Proceeds from disposal of partial interests in a subsidiary without losing control		17,661	-
Acquisition of interests in a subsidiary from the non-controlling interests	29	(4,237)	-
Shares repurchased		(22,381)	-
Dividend paid		(26,285)	(24,046)
Dividend paid to non-controlling interests		(21,315)	(11,000)
Interest paid		(1,486)	(766)
Net cash flows used in financing activities		(31,541)	(18,199)

## Consolidated Statement of Cash Flows 合併現金流量表

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

		Notes	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		附註		
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	現金及現金等值物 (減少)/增加淨額		<b>(8,872)</b>	87,351
Cash and cash equivalents at beginning of year	年初現金及現金等值物		<b>152,837</b>	67,362
Effect of foreign exchange rate changes, net	外匯匯率變動的影響淨額		<b>608</b>	(1,876)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	年終現金及現金等值物	20	<b>144,573</b>	152,837



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

Yongsheng Advanced Materials Company Limited (the “Company”) was incorporated in the Cayman Islands on 19 April 2012 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company’s registered office is P.O. Box 1008, Willow House, Cricket Square Grand Cayman KY1-1101, Cayman Islands.

The Company and its subsidiaries (collectively, the “Group”) are principally engaged in the development and manufacture of polyester filament yarns, the provision of dyeing services of differentiated polyester filament fabric and the trading of polyester filament yarns in the People’s Republic of China (the “PRC”).

In the opinion of directors, the holding company and the ultimate holding company of the Company is Ever Thrive Global Limited (“Ever Thrive”), a company incorporated in the British Virgin Islands (the “BVI”) and controlled by Mr. Li Cheng (the “Controlling Shareholder”).

#### Information about subsidiaries

Particulars of the Company’s subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立／註冊及經營地點	Particulars of issued and fully paid share capital 已發行及繳足 股本詳情	Percentage of equity attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Yongsheng Advanced Materials (BVI) Limited (“Yongsheng BVI”) 永盛新材料 (BVI) 有限公司 (「永盛BVI」)	Limited liability company incorporated in the BVI 於英屬處女群島註冊成立的有限公司	US\$1 1美元	100	–	Investment holding company in Hong Kong 於香港從事投資控股
Yongsheng Advanced Materials (HK) Limited (“Yongsheng HK”) 永盛新材料 (香港) 有限公司 (「永盛香港」)	Limited liability company incorporated in Hong Kong 於香港註冊成立的有限公司	US\$1 1美元	–	100	Investment holding company in Hong Kong 於香港從事投資控股

### 1. 公司及集團資料

永盛新材料有限公司(「本公司」)於二零一二年四月十九日根據開曼群島公司法(二零一零年修訂本)在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 1008, Willow House, Cricket Square Grand Cayman KY1-1101, Cayman Islands。

本公司及其附屬公司(統稱「本集團」)主要在中華人民共和國(「中國」)從事開發及製造滌綸長絲、提供差別化滌綸面料染色服務及滌綸長絲貿易業務。

董事認為，本公司的控股公司及最終控股公司為恆盛環球有限公司(「恆盛」)(一間在英屬處女群島(「英屬處女群島」)註冊成立並由李誠先生(「控股股東」)控制的公司)。

#### 附屬公司的資料

本公司附屬公司的詳情如下：

Notes to the Consolidated Financial Statements  
合併財務報表附註

31 December 2018 二零一八年十二月三十一日

1. CORPORATE AND GROUP INFORMATION  
(CONTINUED)

1. 公司及集團資料 (續)

Information about subsidiaries (Continued)

附屬公司的資料 (續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/註冊及經營地點	Particulars of issued and fully paid share capital 已發行及繳足 股本詳情	Percentage of equity attributable to the Company 本公司應佔權益百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hangzhou Huvis Yongsheng Dyeing and Finishing Company Limited ("Yongsheng Dyeing") 杭州滙維仕永盛染整有限公司 (「永盛染整」)	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB200,000,000 人民幣200,000,000元	–	100	Provision of dyeing services in the PRC 於中國提供染色服務
Hangzhou Huvis Yongsheng Chemical Fiber Company Limited ("Hangzhou Fiber") 杭州滙維仕永盛化纖有限公司 (「杭州化纖」)	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB58,000,000 人民幣58,000,000元	–	70	Development and manufacture of polyester filament yarns in the PRC 於中國開發及製造滌綸長絲
Nantong Yongsheng Huvis Fiber Advanced Materials Company Limited ("Nantong Fiber") 南通永盛滙維仕纖維新材料有限公司 (「南通纖維」)	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB50,000,000 人民幣50,000,000元	–	67	Development and manufacture of polyester filament yarns in the PRC 於中國開發及製造滌綸長絲
Jiangsu Yongsheng 3D Printing Advanced Materials Company Limited ("Yongsheng 3D Printing") 江蘇永盛三維打印新材料有限公司 (「永盛三維打印」)	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB10,000,000 人民幣10,000,000元	–	60	Development and manufacture of 3D printing materials in the PRC 於中國開發及製造三維打印材料
Jiangsu Yongsheng High Polymer Advanced Materials Research Institute Company Limited ("Yongsheng High Polymer") 江蘇永盛高分子新材料研究所有限公司 (「永盛高分子」)	Limited liability company incorporated in the PRC 於中國註冊成立的有限公司	RMB10,000,000 人民幣10,000,000元	–	90.1	Research and development of high polymer advanced materials in the PRC 於中國研究及開發高分子新材料

## Notes to the Consolidated Financial Statements 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) (which include all International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations) issued by the International Accounting Standards Board (“IASB”) and the disclosure requirements of Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for financial assets designated as at fair value through profit or loss which have been measured at fair value. These financial statements are presented in RMB and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2018. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

### 2.1 編製基準

此等財務報表乃根據國際會計準則理事會（「國際會計準則理事會」）頒佈的國際財務報告準則（「國際財務報告準則」）（包括所有國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋）以及香港公司條例的披露規定而編製。此等財務報表已根據歷史成本法編製，惟指定按公平值計入損益的金融資產已按公平值計量。此等財務報表以人民幣呈列，而除另有說明外，一切價值已湊整至最接近的千位數。

#### 綜合基準

合併財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零一八年十二月三十一日止年度的財務報表。附屬公司指受本公司直接或間接控制的實體（包括結構性實體）。倘本集團透過參與被投資方業務而享有或有權取得被投資方的不固定回報，且有能行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權（即現時賦予本集團指導被投資方相關活動的能力）。

當本公司直接或間接擁有的被投資方投票權或類似權利不及大半，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

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

附屬公司的財務報表乃就本公司的相同報告期使用貫徹一致的會計政策編製。附屬公司的業績乃由本集團獲取控制權之日開始作綜合入賬，並繼續綜合入賬直至失去有關控制權之日為止。

## 2.1 BASIS OF PREPARATION (CONTINUED)

### Basis of consolidation (Continued)

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

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

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

## 2.1 編製基準 (續)

### 綜合基準 (續)

損益及其他全面收入各組成部分乃歸屬於本公司擁有人及非控股權益，即使此舉引致非控股權益出現虧絀結餘。有關本集團成員公司間交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於合併賬目時全數抵銷。

倘有事實及情況顯示上述三個控制因素中有一個或以上出現變動，則本集團將重新評估是否仍控制投資對象。附屬公司的擁有權權益變動（並無喪失控制權）被視為股本交易入賬。

倘本集團失去對附屬公司的控制權，則終止確認(i)該附屬公司的資產（包括商譽）及負債，(ii)任何非控制權益的賬面值及(iii)於權益內記錄的累計換算差額；及確認(i)已收代價的公平值，(ii)所保留任何投資的公平值及(iii)損益表中任何因此產生的盈餘或虧絀。先前於其他全面收入內確認的本集團應佔部分重新分類至損益或保留溢利（如適當），所依據的基準與倘本集團直接出售相關資產或負債所需依據者相同。

## Notes to the Consolidated Financial Statements 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

Amendments to IFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i>
IFRS 9	<i>Financial Instruments</i>
IFRS 15	<i>Revenue from Contracts with Customers</i>
Amendments to IFRS 15	<i>Clarifications to IFRS 15 Revenue from Contracts with Customers</i>
IFRIC-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to IFRS 1 and IAS 28

Other than as explained below regarding the impact of IFRS 9 and IFRS 15, the adoption of the above new and revised standards has had no significant financial effect on these financial statements.

- (a) IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

There are no significant impacts of adopting IFRS 9 on the effect of initial application including replacing IAS 39's incurred credit loss calculation with IFRS 9's expected credit losses ("ECLs").

### 2.2 變更會計政策及披露 (續)

本集團於本年度之財務報表中首次採納下列新訂及經修訂的國際財務報告準則。

國際財務報告準則第2號的修訂	股份付款交易的分類及計量
國際財務報告準則第9號	金融工具
國際財務報告準則第15號	客戶合約收入
國際財務報告準則第15號的修訂	對國際財務報告準則第15號客戶合約收入的澄清
國際財務報告詮釋委員會—詮釋第22號	外幣交易與預收代價
二零一四年至二零一六年週期的年度改進	國際財務報告準則第1號和國際會計準則第28號的修訂

除下文就國際財務報告準則第9號及國際財務報告準則第15號的影響作出解釋外，採用上述新訂及經修訂準則對該等財務報表並無重大財務影響。

- (a) 國際財務報告準則第9號「金融工具」於二零一八年一月一日或之後開始之年度期間取代國際會計準則第39號「金融工具：確認及計量」，匯集金融工具會計處理的三大方面：分類及計量、減值及對沖會計。

採納國際財務報告準則第9號對初始應用的影響並不重大（包括使用國際財務報告準則第9號的預期信貸虧損（「預期信貸虧損」）取代國際會計準則第39號之已產生信貸虧損）。

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2.2 CHANGES IN ACCOUNTING POLICIES  
AND DISCLOSURES (CONTINUED)

2.2 變更會計政策及披露 (續)

(a) (Continued)

(a) (續)

		Original category under IAS 39 根據國際會計 準則第39號 之原分類	New category Under IFRS 9 根據國際財務 報告準則第9號 之新分類	Carrying amount at 31 December 2017 根據國際財務 報告準則第9號 於二零一七年 十二月三十一日 之賬面值 RMB'000 人民幣千元	Carrying amount at 1 January 2018 根據國際財務 報告準則第9號 於二零一八年 一月一日 之賬面值 RMB'000 人民幣千元
Financial assets					
金融資產					
Trade and bills receivables	貿易應收款項及 應收票據	L&R <sup>1</sup>	AC <sup>2</sup>	149,986	149,986
Trust loan receivable	應收委託貸款	L&R	AC	50,000	50,000
Financial assets designated as at fair value through profit or loss	指定為按公平值計入 損益的金融資產	FVPL <sup>3</sup>	FVPL	60,600	60,600
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及 其他應收款項之 金融資產	L&R	AC	1,157	1,157
Amounts due from related parties	應收關連方款項	L&R	AC	2,800	2,800
Pledged deposits	已抵押存款	L&R	AC	10,150	10,150
Cash and cash equivalents	現金及現金等值物	L&R	AC	152,837	152,837

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### 2.2 變更會計政策及披露 (續)

(a) (Continued)

(a) (續)

		Original category under IAS 39	New category Under IFRS 9	Carrying amount at 31 December 2017 under IFRS 9 根據國際財務 報告準則第9號 於二零一七年 十二月三十一日 之賬面值 RMB'000 人民幣千元	Carrying amount at 1 January 2018 under IFRS 9 根據國際財務 報告準則第9號 於二零一八年 一月一日 之賬面值 RMB'000 人民幣千元
<b>Financial liabilities</b>					
<b>金融負債</b>					
Trade and bills payables	貿易應付款項及 應付票據	AC	AC	140,404	140,404
Amounts due to a related party	應付關連方款項	AC	AC	5	5
Financial liabilities included in other payables and accruals	計入其他應付款項及 應計款項之金融負債	AC	AC	15,026	15,026
Interest-bearing bank and other borrowings	計息銀行及其他借款	AC	AC	15,000	15,000

<sup>1</sup> L&R: Loans and receivables

<sup>1</sup> L&R : 貸款及應收款項

<sup>2</sup> AC: Financial assets or financial liabilities at amortised  
cost

<sup>2</sup> AC : 按攤銷成本列賬的金融資產或金  
融負債

<sup>3</sup> FVPL: Financial assets at fair value through profit or loss

<sup>3</sup> FVPL : 按公平值計入損益的金融資產

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

### Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Further details on the Group's accounting policy for accounting for impairment of financial instruments are set out on note 2.4.

- (b) IFRS 15 Revenue from contracts with customers supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group's contract from customers for the sale of filament yarns goods and dyeing and processing services include only one single performance obligation. The Group has concluded that revenue from sale should be recognised at the point of time when a customer obtains the control of the underlying goods or service is transferred. The Group concluded that the initial application of IFRS 15 does not have a significant impact on the Group's revenue recognition.

The Group receives short-term advances from its customers, under the adoption of IFRS 15, for short-term advances, the Group used the practical expedient. As such, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts. Prior to the adoption of IFRS 15, the Group represented these advances in "advances from customers", upon the adoption of IFRS 15, the Group reclassified these advances to "contract liabilities" included in the other payables and accruals in the consolidated statement of financial position.

## 2.2 變更會計政策及披露 (續)

### 減值

國際財務報告準則第9號的應用根本性地改變了本集團對金融資產的減值虧損會計處理，由國際會計準則第39號已發生虧損法轉換為前瞻性的預期信貸虧損法。

有關本集團金融工具減值會計處理的會計政策之進一步詳情載於附註2.4。

- (b) 國際財務報告準則第15號「客戶合約收入」取代國際會計準則第11號「建築合約」、國際會計準則第18號「收益」及相關詮釋，其適用於所有來自客戶合約的收益，除非該等合約適用於其他準則。該項新準則建立五步模式以對客戶合約收益進行入賬。根據國際財務報告準則第15號，收益按能反映實體預期就向客戶轉讓貨品或服務而有權獲得的代價金額確認。

本集團有關銷售滌綸長絲貨品以及提供染色及加工服務的客戶合約僅包含單一履約責任。本集團認為，銷售收益應於客戶取得有關轉讓相關貨品及服務的控制權之時間點確認。本集團認為初始應用國際財務報告準則第15號對本集團之收益確認並無重大影響。

本集團向其客戶收取短期墊款。根據採納的國際財務報告準則第15號，本集團就短期墊款使用實際權宜方法。因此，本集團不會就合約中的融資組成部分影響調整承諾的代價金額。於採納國際財務報告準則第15號前，本集團將該等墊款呈列為「客戶墊款」，而於採納國際財務報告準則第15號後，本集團將該等墊款重新分類至「合約負債」，計入合併財務狀況表的其他應付款項及應計款項中。



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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Amendments to IFRS 3	<i>Definition of a Business</i> <sup>2</sup>
Amendments to IFRS 9	<i>Prepayment Features with Negative Compensation</i> <sup>1</sup>
Amendments to IFRS 10 and IAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
IFRS 16	<i>Leases</i> <sup>1</sup>
IFRS 17	<i>Insurance Contracts</i> <sup>3</sup>
Amendments to IAS 1 and IAS 8	<i>Definition of Material</i> <sup>2</sup>
Amendments to IAS 19	<i>Plan Amendment, Curtailment or Settlement</i> <sup>1</sup>
Amendments to IAS 28	<i>Long-term Interests in Associates and Joint Ventures</i> <sup>1</sup>
IFRIC-Int 23	<i>Uncertainty over Income Tax Treatments</i> <sup>1</sup>
Annual Improvements 2015-2017 Cycle	Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 <sup>1</sup>

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after 1 January 2020
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 No mandatory effective date yet determined but available for adoption

### 2.3 已頒佈但尚未生效之國際財務報告準則

下文披露直至本集團合併財務報表的刊發日期已頒佈但尚未生效的準則及詮釋。本集團擬於該等準則生效時採納該等準則（倘適用）。

國際會計準則第3號的修訂	業務之定義 <sup>2</sup>
國際會計準則第9號的修訂	具有負補償之提前還款特性 <sup>1</sup>
國際財務報告準則第10號及國際會計準則第28號的修訂（二零一一年）	投資者與其聯營公司或合資企業之間的資產出售或注資 <sup>4</sup>
國際財務報告準則第16號	租賃 <sup>1</sup>
國際財務報告準則第17號	保險合約 <sup>3</sup>
國際會計準則第1號及國際會計準則第8號的修訂	重大之定義 <sup>2</sup>
國際會計準則第19號的修訂	計劃修訂、縮減或結算 <sup>1</sup>
國際會計準則第28號的修訂	於聯營公司及合營企業的長期權益 <sup>1</sup>
國際財務報告詮釋委員會—詮釋第23號	所得稅處理之不確定性 <sup>1</sup>
二零一五年至二零一七年週期的年度改進	國際財務報告準則第3號、國際財務報告準則第11號、國際會計準則第12號及國際會計準則第23號的修訂 <sup>1</sup>

- 1 於二零一九年一月一日或之後開始的年度期間生效
- 2 於二零二零年一月一日或之後開始的年度期間生效
- 3 於二零二一年一月一日或之後開始的年度期間生效
- 4 尚未決定強制生效日期，但可供採納

## 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

Further information about those IFRSs that are expected to be applicable to the Group is described below.

IFRS 16 replaces IAS 17 *Leases*, IFRIC-Int 4 *Determining whether an Arrangement contains a Lease*, SIC-Int 15 *Operating Leases – Incentives* and SIC-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize assets and liabilities for most leases. The standard includes two elective recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. IFRS 16 requires lessees and lessors to make more extensive disclosures than under IAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group will adopt IFRS 16 from 1 January 2019. The Group plans to adopt the transitional provisions in IFRS 16 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2019 and will not restate the comparatives. In addition, the Group plans to apply the new requirements to contracts that were previously identified as leases applying IAS 17 and measure the lease liability at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. The right-of-use asset will be measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before the date of initial application. The Group plans to use the exemptions allowed by the standard on lease contracts whose lease terms end within 12 months as of the date of initial application. During 2018, the Group has performed a detailed assessment on the impact of adoption of IFRS 16 and expected that the transitional adjustment to be made on 1 January 2019 upon initial adoption of IFRS 16 will not be material. Moreover, the expected changes in accounting policies will not have a material impact on the Group's financial statements from 2019.

## 2.3 已頒佈但尚未生效之國際財務報告準則 (續)

有關預期將適用於本集團的國際財務報告準則的進一步資料載述如下。

國際財務報告準則第16號取代國際會計準則第17號「租賃」、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」、常設詮釋委員會—詮釋第15號「經營租賃—優惠」及常設詮釋委員會—詮釋第27號「評估牽涉租賃的法律形式的交易的內容」。該準則載列有關租賃確認、計量、呈列及披露之原則，並要求承租人確認絕大部分租賃的資產及負債。該準則包括給予承租人兩項租賃確認豁免可供選擇：租賃低價值資產及短期租賃。於租賃開始日期，承租人將確認負債以作出租賃付款（即租賃負債），而資產指於租期使用相關資產的權利（即使用權資產）。使用權資產其後按成本減累計折舊及任何減值虧損計量，除非使用權資產符合於國際會計準則第40號中投資物業之定義，或與重估模型適用的某類別物業、廠房及設備有關。租賃負債將於其後增加以反映有關租賃負債利息並因租賃付款而減少。承租人將須單獨確認有關租賃負債的利息開支及有關使用權資產的折舊費用。承租人亦將須於發生若干事件（如租期變動及用於釐定未來租賃付款的指數或利率變動導致的該等付款變動）時重新計量租賃負債。承租人將一般確認重新計量租賃負債金額，作為對使用權資產的調整。國際財務報告準則第16號項下的出租人會計與國際會計準則第17號項下的會計相比並無大幅改變。出租人將繼續使用國際會計準則第17號中的相同劃分原則劃分所有租賃及區分經營租賃及融資租賃。國際財務報告準則第16號要求承租人及出租人較根據國際會計準則第17號作出更廣泛的披露。承租人可選擇以全面追溯或經修訂追溯方法應用該準則。本集團將自二零一九年一月一日起採納國際財務報告準則第16號。本集團計劃採納國際財務報告準則第16號的過渡條文，以確認首次採納的累計影響作為對二零一九年一月一日的保留盈餘年初結餘的調整，且將不會重列比較數據。此外，本集團計劃對過往應用國際會計準則第17號識別為租賃的合約應用新規定，並按餘下租賃付款現值計量租賃負債（使用本集團於首次應用日期的增量借貸利率貼現）。使用權資產將按租賃負債金額計量，並按任何緊接首次應用日期前於財務狀況表確認的任何租賃相關預付或應計租賃付款金額進行調整。本集團計劃就租期於首次應用日期12個月內終止的租賃合約採用相關標準容許的豁免情況。於二零一八年，本集團已詳細評估採納國際財務報告準則第16號的影響並預期於首次應用國際財務報告準則第16號而將於二零一九年一月一日作出的過渡性調整並不重大。此外，會計政策之預期變動將不會對本集團二零一九年起的財務報表造成任何重大影響。

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### 2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRIC-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of IAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The interpretation is not expected to have any significant impact on the Group’s financial statements.

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree’s identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

### 2.3 已頒佈但尚未生效之國際財務報 告準則（續）

國際財務報告詮釋委員會－詮釋第23號針對當稅項處理涉及影響國際會計準則第12號應用的不確定性（常稱為「不確定稅項狀況」）時的所得稅（即期及遞延）會計處理。該詮釋並不適用於國際會計準則第12號範圍之外的稅項或徵費，尤其亦不包括涉及有關不確定稅項處理的權益及罰金的規定。該詮釋具體針對(i)實體是否單獨考慮不確定稅項處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況變動。實體將不採用事後確認地全面追溯或以作為於初始應用日期的期初權益的調整而應用的累計效應追溯應用該詮釋，而不重列比較資料。本集團預期自二零一九年一月一日起採納該詮釋。該詮釋預期不會對本集團的財務報表造成任何重大影響。

### 2.4 主要會計政策概要

#### 業務合併及商譽

業務合併使用收購法入賬。所轉讓的代價按收購日期的公平值計量，即本集團所轉讓資產的收購日期公平值、本集團對所收購公司前擁有人承擔的負債及本集團為換取所收購公司控制權而發行的股本權益的總和。就每項業務合併而言，本集團可選擇按公平值或分佔所收購公司的可識別淨資產比例，計量屬現時擁有人權益並賦予其持有人權利在清盤時按比例分佔淨資產於所收購公司的非控股權益。所有其他非控股權益部分按公平值計量。收購相關成本於產生時支銷。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

## 2.4 主要會計政策概要 (續)

### 業務合併及商譽 (續)

當本集團收購一項業務時，其根據合約條款、經濟環境及於收購日期的相關情況評估金融資產及所承擔的負債，以作出適當分類及指定。此包括區分所收購公司主合約的嵌入式衍生工具。

倘分階段進行業務合併，則先前持有的股本權益按其收購日期的公平值重新計量，而所產生的任何收益或虧損於損益確認。

收購方將轉讓的任何或然代價於收購日期按公平值確認。倘或然代價歸類為資產或負債，則按公平值計量，並於損益確認公平值變動。倘或然代價歸類為權益，則毋須重新計量，且往後結算於權益內入賬。

商譽初步按成本計量，即已轉讓代價、已確認非控股權益數額及本集團先前持有的被收購方股權的公平值總額，超逾所收購可識別資產淨值及所承擔負債的差額。倘該項代價及其他項目之和低於所收購資產淨值的公平值，於重估後其差額於損益內確認為議價購買收益。

於初步確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，倘有事件發生或情況改變顯示賬面值有可能減值，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽的年度減值測試。為進行減值測試，因業務合併而購入的商譽自收購日起被分配至預期可從合併產生之協同效益中獲益的本集團各個現金產生單位或現金產生單位組別，而無論本集團其他資產或負債是否已分配至該等單位或單位組別。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

#### Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

### 2.4 主要會計政策概要 (續)

#### 業務合併及商譽 (續)

減值乃通過評估與商譽有關之現金產生單位 (或現金產生單位組別) 的可收回金額釐定。當現金產生單位 (或現金產生單位組別) 的可收回金額低於賬面金額時，便確認減值虧損。已就商譽確認的減值虧損不得於未來期間撥回。

倘商譽已被分配至現金產生單位 (或現金產生單位組別)，而該單位內部分業務被出售，與出售業務相關的商譽於釐定出售收益或虧損時列入業務的賬面值。在此等情況下出售的商譽根據已出售業務的相對價值及所保留現金產生單位的部分計量。

#### 公平值計量

本集團於各報告期末按公平值計量其股權投資。公平值為市場參與者之間於井然有序交易中按計量日期出售資產收取或轉讓負債時支付的價格。公平值計量以假設出售資產或轉讓負債的交易於資產或負債的主要市場中進行為基礎，或倘並無主要市場，則於資產或負債的最有利市場進行。主要或最有利市場必須為可讓本集團參與的市場。對資產或負債定價時，資產或負債的公平值以市場參與者使用的假設計量，並假設市場參與者以其最佳經濟利益行事。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Fair value measurement (Continued)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- |         |   |   |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities   |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable                              |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 2.4 主要會計政策概要 (續)

### 公平值計量 (續)

非金融資產的公平值計量須計及一名市場參與者透過使用其資產的最高及最佳用途或透過將資產出售予將使用其最高及最佳用途的另一名市場參與者而能夠產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於財務報表中按公平值計量或披露的資產及負債，乃基於對公平值計量整體而言屬重大的最低級別輸入數據在公平值級別（說明如下）中的分類：

- |     |   |  |
|-----|---|--|
| 第一級 | – | 根據相同資產或負債於活躍市場所報的價格（未經調整）                |
| 第二級 | – | 根據對公平值計量而言屬重大且可觀察（不論直接或間接）的最低級別輸入數據的估值方法 |
| 第三級 | – | 根據對公平值計量而言屬重大且不可觀察的最低級別輸入數據的估值方法         |

就按經常基準於財務報表中確認的資產及負債而言，本集團於各報告期末重新評估分類方法（按照對公平值計量整體而言屬重大的最低級別輸入數據），以釐定是否已於各級別之間發生轉撥。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

### 2.4 主要會計政策概要 (續)

#### 非金融資產減值

倘一項資產(不包括存貨、遞延稅項資產及金融資產)出現減值跡象,或須每年進行減值測試,則需要估計該資產的可收回金額。一項資產的可收回金額按該資產或現金產生單位的使用價值及其公平值減出售成本兩者之間的較高者計算,並就每項資產單獨予以釐定,惟該資產須並無產生在很大程度上獨立於其他資產或資產組別所產生現金流入的情況除外。在此情況下,會就該資產所屬現金產生單位釐定可收回金額。

只有當資產的賬面值超過其可收回金額時,方會確認減值虧損。在評定使用價值時,須使用稅前折現率將估計日後現金流量折現至現值,而該折現率須反映市場當時所評估的金錢時間值和該資產的特有風險。減值虧損在其於符合減值資產功能的開支類別中產生期間於損益中扣除。

於各報告期末均會評估是否有跡象顯示以往確認的減值虧損可能不再存在或已減少。如果存在該跡象,則會估計可收回金額。過往確認的資產(不包括商譽)減值虧損只會於釐定該資產的可收回金額中使用的估計出現變動時撥回,倘於過往年度並無就資產確認減值虧損,則有關金額不得高於原應釐定的賬面值(扣除任何折舊/攤銷)。有關減值虧損的撥回於其產生期間計入損益中。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

## 2.4 主要會計政策概要 (續)

### 關連方

以下人士被視為與本集團有關的關連方：

- (a) 倘為任何人士或其家族近親，且該人士
  - (i) 對本集團擁有控制權或共同控制權；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本集團母公司的主要管理人員；

或

- (b) 倘為任何實體，並符合以下任何一項條件：
  - (i) 該實體與本集團屬同一集團成員公司；
  - (ii) 一間實體為另一實體的聯營公司或合資企業（或為另一實體的母公司、附屬公司或同系附屬公司）；
  - (iii) 該實體與本集團均為同一第三方的合資企業；
  - (iv) 一間實體為第三方實體的合資企業，而另一實體為該第三方實體的聯營公司；
  - (v) 該實體為本集團或與本集團有關連的實體之僱員離職後福利計劃；
  - (vi) 該實體受(a)所識別人士控制或共同控制；
  - (vii) 於(a)(i)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）的主要管理人員；及



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Related parties (Continued)

(b) (Continued)

- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.25% to 2.5%
Plant and machinery	6.4% to 9%
Vehicles	18% to 22.5%
Office equipment, leasehold improvement and others	18% to 45%

### 2.4 主要會計政策概要 (續)

#### 關連方 (續)

(b) (續)

- (viii) 該實體或該實體屬其中一部分的集團旗下任何成員公司向本集團或本集團母公司提供主要管理人員服務。

#### 物業、廠房及設備以及折舊

物業、廠房及設備(在建工程除外)按成本減累計折舊及任何減值虧損入賬。倘物業、廠房及設備項目分類為持作出售或倘其分類為持作出售的出售組別一部分,其不會折舊並會根據國際財務報告準則第5號入賬。物業、廠房及設備項目的成本包括其購入價以及將該項資產置於其運作狀態及地點作其擬定用途的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生如維修及保養等開支,通常於產生期間自損益中扣除。倘符合確認標準,則有關大型檢查的開支按該資產的賬面值資本化為重置資產。倘物業、廠房及設備的主要部分須分段重置,則本集團將該等部分確認為獨立資產,並設定具體的可使用年期及進行相應折舊。

折舊按直線基準將各物業、廠房及設備項目的成本於其估計可使用年期內撇銷至其剩餘價值計算。就此所採用的主要年率如下:

樓宇	2.25%至2.5%
廠房及機器	6.4%至9%
汽車	18%至22.5%
辦公室設備、租賃物業裝修及其他	18%至45%

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings under construction and equipment under installation, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

## 2.4 主要會計政策概要 (續)

### 物業、廠房及設備以及折舊 (續)

倘物業、廠房及設備項目各部分的可使用年期有所不同，則該項目的成本按合理基準於相關部分分配，而每部分將作個別折舊。剩餘價值、可使用年期及折舊方法最少於各財政年度結算日檢討並作出調整（如合適）。

物業、廠房及設備項目（包括初步確認的任何重大部分）於出售後或預期使用或出售該等項目不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益中確認的出售或棄用有關資產而產生的任何收益或虧損，為相關資產的出售所得款項淨額與其賬面值的差額。

在建工程指按成本減任何減值虧損列賬且不作折舊的在建樓宇及正在安裝的設備。成本包括建築期間的直接建築成本及就相關借貸撥充資本的借貸成本。在建工程於竣工及可供使用時重新分類至適當的物業、廠房及設備類別。

### 無形資產 (商譽除外)

單獨收購的無形資產於初步確認時按成本計量。於業務合併時所收購的無形資產的成本為於收購日期的公平值。無形資產的可使用年期被評估為有限或無限。具有有限年期的無形資產隨後按可使用經濟年期予以攤銷，倘有跡象顯示無形資產可能出現減值，則會進行減值評估。具有有限可使用年期的無形資產的攤銷期及攤銷方法最少於各個財政年度結算日檢討一次。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Intangible assets (other than goodwill) (Continued)

##### **Technical know-how**

Acquired technical know-how of manufacturing processes is shown at historical cost. Acquired technical know-how are capitalised on the basis of the costs incurred to acquire the know-how and are amortised over their estimated useful lives of 10 years.

##### **Computer software**

Acquired computer software is shown at historical cost and is capitalised on the basis of the costs incurred to acquire the specific software. These costs are amortised over their estimated useful lives of 10 years.

##### **Sewage pipe usage right**

Acquired sewage pipe usage right is shown at historical cost and is capitalised on the basis of the cost incurred to acquire the usage right. The costs are amortised over the contractual lives of 20 years.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 2.4 主要會計政策概要 (續)

#### 無形資產 (商譽除外) (續)

##### **技術知識**

所獲得有關製造過程的技術知識按歷史成本值列示。所獲得的技術知識按獲得有關知識所產生的成本撥充資本，並於10年估計可使用年內攤銷。

##### **計算機軟件**

所獲得的計算機軟件按歷史成本值列示，並按獲得指定軟件所產生的成本撥充資本。該等成本於10年估計可使用年內攤銷。

##### **污水渠使用權**

所獲得的污水渠使用權按歷史成本值列示，並按獲得有關使用權所產生的成本撥充資本。有關成本於20年合約年內攤銷。

開發新產品項目產生的開支僅當以下各項得到證明時方可資本化並遞延：本集團在技術可行性上可完成無形資產以使其能供使用或出售；有完成該資產的意圖，並有能力使用或出售該資產；該資產能產生未來經濟利益；具有可用資源完成項目以及於開發階段的開支能夠可靠地計量。不符合該等準則的產品開發開支均於產生時支銷。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018)

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

## 2.4 主要會計政策概要 (續)

### 租賃

轉移資產所有權(法定業權除外)的絕大部分回報及風險予本集團的租賃列作融資租賃。融資租賃開始時,租賃資產成本按最低租金的現值撥充資本,並與債務(利息部分除外)一併列賬以反映購買及融資狀況。根據資本化融資租賃持有的資產計入物業、廠房及設備,並按資產租期與估計可使用年期兩者中較短期間折舊。該等租賃的融資成本自損益中扣除,以便計算租期內的定期費率。

透過具融資性質的租購合約收購的資產列作融資租賃,惟有關資產按其估計可使用年期予以折舊。

倘資產所有權的絕大部分回報及風險仍由出租人承擔,則租賃以經營租賃列賬。倘本集團為承租人,根據經營租賃應付的租金(扣除出租人給予的任何優惠)按租賃期限以直線法自損益中扣除。

經營租賃項下預付土地租賃款項初步按成本列賬,隨後按租賃期以直線法確認。

### 投資及其他金融資產(於二零一八年一月一日起適用的國際財務報告準則第9號項下政策)

#### *初步確認及計量*

金融資產於初步確認時分類,其後按攤銷成本、按公平值計入其他全面收入及按公平值計入損益計量。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

##### *Initial recognition and measurement (Continued)*

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (於二零一八年 一月一日起適用的國際財務報告準則 第9號項下政策) (續)

##### *初步確認及計量 (續)*

金融資產於初步確認時的分類視乎金融資產的合約現金流特徵及本集團管理金融資產的業務模式而定。除不含重大融資部分或本集團已採用實際權宜方法不予調整重大融資部分的影響之貿易應收款項外，本集團初步按公平值加上（就並非按公平值計入損益的金融資產而言）交易成本計量金融資產。不含重大融資部分或本集團已採用實際權宜方法之貿易應收款項按根據國際財務報告準則第15號釐定的交易價計量。

為使金融資產按攤銷成本或按公平值計入其他全面收入進行分類及計量，需就未償還本金產生純粹支付本金及利息（「純粹支付本金及利息」）現金流量。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。

金融資產的所有常規購買及出售於交易日（即本集團承諾購買或出售該資產之日）確認。常規購買或出售指需要在一般由法規或市場慣例確立的期間內移交資產的金融資產購買或出售。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

#### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

#### **Financial assets at amortised cost (debt instruments)**

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

## 2.4 主要會計政策概要 (續)

### 投資及其他金融資產 (於二零一八年一月一日起適用的國際財務報告準則第9號項下政策) (續)

#### **後續計量**

金融資產的後續計量視乎其下列分類而定：

#### **按攤銷成本計量的金融資產 (債務投資)**

如同時滿足下列條件，則本集團按攤銷成本計量金融資產：

- 於旨在持有金融資產以收取合約現金流量的業務模式中持有的金融資產。
- 金融資產的合約條款於特定日期產生的現金流量純粹為未償還本金支付本金及利息。

按攤銷成本計量的金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益表中確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IFRS 9 applicable from 1 January 2018) (Continued)

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

#### Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018)

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (於二零一八年 一月一日起適用的國際財務報告準則 第9號項下政策) (續)

##### *按公平值計入損益的金融資產*

按公平值計入損益的金融資產包括持作買賣的金融資產，於初始確認時指定按公平值計入損益的金融資產，或強制要求按公平值計量的金融資產。倘為於近期出售或購回而收購金融資產，則該等金融資產分類為持作買賣。衍生工具（包括獨立嵌入式衍生工具）亦分類為持作買賣，惟該等衍生工具被指定為有效對沖工具則除外。現金流量並非純粹支付本金及利息的金融資產，不論其業務模式如何，均按公平值計入損益進行分類及計量。儘管如上文所述債務工具可按攤銷成本或按公平值計入其他全面收入分類，但於初始確認時，倘能夠消除或顯著減少會計錯配，則債務工具可指定為按公平值計入損益。

按公平值計入損益的金融資產乃於財務狀況表中按公平值列賬，而公平值的變動淨額於損益表確認。

#### 投資及其他金融資產 (於二零一八年 一月一日之前適用的國際會計準則第 39號項下政策)

##### *初步確認及計量*

金融資產於初步確認時歸類為按公平值計入損益的金融資產、貸款及應收款項及可供出售金融投資或指定為實質對沖工具的衍生工具（如適用）。金融資產初步確認時，按公平值加收購金融資產應佔交易成本計量，惟按公平值計入損益的金融資產除外。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

#### Initial recognition and measurement (Continued)

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition (applicable before 1 January 2018)" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

## 2.4 主要會計政策概要 (續)

### 投資及其他金融資產 (於二零一八年一月一日之前適用的國際會計準則第39號項下政策) (續)

#### 初步確認及計量 (續)

金融資產的所有常規購買及出售於交易日 (即本集團承諾購買或出售該資產之日) 確認。常規購買或出售指需要在一般由法規或市場慣例確立的期間內移交資產的金融資產購買或出售。

#### 後續計量

金融資產的後續計量視乎其下列分類而定：

#### 按公平值計入損益的金融資產

按公平值計入損益的金融資產包括持作買賣之金融資產及於初始確認時指定為按公平值計入損益的金融資產。購入目的為於短期內出售的金融資產歸類為持作買賣的金融資產。衍生工具包括個別嵌入式衍生工具，除非指定為實質對沖工具 (定義見國際會計準則第39號)，否則亦分類為持作買賣。

按公平值計入損益的金融資產乃於財務狀況表中按公平值列賬，於損益表內公平值的正變動淨額呈列為其他收入及收益，而公平值的負變動淨額呈列為財務成本。該等公平值變動淨額不包括該等金融資產賺取的任何股息或利息，該等股息或利息根據下文「收益確認 (於二零一八年一月一日之前適用)」所述政策確認。

初步確認時指定為按公平值計入損益的金融資產在初步確認當日指定，且必須符合國際會計準則第39號的標準。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Investments and other financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in finance costs for loans and in other expenses for receivables.

#### Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 2.4 主要會計政策概要 (續)

#### 投資及其他金融資產 (於二零一八年 一月一日之前適用的國際會計準則第 39號項下政策) (續)

##### 貸款及應收款項

貸款及應收款項指有固定或可確定付款 (於活躍市場上並無報價) 的非衍生金融資產。於初步計量後，該等資產隨後使用實際利率法以攤銷成本減任何減值撥備計量。計算攤銷成本時，考慮購買產生的任何折讓或溢價，且包括作為實際利率組成部分的費用或成本。實際利率攤銷計入損益表中的其他收入及收益。減值產生的虧損於損益表中確認為貸款的融資成本及應收款項的其他開支。

#### 終止確認金融資產 (於二零一八年一 月一日起適用的國際財務報告準則第 9號項下政策及於二零一八年一月一 日之前適用的國際會計準則第39號項 下政策)

金融資產 (或 (如適用) 金融資產的一部分或一組同類金融資產的一部分) 主要於下列情況下終止確認 (即自本集團合併財務狀況表移除) :

- 從資產收取現金流量的權利已屆滿; 或
- 本集團已根據「過手」安排轉讓從資產收取現金流量的權利，或已承擔向第三方無重大延誤全額支付所收現金流量的責任; 及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團雖未轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Derecognition of financial assets (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

### Impairment of financial assets (policies under IFRS 9 applicable from 1 January 2018)

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

## 2.4 主要會計政策概要 (續)

### 終止確認金融資產 (於二零一八年一月一日起適用的國際財務報告準則第9號項下政策及於二零一八年一月一日之前適用的國際會計準則第39號項下政策) (續)

倘本集團已轉讓從資產收取現金流量的權利或訂立過手安排，則評估有否保留資產所有權的風險和回報及保留程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，本集團以本集團持續參與程度為限繼續確認所轉讓資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

對於以擔保形式對已轉讓資產進行的持續參與，按資產原賬面值與本集團可能須償還代價上限兩者間的較低者計量。

### 金融資產減值 (國際財務報告準則第9號下自二零一八年一月一日起適用的政策)

本集團就並非以按公平值計入損益持有的所有債務工具確認預期信貸虧損撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取並按原始實際利率的概約利率折現的所有現金流量之間的差額釐定。預期現金流量將包括出售所持抵押品或合約條款所包含的其他信貸升級措施所得的現金流量。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### 2.4 主要會計政策概要 (續)

#### 一般法

預期信貸虧損分兩個階段確認。就首次確認以來信貸風險並無大幅增加的信貸敞口而言，會為未來12個月（12個月預期信貸虧損）可能發生的違約事件所產生的信貸虧損計提預期信貸虧損撥備。就首次確認以來信貸風險大幅增加的信貸敞口而言，須就預期於敞口的餘下年期產生的信貸虧損計提減值撥備，不論違約的時間（全期預期信貸虧損）。

本集團於各報告日期評估相關金融工具的信貸風險自初始確認後是否已顯著增加。在進行有關評估時，本集團會就金融工具於報告日期發生違約的風險與金融工具於首次確認當日發生違約的風險進行比較及會考慮合理且可靠並毋須付出不必要的成本或努力即可獲得的資料，包括過往及前瞻性的資料。

本集團認為，倘合約已逾期還款90天，則金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無法合理預期收回合約現金流量，則撇銷金融資產。

#### 簡化法

對於並未包含重大融資成分的貿易應收款項及合約資產，或當本集團應用不調整重大融資成分影響的實際權宜方法時，本集團應用簡化法計算預期信貸虧損。根據簡化法，本集團並無追蹤信貸風險的變化，反而於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已根據其過往信貸虧損經驗，建立撥備矩陣，並就債務人及經濟環境的特定前瞻性因素作出調整。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018)

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

## 2.4 主要會計政策概要 (續)

### 金融資產減值 (國際會計準則第39號下於二零一八年一月一日前適用的政策)

本集團於各報告期末評估有否存在客觀跡象顯示一項或一組金融資產出現減值。倘於資產初步確認後出現的一項或多項事件對能可靠估計的金融資產或一組金融資產的估計未來現金流量有影響，則說明已發生減值。減值跡象可能包括債務人或一組債務人有重大財務困難、拖欠利息或本金付款、可能破產或進行其他財務重組，以及可觀察數據顯示估計未來現金流量減少且可計量，例如與拖欠有關的欠款或經濟狀況變動。

#### **按攤銷成本入賬的金融資產**

對於按攤銷成本入賬的金融資產，本集團首先評估個別重大的金融資產是否存在個別減值或評估非個別重大的金融資產有否存在集體減值。倘本集團斷定個別評估的金融資產並無客觀減值證據，則不論重大與否均須將該資產計入一組具有相似信貸風險特徵的金融資產，以整體評估有否減值。已個別評估減值並已確認或將繼續確認減值虧損的資產不進行整體減值評估。

已識別減值虧損金額以資產的賬面值與估計未來現金流量現值（不包括尚未產生的日後信貸虧損）的差額計量。估計未來現金流量現值按金融資產的原實際利率（即初步確認時計算採用的實際利率）折現。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Impairment of financial assets (policies under IAS 39 applicable before 1 January 2018) (Continued)

##### *Financial assets carried at amortised cost (Continued)*

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

#### Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as loans and borrowings.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bill payables, other payables and accruals, amounts due to a related party and bank and other borrowings.

### 2.4 主要會計政策概要 (續)

#### 金融資產減值 (國際會計準則第39號 下於二零一八年一月一日前適用的政 策) (續)

##### *按攤銷成本入賬的金融資產 (續)*

資產賬面值透過使用撥備賬扣減，該虧損於損益表中確認。利息收入持續按已扣減賬面值累計，並採用計量減值虧損時折現未來現金流量所使用的利率累計。倘不能於未來實現收回且所有抵押品已變現或轉撥至本集團，則貸款及應收款項連同任何相關撥備可予撇銷。

倘後續期間於確認減值後發生的事項導致估計減值虧損金額增加或減少，則以往確認的減值虧損透過調整撥備賬增加或減少。倘撇銷於日後收回，則收回的減值虧損計入損益表的其他開支內。

#### 金融負債 (國際財務報告準則第9號 下自二零一八年一月一日起適用的政 策及國際會計準則第39號下於二零 一八年一月一日前適用的政策)

##### *初步確認及計量*

金融負債初步確認時分類為貸款及借貸。

所有金融負債初步按公平值確認，貸款及借貸則須扣除直接應佔交易成本。

本集團的金融負債包括貿易應收款項及應收票據、其他應付款項及應計費用、應付關連方款項及銀行及其他借貸。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018) (Continued)

#### **Subsequent measurement**

The subsequent measurement of loans and borrowings is as follows:

#### **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss and other comprehensive income.

### Derecognition of financial liabilities (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

## 2.4 主要會計政策概要 (續)

### 金融負債 (國際財務報告準則第9號下自二零一八年一月一日起適用的政策及國際會計準則第39號下於二零一八年一月一日前適用的政策) (續)

#### **後續計量**

貸款及借貸隨後按以下方法計量：

#### **貸款及借貸**

初步確認後，計息貸款及借貸隨後使用實際利率法按攤銷成本計量，惟倘折現影響並不重大，則按成本列賬。收益及虧損於終止確認負債時透過實際利率攤銷過程於損益中確認。

計算攤銷成本時已計及任何收購折讓或溢價，及屬實際利率不可或缺部分的費用或成本。實際利率攤銷則計入損益及其他全面收入表的融資成本。

### 終止確認金融負債 (國際財務報告準則第9號下自二零一八年一月一日起適用的政策及國際會計準則第39號下於二零一八年一月一日前適用的政策)

金融負債於負債責任解除、取消或屆滿時終止確認。

倘現有金融負債被另一項由同一貸款人提供而絕大部分條款不同的負債所取代，或現有負債的條款遭大幅修訂，則有關取代或修訂以終止確認原有負債及確認新負債的方式處理，而相關賬面值的差額於損益中確認。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Offsetting of financial instruments (policies under IFRS 9 applicable from 1 January 2018 and IAS 39 applicable before 1 January 2018)

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling price less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

### 2.4 主要會計政策概要 (續)

#### 抵銷金融工具 (國際財務報告準則第9號下自二零一八年一月一日起適用的政策及國際會計準則第39號下於二零一八年一月一日前適用的政策)

倘現時有可執行的法定權利抵銷已確認金額且有意按淨額基準結算，或同時變現資產及結算負債，則金融資產與金融負債可抵銷且淨額於財務狀況表呈報。

#### 存貨

存貨按成本與可變現淨值的較低者列賬。成本使用加權平均法釐定，就在製品及製成品而言包括直接材料、直接勞工及適當部分的生產開支。可變現淨值乃按估計售價減完成及出售所產生的任何估計成本計算。

#### 現金及現金等值物

就合併現金流量表而言，現金及現金等值物由手頭現金及活期存款組成，及可隨時轉換成已知金額現金、價值變動風險不大且獲取時一般具有不超過三個月短暫有效期的短期高流通投資，再扣除須於要求時償還且為本集團現金管理所包含的銀行透支。

就合併財務狀況表而言，現金及現金等值物由所持不限用途的手頭現金及銀行存款（包括定期存款）以及性質與現金類似的資產組成。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss and other comprehensive income.

### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

## 2.4 主要會計政策概要 (續)

### 撥備

倘因過往事件須承擔現時責任(法定或推定)，而履行該責任可能導致未來資源外流，且該責任所涉金額能夠可靠估計，則確認撥備。

倘折現影響重大，則確認撥備的金額為預期履行責任所需未來開支於報告期末的現值。所折算的現值隨時間而增加的金額計入損益及其他全面收入表中的融資成本。

### 所得稅

所得稅由即期及遞延稅項組成。與在損益外所確認項目有關的所得稅於損益外確認，即於其他全面收入或直接於權益確認。

即期稅項資產及負債乃根據於報告期末已實施或已實質實施的稅率(及稅法)，並計及本集團經營所在國家的現行詮釋及慣例，按預期將從稅務機關收回或向其支付的金額計量。

遞延稅項採用負債法，就於報告期末資產及負債的計稅基礎與其作財務報告用途的賬面值之間的所有暫時性差異作出撥備。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 2.4 主要會計政策概要 (續)

#### 所得稅 (續)

除以下情況外，對所有應課稅暫時性差異確認遞延稅項負債：

- 當遞延稅項負債產生自非業務合併的交易中對商譽或某項資產或負債的初步確認，且交易時對會計溢利或應課稅溢利或虧損均無影響；及
- 對於於附屬公司的投資產生的應課稅暫時性差異，其撥回時能控制且該暫時性差異可能不會在可預見未來撥回。

遞延稅項資產按所有可扣減暫時性差異、未用稅項抵免及任何未用稅項虧損的結轉予以確認。遞延稅項資產的確認以應課稅溢利可供抵銷的可扣減暫時性差異，及可動用的未用稅項抵免及未用稅項虧損的結轉為限，惟以下情況除外：

- 與遞延稅項資產有關的可扣減暫時性差異產生自非業務合併的交易中對某項資產或負債的初步確認，且交易時對會計溢利或應課稅溢利或虧損亦無影響；及
- 對於於附屬公司的投資產生的可扣減暫時性差異，僅於可能於可預見未來撥回暫時性差異且應課稅溢利會用作抵銷可動用的暫時性差異時確認遞延稅項資產。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Income tax (Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

## 2.4 主要會計政策概要 (續)

### 所得稅 (續)

遞延稅項資產的賬面值於各報告期末予以審閱，並扣減至不再可能擁有足夠的應課稅溢利以動用全部或部分遞延稅項資產為止。未確認的遞延稅項資產於各報告期末再次予以評估，並以可能擁有足夠的應課稅溢利以收回全部或部分遞延稅項資產為限確認。

遞延稅項資產與負債以預期將資產變現或負債被償還期間使用的稅率計量，並以其於報告期末已實施或已實質實施的稅率（及稅法）為基準。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務機關對同一應稅實體或於各未來期間預期待有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之不同稅務實體徵收之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

### 政府資助

倘可合理保證將獲得政府資助及符合所有附帶條件，則按其公平值確認政府資助。倘該資助與一項開支項目有關，則於擬用作補償的成本支銷期間有系統地確認為收入。

倘資助與某項資產有關，則將公平值計入遞延收入賬，再於有關資產的預期可使用年期分期等額計入損益或自資產的賬面值扣除並通過減少折舊費撥回損益中。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Revenue recognition (applicable from 1 January 2018)

##### *Revenue from contracts with customers*

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

##### *Revenue from other sources*

Rental income is recognised on a time proportion basis over the lease terms.

##### *Other income*

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

#### Revenue recognition (applicable before 1 January 2018)

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

- (a) from the rendering of services, when the services have been rendered and it is probable that the economic benefits will flow to the Group and the relevant fees can be measured reliably;

### 2.4 主要會計政策概要 (續)

#### 收益確認 (自二零一八年一月一日起 適用)

##### *客戶合約收益*

客戶合約收益於商品或服務的控制權轉移至客戶時，按反映本集團預期將因交換該等商品或服務而有權取得的代價的金額確認。

##### *其他來源收益*

租金收入於租期內按時間比例確認。

##### *其他收入*

利息收入，按應計基準，使用實際利率法應用將估計未來現金收入按金融工具的預期年期或較短期間（如適用）準確折現至金融資產賬面淨值的利率確認。

股息收入於股東收取付款的權利確立，很可能將有與股息相關經濟利益流入本集團且股息金額能夠可靠計量時確認。

#### 收益確認 (於二零一八年一月一日前 適用)

收益於很可能將有經濟利益流入本集團且相關收益能夠可靠計量時，按以下基準確認：

- (a) 來自提供服務的收益，於已提供服務，很有可能將有經濟利益流入本集團且相關費用能夠可靠計量時；

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Revenue recognition (applicable before 1 January 2018) (Continued)

- (b) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (c) rental income, on a time proportion basis over the lease terms;
- (d) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (e) dividend income, when the shareholders' right to receive payment has been established.

### Contract liabilities (applicable from 1 January 2018)

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received a consideration (or an amount of consideration that is due) from the customer. If a customer pays the consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

## 2.4 主要會計政策概要 (續)

### 收益確認 (於二零一八年一月一日前適用) (續)

- (b) 商品銷售收益，於所有權的重大風險及回報轉移至買方時確認，前提是本集團未保留通常與所有權相關程度的管理參與，亦未保留對已售出商品的實際控制權；
- (c) 租金收入於租期內按時間比例確認；
- (d) 利息收入，按應計基準，使用實際利率法應用將估計未來現金收入按金融工具的預期年期或較短期間（如適用）準確折現至金融資產賬面淨值的利率確認；及
- (e) 股息收入，於股東收取付款的權利確立時確認。

### 合約負債 (自二零一八年一月一日起適用)

合約負債為本集團就已向客戶收取的代價（或應收代價之金額）向客戶轉移商品或服務的義務。倘客戶在本集團向其轉移商品或服務之前支付代價，則於付款或應付款時（以較早者為準）確認合約負債。合約負債於本集團履行合約時確認為收益。

### 股份基礎付款

本公司設有一項購股權計劃，以為對本集團的業務營運的成功作出貢獻的合資格參與者提供激勵及獎勵。本集團僱員（包括董事）以股份基礎付款的形式收取薪酬，而僱員以提供服務作為股本工具的代價（「股權結算交易」）。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Share-based payments (Continued)

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 27 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

### 2.4 主要會計政策概要 (續)

#### 股份基礎付款 (續)

因授出而產生的與僱員間股權結算交易的成本參考授出當日公平值計量。公平值由外部估值師使用二項式定價模型釐定，有關進一步詳情載於財務報表附註27。

股權結算交易的成本確認為僱員福利開支，並於表現及／或服務條件達成期間在權益中作相應增加。在歸屬日期前的各報告期末確認的股權結算交易累計開支反映歸屬期到期程度及本集團對於將最終歸屬的股本工具數量的最佳估計。自損益表扣除或計入損益表的金額反映相關期間初及期間末確認的累計開支變動。

釐定獎勵於授出日期的公平值時，不考慮服務及非市場表現條件，但在本集團對將最終歸屬的股本工具數目作出最佳估計時會對達成相關條件的可能性作出評估。市場表現條件於授出日期公平值中反映。獎勵所附的任何其他條件（無相關服務要求）被視為非歸屬條件。非歸屬條件於獎勵的公平值中反映，並導致獎勵即時列為開支（除非亦存在服務及／或表現條件）。

就因非市場表現及／或服務條件未達成而未最終歸屬的獎勵，不確認開支。倘獎勵包含市場或非歸屬條件，則交易視作歸屬，而不論市場或非歸屬條件是否達成，前提是所有其他表現及／或服務條件獲達成。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Share-based payments (Continued)

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

### Other employee benefits

#### *Pension schemes*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute 20% of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

## 2.4 主要會計政策概要 (續)

### 股份基礎付款 (續)

倘股權結算獎勵的條款作出修訂，若符合獎勵的原條款，則確認一項最小開支，猶如條款並未修訂。此外，倘任何修訂按修訂日期計量會增加股份基礎付款的公平值總額，或以其他方式為僱員帶來利益，則會就相關修訂確認開支。

倘一項股權結算獎勵被撤銷，則將其視作猶如已於撤銷日期歸屬，及未就該獎勵確認的任何開支即時確認。其中包括本集團或僱員能夠控制的非歸屬條件未達成的情況下的任何獎勵。然而，倘以一項新獎勵取代被撤銷獎勵，並於授出當日將該新獎勵指定作為替代獎勵，則將被撤銷獎勵及新獎勵視作猶如為前段所述的原獎勵的修訂。

未行使購股權的攤薄影響在計算每股盈利時反映為額外的股份攤薄。

### 其他僱員福利

#### *退休金計劃*

本集團參加其經營所在國家的法律所界定的國家退休金計劃。

本集團於中國內地營運的附屬公司僱員須參與由地方市政府營辦的中央退休金計劃。該等附屬公司須按薪金成本20%向中央退休金計劃供款。供款按照中央退休金計劃的規定於應付時在損益中扣除。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Other employee benefits (Continued)

##### Pension schemes (Continued)

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for its employees of the Group's subsidiaries which operate in the Hong Kong SAR. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

##### 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. The 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. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

##### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and 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.

### 2.4 主要會計政策概要 (續)

#### 其他僱員福利 (續)

##### 退休金計劃 (續)

本集團根據《強制性公積金計劃條例》，為本集團在香港特別行政區內經營的附屬公司之僱員營運一個定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃按僱員基本薪金的某百分比計算，並根據強積金計劃的規則於應付時在損益中扣除。強積金計劃的資產區分於本集團的資產，以獨立管理的基金持有。本集團向強積金計劃供款時，供款即全數歸僱員所有。

##### 借貸成本

收購、建設或生產合資格資產（即需要一段較長時間方可達致擬定用途或出售的資產）直接應佔的借貸成本撥充資本，作為該等資產的部分成本。當資產已大致可作擬定用途或出售時，不會再將該等借貸成本撥充資本。在特定借貸用作合資格資產支出前暫作投資所賺取的投資收入自己撥充資本的借貸成本扣除。所有其他借貸成本於產生期間支銷。借貸成本包括實體借貸時產生的利息及其他成本。

##### 股息

末期股息於經股東在股東大會上批准時確認為負債。建議末期股息於財務報表附註披露。

由於本公司的組織章程大綱及細則授予董事宣派中期股息的權力，因此中期股息的建議及宣派同時進行。因此，中期股息於建議及宣派時即時確認為負債。

## 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Foreign currencies

The Company's functional currency is the Hong Kong dollar ("HK\$") because most of the subsidiaries use Renminbi ("RMB") as their functional currency, these financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

## 2.4 主要會計政策概要 (續)

### 外幣

本公司的功能貨幣為港元(「港元」)，由於大部分附屬公司以人民幣(「人民幣」)作為功能貨幣，該等財務報表以人民幣列示。本集團內各實體釐定其自身功能貨幣，計入各實體財務報表的項目使用該功能貨幣計量。本集團實體入賬的外幣交易初始使用其各自功能貨幣於交易日期的適用匯率入賬。以外幣計值的貨幣資產及負債按報告期末適用的功能貨幣匯率換算。貨幣項目的結算或換算產生的差額於損益確認。

按外幣歷史成本計量的非貨幣項目使用初始交易日期的匯率換算。以外幣計值按公平值計量的非貨幣項目按釐定公平值當日的匯率換算。按公平值計量的非貨幣項目換算產生的收益或虧損按與該項目的公平值變動的收益或虧損的確認一致的方式處理(即公平值收益或虧損於其他全面收益或損益確認的項目的換算差額亦分別於其他全面收益或損益確認)。

在釐定與一項預付代價相關的非貨幣資產或非貨幣負債終止確認產生的相關資產、開支或收入初始確認時的匯率時，初始交易日期為本集團初始確認該預付代價產生的非貨幣資產或非貨幣負債的日期。倘有多項預付或預收款項，則本集團會釐定預付代價的各付款或收款交易日期。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statements of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas companies which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

### 2.4 主要會計政策概要 (續)

#### 外幣 (續)

若干海外附屬公司的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末當時的匯率換算為人民幣，而其損益表按年度的加權平均匯率換算為人民幣。

就此產生的匯兌差額於其他全面收入確認，並於外幣換算儲備內累計。於出售海外業務時，與該特定海外業務相關的其他全面收入部分於損益中確認。

就合併現金流量表而言，海外附屬公司的現金流量按現金流量日期適用的匯率換算為人民幣。海外公司於整個年度內經常產生的現金流量按年度的加權平均匯率換算為人民幣。

### 3. 主要會計判斷及估計

編製本集團的財務報表時，管理層須作出會影響收益、開支、資產及負債呈報金額及其隨附披露，以及或然負債披露的判斷、估計及假設。有關該等假設及估計的不明朗因素可導致須就未來受影響的資產或負債賬面值作出重大調整。

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Judgement

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

#### **Withholding tax arising from the distribution of dividends**

The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distribution of dividends. At 31 December 2018, the carrying value of deferred tax liabilities relating to withholding tax was approximately RMB14,903,000(2017: RMB12,786,000).

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### **Provision for expected credit losses on trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with macroeconomic factors affecting the ability of the customers to settle the receivables, such as growth of gross domestic products, Sino-US trade friction and market consumption atmosphere. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

### 3. 主要會計判斷及估計(續)

#### 判斷

於應用本集團會計政策過程中，管理層已作出以下對財務報表已確認款額有最重大影響的判斷，惟該等涉及估計者除外：

#### **分派股息引致的預扣稅**

本集團斷定就根據司法管轄區所頒佈的相關稅務規則若干附屬公司分派股息是否引致預扣稅而言，取決於分派股息計劃的判斷。於二零一八年十二月三十一日，有關預扣稅的遞延稅項負債的賬面值約為人民幣14,903,000元(二零一七年：人民幣12,786,000元)。

#### 估計不明朗因素

下文載述於報告期末有關日後及估計不明朗因素其他主要來源的主要假設，該等不明朗因素具有導致下一個財政年度資產及負債賬面值須作出重大調整的重大風險。

#### **貿易應收款項預期信貸虧損撥備**

本集團使用撥備矩陣計算貿易應收款項之預期信貸虧損。撥備率最初基於本集團的歷史觀察違約率。本集團將調整矩陣，以結合影響客戶結清應收款項能力的宏觀經濟因素(如國內生產總值增長、中美貿易摩擦及市場消費氣氛)調整過往信貸虧損經驗。於各報告日期，已更新歷史觀察違約率及分析前瞻性估計之變動。

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

#### Estimation uncertainty (Continued)

##### **Provision for expected credit losses on trade receivables (Continued)**

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. At 31 December 2018, the ECLs of trade and other receivables was approximately RMB1,171,000 (2017: RMB1,137,000).

##### **Net realisable value of inventories**

Net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated selling expenses. These estimates are based on the current market condition and the historical experience of selling products of a similar nature. It could change significantly as a result of changes in market conditions. Management reassesses these estimates at each reporting date. At 31 December 2018, the net carrying value of inventories was approximately RMB85,205,000 (2017: RMB93,175,000).

### 3. 主要會計判斷及估計 (續)

#### 估計不明朗因素 (續)

##### **貿易應收款項預期信貸虧損撥備 (續)**

歷史觀察違約率、預測經濟狀況及預期信貸虧損相關性之評估屬重大估計。預期信貸虧損之金額對環境及預測經濟狀況之變動敏感。本集團的過往信貸虧損經驗及經濟狀況預測亦未必能反映客戶日後的實際違約可能。於二零一八年十二月三十一日，貿易應收款項及其他應收款項之預期信貸虧損約為人民幣1,171,000元（二零一七年：人民幣1,137,000元）。

##### **存貨之可變現淨值**

存貨之可變現淨值指於日常業務過程中之估計售價減估計銷售開支。該等估計乃基於當時市況及出售同類產品的過往經驗，或會因市況變動而大幅改變。管理層會於各申報日期評估該等估計。於二零一八年十二月三十一日，存貨之賬面淨值約為人民幣85,205,000元（二零一七年：人民幣93,175,000元）。

#### 4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

- Production: Production of polyester filament yarns;
- Processing: Dyeing and processing of differentiated polyester filament fabric;
- Trading: Trading of polyester filament yarns.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit before tax without allocation of interest income/(costs) and other expenses which are not occurred directly for operating segments.

Segment assets exclude corporate cash and deferred tax assets as these assets are managed on a group basis.

Segment liabilities exclude corporate accruals, payroll payable, deferred tax liabilities and income tax payable as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

No further geographical segment information is presented as the Group's revenue from external customers is derived mainly from its operation in Mainland China and no non-current assets are located outside Mainland China.

#### 4. 經營分部資料

為方便管理，本集團按照其產品及服務劃分業務單元，可分為以下三個可報告經營分部：

- 生產： 生產滌綸長絲；
- 加工： 差別化滌綸面料染色加工；
- 貿易： 買賣滌綸長絲。

管理層獨立審視本集團經營分部的業績，以就分配資源及評估表現作出決定。分部表現按照未劃撥利息收入／（成本）的除稅前溢利及並非直接就經營分部產生的其他開支進行評估。

分部資產不包括公司現金及遞延稅項資產，原因是該等資產乃在集團層面管理。

分部負債不包括公司應計款項、應付工資、遞延稅項負債及應付所得稅，原因是該等負債乃在集團層面管理。

分部間的銷售及轉撥乃參考按當時市場現行價格向第三方進行銷售所用價格。

由於本集團來自外界客戶的收益主要源於其在中國內地的業務及並無非流動資產位於中國內地以外，故並無進一步呈列地區分部資料。

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### 4. OPERATING SEGMENT INFORMATION (CONTINUED)

### 4. 經營分部資料 (續)

#### Operating segments

#### 經營分部資料

		Year ended 31 December 2018 截至二零一八年十二月三十一日止年度			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Segment revenue (note 5)</b>	<b>分部收益 (附註5)</b>				
Sales to external customers	銷售予外界客戶	440,085	206,420	33,675	680,180
Revenue	收益				680,180
<b>Segment results</b>	<b>分部業績</b>	<b>26,934</b>	<b>68,249</b>	<b>7,518</b>	<b>102,701</b>
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated expenses	公司及其他未分配開支				(656)
Interest income	利息收入				4,942
Finance costs	融資成本				(1,537)
Profit before tax	除稅前溢利				105,450
<b>Segment assets</b>	<b>分部資產</b>	<b>406,741</b>	<b>552,911</b>	<b>-</b>	<b>959,652</b>
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	公司及其他未分配資產				1,751
Elimination of intersegment receivables	抵銷分部間的應收款項				(160,277)
Total assets	總資產				801,126
<b>Segment liabilities</b>	<b>分部負債</b>	<b>252,850</b>	<b>67,878</b>	<b>-</b>	<b>320,728</b>
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	公司及其他未分配負債				40,761
Elimination of intersegment payables	抵銷分部間的應付款項				(160,277)
Total liabilities	總負債				201,212
<b>Other segment information</b>	<b>其他分部資料</b>				
Depreciation and amortisation	折舊及攤銷	16,077	6,148	-	22,225
Impairment of trade receivables	貿易應收款項減值	-	34	-	34
Capital expenditure*	資本開支*	44,723	5,715	-	50,438

\* Capital expenditure consists of additions to property, plant and equipment and other intangible assets.

\* 資本開支包括添置物業、廠房及設備以及其他無形資產。

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4. OPERATING SEGMENT INFORMATION  
(CONTINUED)

4. 經營分部資料 (續)

Operating segments (Continued)

經營分部資料 (續)

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度			
		Production 生產 RMB'000 人民幣千元	Processing 加工 RMB'000 人民幣千元	Trading 貿易 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Segment revenue (note 5)</b>	<b>分部收益 (附註5)</b>				
Sales to external customers	銷售予外界客戶	417,845	204,132	25,834	647,811
Revenue	收益				647,811
<b>Segment results</b>	<b>分部業績</b>	38,042	72,420	7,098	117,560
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated expenses	公司及其他未分配開支				(1,632)
Interest income	利息收入				5,635
Finance costs	融資成本				(766)
Profit before tax	除稅前溢利				120,797
<b>Segment assets</b>	<b>分部資產</b>	469,137	461,576	-	930,713
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated assets	公司及其他未分配資產				26,061
Elimination of intersegment receivables	抵銷分部間的應收款項				(155,824)
Total assets	總資產				800,950
<b>Segment liabilities</b>	<b>分部負債</b>	240,561	116,884	-	357,445
<i>Reconciliations:</i>	<i>對賬:</i>				
Corporate and other unallocated liabilities	公司及其他未分配負債				34,472
Elimination of intersegment payables	抵銷分部間的應付款項				(155,824)
Total liabilities	總負債				236,093
<b>Other segment information</b>	<b>其他分部資料</b>				
Depreciation and amortisation	折舊及攤銷	9,763	7,967	-	17,730
Impairment of trade receivables	貿易應收款項減值	288	-	-	288
Capital expenditure*	資本開支*	66,751	5,492	-	72,243

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

\* 資本開支包括添置物業、廠房及設備以及無形資產。

No revenue from transactions with a single external customer amounted to 10% or more of the Group's revenue.

並無與單一外部客戶進行的交易所得收益佔本集團收益10%或以上。

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### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of services provided and goods sold after allowances for returns and trade discounts during the year.

An analysis of revenue, other income and gains is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<i>Revenue from contracts with customers</i> 與客戶所訂合約之收入			
Disaggregated revenue information	收入分拆資料		
Production	生產	440,085	417,845
Processing	加工	206,420	204,132
Trading	貿易	33,675	25,834
		<b>680,180</b>	647,811
Timing of revenue recognition	收入確認時間		
Goods transferred at a point in time	於某一時點轉移之貨物	<b>680,180</b>	647,811

### 5. 收入、其他收入及收益

收益指年內已提供服務及已售貨品的發票淨值，並已扣除退貨撥備及貿易折扣。

收入、其他收入及收益分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<i>Other income and gains, net</i> 其他收入及收益淨額			
Bank and other interest income	銀行及其他利息收入	4,942	5,635
Fair value gains on financial assets designated as at fair value through profit or loss	按公平值計入損益的金融資產的公平值收益	7,266	7,111
Rental income	租金收入	611	617
Government grants	政府資助	4,654	2,773
Gain on disposal of prepaid land lease payments	出售預付土地租賃款項之收益	6,720	-
Foreign exchange differences, net	匯兌差額淨額	(83)	(889)
Others	其他	979	276
		<b>25,089</b>	15,523

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### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

### 6. 除稅前溢利

本集團的除稅前溢利經扣減／（計入）以下各項後得出：

	Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨的成本	406,970	356,488
Cost of services provided	已提供服務的成本	116,433	111,204
Depreciation *	折舊*	20,241	15,686
Amortisation of other intangible assets *	其他無形資產攤銷*	1,170	1,230
Amortisation of prepaid land lease payments *	預付土地租賃款項攤銷*	814	814
Impairment of trade receivables	貿易應收款項減值	34	288
Minimum lease payments under operating leases	經營租賃的最低租賃付款		
– Office rental	– 辦公室租金	1,013	498
Auditors' remuneration	核數師薪酬	950	950
Employee benefit expense (including directors' and chief executive's remuneration) *:	僱員福利開支（包括董事及最高行政人員薪酬）*：		
Wages and salaries	工資及薪金	64,716	66,910
Pension scheme contributions (defined contribution schemes)	退休金計劃供款（定額供款計劃）	5,022	5,358
Equity-settled share option arrangements	股權結算購股權安排	525	3,503
Research and development costs	研發成本	21,980	22,995
Foreign exchange differences, net	匯兌差額淨額	83	889
Fair value gains, net:	公平值收益淨額：		
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產	(7,266)	(7,111)
Bank and other interest income	銀行及其他利息收入	(4,942)	(5,635)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	48	264
Gain on disposal of prepaid land lease payments	出售預付土地租賃款項之收益	(6,720)	–

\* Part of the depreciation, the amortisation of other intangible assets and prepaid land lease payments and employee benefit expense for the year are included in "Cost of sales" in the consolidated statement of profit or loss and other comprehensive income.

\* 本年度折舊、其他無形資產攤銷、預付土地租賃款項攤銷及僱員福利開支的一部分已計入合併損益及其他全面收入表內的「銷售成本」。



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### 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on bank loans 銀行貸款利息	<b>1,537</b>	766

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors and chief executives' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### 7. 融資成本

融資成本的分析如下：

### 8. 董事及最高行政人員薪酬

董事及最高行政人員於年內的薪酬根據上市規則、香港《公司條例》第383(1)(a)、(b)、(c)及(f)條及《公司(披露董事利益資料)規例》第2部披露如下：

	<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Fee 袍金	<b>620</b>	634
Other emoluments: 其他酬金：		
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	<b>1,783</b>	1,589
Performance related bonuses 相關績效花紅	<b>4,345</b>	5,611
Pension scheme contributions 退休金計劃供款	<b>125</b>	94
Equity-settled share option arrangements 股權結算購股權安排	<b>217</b>	1,549
	<b>7,090</b>	9,477

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**8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)**

In the prior years, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 27 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' and chief executive's remuneration disclosures.

**(a) Independent non-executive directors**

The fees paid to independent non-executive directors during the year were as follows:

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Mr. Shiping James Wang	王世平先生	<b>85</b>	87
Ms. Wong Wai Ling	黃慧玲女士	<b>110</b>	112
Mr. Wang Huaping	王華平先生	<b>85</b>	87
		<b>280</b>	286

There were no other emoluments payable to the independent non-executive directors during the year (2017: Nil).

**8. 董事及最高行政人員薪酬 (續)**

過往年度，根據本公司的購股權計劃，若干董事就其對本集團提供的服務獲授購股權，進一步詳情載於財務報表附註27。該等購股權的公平值於授出日期釐定，已按歸屬期於損益及其他全面收入表確認，而載於本年度財務報表的金額已載於上文董事及最高行政人員薪酬的披露資料。

**(a) 獨立非執行董事**

年內，向獨立非執行董事支付的袍金如下：

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Mr. Shiping James Wang	王世平先生	<b>85</b>	87
Ms. Wong Wai Ling	黃慧玲女士	<b>110</b>	112
Mr. Wang Huaping	王華平先生	<b>85</b>	87
		<b>280</b>	286

年內，概無其他薪酬應付予獨立非執行董事（二零一七年：無）。

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**8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (CONTINUED)**

**8. 董事及最高行政人員薪酬 (續)**

**(b) Executive directors and non-executive directors**

**(b) 執行董事和非執行董事**

2018

二零一八年

Name of Directors	Fees	Salaries,	Performance	Pension	Equity-settled	Total
		allowances and benefits in kind	related bonuses	scheme contributions	share option arrangements	
董事姓名	袍金	薪酬、津貼及實物福利	績效相關花紅	退休金計劃供款	股權結算購股權安排	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors:						
Mr. Li Cheng	85	880	800	15	-	1,780
Mr. Zhao Jidong	85	602	1,560	47	133	2,427
Mr. Li Conghua	85	-	-	-	-	85
Mr. Ma Qinghai	85	301	1,985	63	84	2,518
	340	1,783	4,345	125	217	6,810
Independent non-executive directors:						
Mr. Shiping James Wang	85	-	-	-	-	85
Ms. Wong Wai Ling	110	-	-	-	-	110
Mr. Wang Huaping	85	-	-	-	-	85
	280	-	-	-	-	280
	620	1,783	4,345	125	217	7,090

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8. DIRECTORS' AND CHIEF EXECUTIVE'S  
REMUNERATION (CONTINUED)

8. 董事及最高行政人員薪酬 (續)

(b) Executive directors and non-executive  
directors (Continued)

(b) 執行董事和非執行董事 (續)

2017		二零一七年					
Name of Directors	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Equity-settled share option arrangements	Total	
董事姓名	袍金	薪酬、津貼及 實物福利	績效相關 花紅	退休金 計劃供款	股權結算 購股權安排	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors:	執行董事:						
Mr. Li Cheng	87	831	1,219	16	-	2,153	
Mr. Zhao Jidong	87	457	2,200	39	903	3,686	
Mr. Li Conghua	87	-	-	-	-	87	
Mr. Ma Qinghai	87	301	2,192	39	646	3,265	
	348	1,589	5,611	94	1,549	9,191	
Independent non-executive directors:	獨立非執行董事:						
Mr. Shiping James Wang	87	-	-	-	-	87	
Ms. Wong Wai Ling	112	-	-	-	-	112	
Mr. Wang Huaping	87	-	-	-	-	87	
	286	-	-	-	-	286	
	634	1,589	5,611	94	1,549	9,477	

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

年內，並無任何董事或最高行政人員放棄或同意放棄任何薪酬的安排。

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### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included 3 executive directors (2017: 3 executive directors), details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining 2 (2017: 2) highest paid employees who are neither a director nor chief executive of the Company are as follows:

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	<b>615</b>	618
Performance related bonuses	績效相關花紅	<b>1,684</b>	1,760
Pension scheme contributions	退休金計劃供款	<b>27</b>	22
Equity-settled share option arrangements	股權結算購股權安排	<b>20</b>	255
		<b>2,346</b>	2,655

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

		<b>2018</b> 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至1,000,000港元	-	-
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	<b>2</b>	2
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	-	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	-	-
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	-	-
		<b>2</b>	2

### 9. 五名最高薪酬僱員

年內，五名最高薪酬僱員包括三名執行董事（二零一七年：三名執行董事），彼等的薪酬詳情載於上文附註8。餘下兩名（二零一七年：兩名）最高薪酬僱員（並非本公司董事或最高行政人員）於年內的薪酬詳情如下：

薪酬介乎下列範圍既非董事亦非最高行政人員的最高薪酬僱員人數如下：

## 9. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

In prior years, share options were granted to one non-director highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 27 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss and other comprehensive income over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director highest paid employees' remuneration disclosures.

## 10. INCOME TAX EXPENSE

Pursuant to the applicable rules and regulations of the Cayman Islands and BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI.

All of the Group's subsidiaries incorporated in Hong Kong are subject to profits tax at a rate of 16.5% (2017: 16.5%).

All of the Group's subsidiaries registered in the PRC having operations only in Mainland China are subject to PRC enterprise income tax on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws. The PRC Enterprise Income Tax Law introduces a wide range of changes which include, but are not limited to, the unification of the income tax rates for domestic-invested and foreign-invested enterprises at 25%.

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, two of the Group's subsidiaries, Yongsheng Dyeing and Nantong Fiber, qualified as High and New Technology Enterprises, are entitled to the preferential enterprise income tax rate of 15% for three years from 2018 to 2020.

## 9. 五名最高薪酬僱員 (續)

於過往年度，一名非董事最高薪酬僱員就其對本集團提供的服務獲授購股權，進一步詳情載於財務報表附註27之披露資料。該等購股權的公平值於授出日期釐定，已按歸屬期於損益及其他全面收入表確認，而載於本年度財務報表的金額已載於上文非董事最高薪酬僱員的薪酬的披露資料。

## 10. 所得稅開支

根據開曼群島及英屬處女群島的適用規則及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

本集團所有在香港註冊成立的附屬公司均須按利得稅率16.5% (二零一七年：16.5%)繳納稅項。

本集團所有於中國註冊並僅於中國內地營運的附屬公司須就其於中國法定賬目(根據相關中國所得稅法作出調整)內呈報的應課稅收入繳納中國企業所得稅。中國企業所得稅法引入一系列改革，包括但不限於將境內投資及外資企業的所得稅率統一為25%。

根據中國相關法律及法規以及經負責稅務機關批准，本集團其中兩間附屬公司永盛染整及南通永盛合資格成為高新技術企業，有權於二零一八年至二零二零年三年間享有15%的優惠企業所得稅率。

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### 10. INCOME TAX EXPENSE (CONTINUED)

Pursuant to the relevant laws and regulations in the PRC and with approval from the tax authorities in charge, one of the Group's subsidiaries, Hangzhou Fiber, qualified as a High and New Technology Enterprise, was entitled to the preferential enterprise income tax rate of 15% for three years from 2017 to 2019.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on the dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable to 5% withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totaled approximately RMB96,720,000 at 31 December 2018 (2017: RMB96,720,000). In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future.

### 10. 所得稅開支(續)

根據中國相關法律及法規以及經負責稅務機關批准，本集團其中一間附屬公司杭州化纖合資格成為高新技術企業，有權於二零一七年至二零一九年三年間享有15%的優惠企業所得稅率。

根據中國企業所得稅法，在中國成立的外資企業向海外投資者宣派的股息須繳納10%預扣稅。有關規定由二零零八年一月一日起生效，適用於二零零七年十二月三十一日後的盈利。倘中國與海外投資者的司法權區訂有稅務條約，則可能適用較低的預扣稅率。本集團因而有可能須就該等在中國成立的附屬公司自二零零八年一月一日起賺取的盈利所派發的股息繳納5%預扣稅。於二零一八年十二月三十一日，遞延稅項負債尚未確認入賬的涉及中國內地附屬公司投資的暫時差額合共約為人民幣96,720,000元(二零一七年：人民幣96,720,000元)。董事認為該等附屬公司於可見未來應不會分派該等盈利。

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10. INCOME TAX EXPENSE (CONTINUED)

The major components of income tax expense for the years ended 31 December 2018 and 2017 are:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Current tax	即期稅項	13,281	19,332
Deferred tax	遞延稅項	5,490	3,015
Total tax charge for the year	年內稅項支出總額	<b>18,771</b>	22,347

10. 所得稅開支(續)

截至二零一八年及二零一七年十二月三十一日止年度，所得稅開支的主要組成部分如下：

Reconciliation of the tax expense and the accounting profit multiplied by the statutory rates for the countries in which the Company and its subsidiaries are domiciled:

稅項開支與會計溢利乘以本公司及其附屬公司所在國家的法定稅率的對賬如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	<b>105,450</b>	120,797
Tax calculated at statutory tax rate of the PRC (25%)	按中國法定稅率(25%)	<b>26,363</b>	30,199
Effect of difference for Hong Kong income tax rate	就香港所得稅率差異的影響	<b>546</b>	362
Effect of preferential enterprise income tax rate	優惠企業所得稅率的影響	<b>(10,877)</b>	(12,195)
Expenses not deductible for tax	不可扣稅開支	<b>100</b>	161
Tax losses not recognised	未確認稅務虧損	<b>1,581</b>	1433
Effect of withholding tax at 5% on the distributable profits of the Group's PRC subsidiaries	按本集團中國附屬公司之可分派溢利5%計算預扣稅之影響	<b>3,467</b>	4,101
Additional deduction of research and development cost	研發成本的額外扣減	<b>(2,409)</b>	(1,714)
Tax charge at the effective income tax rate 17.8% (2017: 18.5%)	按實際所得稅率17.8% (二零一七年: 18.5%) 計算的稅項	<b>18,771</b>	22,347



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### 11. DIVIDENDS

### 11. 股息

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interim – HK\$0.033 (equivalent to RMB0.0293) (2017: HK\$0.035 (equivalent to RMB0.029)) per ordinary share	中期－每股普通股0.033港元 (相當於人民幣0.0293元) (二零一七年：0.035港元 (相當於人民幣0.029元))	<b>11,496</b>	11,895
Proposed final – HK\$0.022 (equivalent to RMB0.0188) (2017: HK\$0.045 (equivalent to RMB0.0362)) per ordinary share	擬派末期－每股普通股0.022港元 (相當於人民幣0.0188元) (二零一七年：0.045港元 (相當於人民幣0.0362元))	<b>12,053</b>	14,514
		<b>23,549</b>	26,409

The Board resolved to propose a final dividend of HK\$0.022 (2017: HK\$0.045) per ordinary shares amounting a total of RMB12,053,000 (2017: RMB14,514,000). The proposed dividends are based on 641,353,746 (2017: 400,925,600) shares issued as at 26 March 2019.

董事會議決建議派付末期股息每股普通股0.022港元(二零一七年：0.045港元)，總計人民幣12,053,000元(二零一七年：人民幣14,514,000元)。建議股息乃基於二零一九年三月二十六日之已發行股份數目641,353,746股(二零一七年：400,925,600股)計算。

The proposed final dividend is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

年內擬派末期股息須經本公司股東於應屆股東週年大會批准。

### 12. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

### 12. 本公司股東應佔每股盈利

Basic EPS amounts are calculated by dividing the profit for the year attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

每股基本盈利金額乃按本公司股東應佔年內溢利除以年內已發行普通股的加權平均數計算。

Diluted EPS amounts are calculated by dividing the profit attributable to the shareholders of the Company by the weighted average number of ordinary shares in issue during the year, as used in the basic EPS calculation, plus the weighted average number of ordinary shares that would be issued on the deemed exercise of all the dilutive potential ordinary shares into ordinary shares.

每股攤薄盈利金額乃按本公司股東應佔溢利，除以年內已發行普通股的加權平均數(如同計算每股基本盈利所採用者)再加上因視作將所有潛在攤薄普通股行使為普通股所要發行的普通股的加權平均數計算。

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12. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (CONTINUED)

The following reflects the income and share data used in the basic and diluted EPS computations:

12. 本公司股東應佔每股盈利(續)

以下反映用於計算每股基本及攤薄盈利的收入及股份數據：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Earnings:</b>	<b>盈利：</b>		
Profit attributable to shareholders of the Company – basic and diluted	本公司股東應佔溢利 – 基本及攤薄	<b>80,751</b>	92,144
		<b>80,751</b>	92,144
		Number of shares 股份數目	
		2018 二零一八年	2017 二零一七年
<b>Shares:</b>	<b>股份：</b>		
Weighted average number of ordinary shares for EPS calculation	就計算每股盈利而言之普通股加權平均數	<b>396,339,902</b>	400,077,133
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股之加權平均數：		
Share options	購股權	<b>9,821,023</b>	6,197,655
Weighted average number of ordinary shares adjusted for the effect of dilution	修正攤薄影響的普通股加權平均數	<b>406,160,925</b>	406,274,788

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### 13. PROPERTY, PLANT AND EQUIPMENT

### 13. 物業、廠房及設備

		Buildings	Plant and machinery	Vehicles	Office equipment and others 辦公室設備及其他	Leasehold improvements 租賃裝修	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018, net of accumulated depreciation	於二零一八年一月一日， 已扣除累計折舊	74,536	85,295	1,667	2,166	215	41,460	205,339
Additions	添置	16	7,178	2	152	573	42,482	50,403
Transfer	轉撥	1,765	42,540	-	-	-	(44,305)	-
Depreciation provided during the year	年內計提的折舊	(3,446)	(15,716)	(304)	(559)	(216)	-	(20,241)
Disposals	出售	-	(1,446)	-	-	-	-	(1,446)
At 31 December 2018, net of accumulated depreciation	於二零一八年十二月三十一日， 已扣除累計折舊	72,871	117,851	1,365	1,759	572	39,637	234,055
At 31 December 2018:	於二零一八年十二月三十一日：	104,748	212,261	6,429	8,423	2,567	39,637	374,065
Cost	成本							
Accumulated depreciation	累計折舊	(31,877)	(94,410)	(5,064)	(6,664)	(1,995)	-	(140,010)
Net carrying amount	賬面淨值	72,871	117,851	1,365	1,759	572	39,637	234,055
At 1 January 2017, net of accumulated depreciation	於二零一七年一月一日， 已扣除累計折舊	57,508	76,700	2,019	1,785	485	13,157	151,654
Additions	添置	548	5,464	136	651	157	64,512	71,468
Transfer	轉撥	19,167	17,042	-	-	-	(36,209)	-
Depreciation provided during the year	年內計提的折舊	(2,678)	(11,824)	(488)	(269)	(427)	-	(15,686)
Disposals	出售	(9)	(2,087)	-	(1)	-	-	(2,097)
At 31 December 2017, net of accumulated depreciation	於二零一七年十二月三十一日， 已扣除累計折舊	74,536	85,295	1,667	2,166	215	41,460	205,339
At 31 December 2017:	於二零一七年十二月三十一日：	102,967	165,560	6,427	8,275	1,994	41,460	326,683
Cost	成本							
Accumulated depreciation	累計折舊	(28,431)	(80,265)	(4,760)	(6,109)	(1,779)	-	(121,344)
Net carrying amount	賬面淨值	74,536	85,295	1,667	2,166	215	41,460	205,339

At 31 December 2018, certain of the Group's buildings with a net carrying amount of approximately RMB23,383,000 (2017: RMB7,564,000) were pledged to secure letter of credit facilities granted to the Group by a bank.

At 31 December 2018, certain of the Group's buildings with a net carrying amount of approximately RMB31,309,000 (2017: RMB8,547,000) were pledged to secure short-term loan facilities granted to the Group by a bank.

於二零一八年十二月三十一日，本集團賬面淨值約為人民幣23,383,000元（二零一七年：人民幣7,564,000元）的若干樓宇已予抵押，以讓一間銀行向本集團授出信用證融資。

於二零一八年十二月三十一日，本集團賬面淨值約為人民幣31,309,000元（二零一七年：人民幣8,547,000元）的若干樓宇已予抵押，以讓一間銀行向本集團授出短期貸款融資。

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14. PREPAID LAND LEASE PAYMENTS

14. 預付土地租賃款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	28,522	29,336
Disposal during the year	年內已出售	(587)	-
Recognised during the year	年內已確認	(814)	(814)
Carrying amount at 31 December	於十二月三十一日的賬面值	27,121	28,522

The Group's land use rights are corresponding to the lands located in Hangzhou and Nantong of the PRC and the remaining lease periods ranged from 10 to 50 years as at 31 December 2018.

At 31 December 2018, certain of the Group's land use rights with a net carrying amount of approximately RMB3,072,000 (2017: RMB4,385,000) were pledged to secure letter of credit facilities granted to the Group by a bank.

At 31 December 2018, certain of the Group's land use rights with a net carrying amount of approximately RMB11,585,000 (2017: RMB8,782,000) were pledged to secure short-term loan facilities granted to the Group by a bank.

本集團的土地使用權涉及位於中國杭州及南通的土地，於二零一八年十二月三十一日，餘下租期分別介乎10至50年。

於二零一八年十二月三十一日，本集團賬面淨值約為人民幣3,072,000元（二零一七年：人民幣4,385,000元）的若干土地使用權已予抵押，以讓一間銀行向本集團授出信用證融資。

於二零一八年十二月三十一日，本集團賬面淨值約為人民幣11,585,000元（二零一七年：人民幣8,782,000元）的若干土地使用權已予抵押，以讓一間銀行向本集團授出短期貸款融資。

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### 15. OTHER INTANGIBLE ASSETS

### 15. 其他無形資產

		Software 軟件 RMB'000 人民幣千元	Technical know-how 技術知識 RMB'000 人民幣千元	Sewage pipe usage right 污水渠使用權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018, net of accumulated amortization	於二零一八年一月一日， 已扣除累計攤銷	550	2,260	2,697	5,507
Addition	添置	35	-	-	35
Amortization provided during the year	年內計提的攤銷	(212)	(758)	(200)	(1,170)
At 31 December 2018, net of accumulated amortization	於二零一八年十二月三十一日， 已扣除累計攤銷	373	1,502	2,497	4,372
At 31 December 2018 Cost	於二零一八年十二月三十一日： 成本	1,183	7,274	4,024	12,481
Accumulated amortization	累計攤銷	(810)	(5,772)	(1,527)	(8,109)
Net carrying amount	賬面淨值	373	1,502	2,497	4,372
At 1 January 2017, net of accumulated amortization	於二零一七年一月一日， 已扣除累計攤銷	47	3,018	2,897	5,962
Addition	添置	775	-	-	775
Amortization provided during the year	年內計提的攤銷	(272)	(758)	(200)	(1,230)
At 31 December 2017, net of accumulated amortization	於二零一七年十二月三十一日， 已扣除累計攤銷	550	2,260	2,697	5,507
At 31 December 2017: Cost	於二零一七年十二月三十一日： 成本	1,148	7,274	4,024	12,446
Accumulated amortisation	累計攤銷	(598)	(5,014)	(1,327)	(6,939)
Net carrying amount	賬面淨值	550	2,260	2,697	5,507

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16. INVENTORIES

16. 存貨

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	31,560	37,898
Work in progress	在製品	3,360	3,769
Finished goods	製成品	50,285	51,508
		<b>85,205</b>	93,175

17. TRADE AND BILLS RECEIVABLES

17. 貿易應收款項及應收票據

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	19,685	15,953
Bills receivables	應收票據	118,763	135,170
		<b>138,448</b>	151,123
Impairment	減值	(1,171)	(1,137)
Net trade and bills receivables	貿易應收款項及應收票據淨額	<b>137,277</b>	149,986

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 3 months. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivable and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

本集團與客戶間的貿易條款以信貸為主，惟新客戶一般須預先付款除外。信貸期通常為3個月。每名客戶均設有最高信貸限額。本集團致力嚴格控制未收回應收款項，而高級管理層則定期檢討逾期結餘。鑒於上文所述，加上本集團貿易應收款項與大量分散客戶相關，故並無重大信用風險集中的情況。貿易應收款項為免息。

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### 17. TRADE AND BILLS RECEIVABLES (CONTINUED)

At 31 December 2018, certain of the Group's bills receivables with a net carrying amount of approximately RMB1,850,000 (2017: Nil) were pledged to secure letter of credit facilities granted to the Group by a bank.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 3 months	3個月內	16,848	11,732
3 to 6 months	3個月至6個月	1,479	2,281
6 months to 1 year	6個月至1年	135	734
1 to 2 years	1至2年	51	69
More than 2 years	超過2年	1,172	1,137
		<b>19,685</b>	15,953

The movements in provision for impairment of trade receivables are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At beginning of year	年初	(1,137)	(1,198)
Impairment losses recognised (note 6)	已確認減值虧損(附註6)	(34)	(288)
Amount written off as uncollectible	撇銷為無法收回的金額	-	349
		<b>(1,171)</b>	(1,137)

### 17. 貿易應收款項及應收票據(續)

於二零一八年十二月三十一日，本集團賬面淨值約人民幣1,850,000元(二零一七年：無)的若干應收票據已作質押，以讓一間銀行向本集團授出信用證融資。

於報告期末，貿易應收款項按發票日期的賬齡分析如下：

貿易應收款項減值撥備的變動如下：

## 17. TRADE AND BILLS RECEIVABLES (CONTINUED)

### Impairment under IAS 39 for the year ended 31 December 2017

Included in the above provision for impairment of trade receivables, which was measured based on incurred credit losses under IAS 39, as at 31 December 2017 was a provision for individually impaired trade receivables of RMB1,137,000 with a carrying amount before provision of RMB1,137,000.

The ageing analysis of trade receivables as at 31 December 2017 that are not individually nor collectively considered to be impaired under IAS 39 is as follows:

		2017 二零一七年 RMB'000 人民幣千元
Neither past due nor impaired	並無逾期或減值	11,731
Less than 3 months past due	逾期少於3個月	2,281
3 months to 9 months past due	逾期3個月至9個月	734
9 months to 21 months past due	逾期9個月至21個月	70
		14,816

Receivables that were neither past due nor impairment relate to a large number of diversified customers for whom there was no recent history of default.

Bills receivables relate to banks for whom there was no recent history of default. There has not been a significant change in credit quality.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 17. 貿易應收款項及應收票據 (續)

### 截至二零一七年十二月三十一日止年 度根據國際會計準則第39號減值

於二零一七年十二月三十一日，上述根據國際會計準則第39號按已產生信貸虧損計量的貿易應收款項減值撥備中，包括個別減值貿易應收款項之撥備人民幣1,137,000元，計提撥備前的賬面值為人民幣1,137,000元。

於二零一七年十二月三十一日根據國際會計準則第39號並無個別或共同視作減值的貿易應收款項的賬齡分析如下：

	2017 二零一七年 RMB'000 人民幣千元
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並無逾期或減值的應收款項與大量近期並無拖欠記錄的分散客戶有關。

應收票據與近期並無拖欠記錄的銀行有關。信貸質素並無重大轉變。

已逾期但未減值的應收款項與大量和本集團擁有良好過往記錄的獨立客戶有關。根據過往經驗，本公司董事認為無須就該等結餘作出減值撥備，原因為信貸質素並無重大轉變，而結餘仍被視為可全數收回。



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### 17. TRADE AND BILLS RECEIVABLES (CONTINUED)

#### Impairment under IFRS 9 for the year ended 31 December 2018

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2018

	Current 即期	Past due 逾期			Total 總計
		Less than 3 months 少於 3個月	3 to 12 months 3個月 至12個月	Over 12 months 超過 12個月	
Expected credit loss rate 預期信貸虧損率	0.09%	0.95%	25.19%	89.57%	5.95%
Gross carrying amount (RMB'000) 賬面總值 (人民幣千元)	16,834	1,479	135	1,237	19,685
Expected credit losses (RMB'000) 預期信貸虧損 (人民幣千元)	15	14	34	1,108	1,171

The maximum exposure to credit risk as at the end of the reporting period is the carrying value of the trade receivables.

The bills receivables were due within 6 months. The Group has closely monitored the credit qualities and the collectability of these bills receivables and consider that the expected credit risks of them are close to zero.

### 17. 貿易應收款項及應收票據 (續)

#### 截至二零一八年十二月三十一日止年度根據國際財務報告準則第9號減值

減值分析於各報告日期採用撥備矩陣進行，以計量預期信貸虧損。撥備率乃基於具有類似虧損模式的多個客戶分部組別的逾期日數釐定。該計算反映概率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前狀況及未來經濟狀況預測的合理及可靠資料。一般而言，貿易應收款項如逾期超過一年及毋須受限於強制執行活動則予以撇銷。

下表載列本集團使用撥備矩陣計算的貿易應收款項的信貸風險資料：

於二零一八年十二月三十一日

於報告期末面臨之最大信貸風險為貿易應收款項的賬面值。

應收票據於六個月內到期。本集團已密切關注該等應收票據的信貸素質及可回收性，並認為該等應收票據的預期信貸風險幾乎為零。

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18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND TRUST LOAN RECEIVABLE

18. 預付款項、按金及其他應收款項以及應收委託貸款

(a) Prepayments, deposits and other receivables

(a) 預付款項、按金及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Deposit paid for a proposed acquisition from a related party*	就建議向一名關聯方作出的收購而支付按金*	20,000	-
Prepayment to suppliers	向供應商支付的預付款項	11,634	6,235
Deposits and other receivables	按金及其他應收款項	5,410	1,183
Prepaid expenses	預付開支	510	136
Interest receivables	應收利息	69	69
Value-added tax recoverable	可收回增值稅	3,428	7,360
Less: Impairment allowance	減：減值撥備	-	(95)
		<b>41,051</b>	14,888

\* On 1 November 2018, the Group entered into the share purchase agreement with Astute Horizon Limited, ultimately controlled by the Controlling Shareholder, Mr. Li Cheng, to acquire 100% equity interests of First Intelligence International Limited. As at 31 December 2018, the Group made a deposit of RMB20,000,000 pursuant to the terms agreed. The acquisition was completed on 4 January 2019 with details set out in note 38 to the financial statements.

\* 於二零一八年十一月一日，本集團與睿景有限公司（最終由控股股東李誠先生控制）訂立股權轉讓協議以收購穎元國際有限公司之全部股權。於二零一八年十二月三十一日，本集團已根據協定條款支付按金人民幣20,000,000元。該收購事項已於二零一九年一月四日完成，詳情載於該等財務報表附註38。

The above balances are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of deposits and other receivables approximate to their fair values.

上述結餘為無抵押、免息及無固定還款期。按金及其他應收款項的賬面值與其公平值相若。

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### 18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND TRUST LOAN RECEIVABLE (CONTINUED)

#### (a) Prepayments, deposits and other receivables (Continued)

Movement of the impairment allowance of other receivables is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At beginning of year	年初	(95)	(95)
Amount written off as uncollectible	撇銷為無法收回的金額	95	-
At end of year	年終	-	(95)

Impairment allowance for other receivables is charged to administrative expenses in the consolidated statement of profit or loss and other comprehensive income (Note 6). Amounts charged to the allowance account are generally written off when there is no expectation of recovery of additional cash.

The maximum exposure to credit risk as at the end of the reporting period is the carrying value of prepayments, deposits and other receivables.

### 18. 預付款項、按金及其他應收款項以及應收委託貸款 (續)

#### (a) 預付款項、按金及其他應收款項 (續)

其他應收款項減值撥備的變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At beginning of year	年初	(95)	(95)
Amount written off as uncollectible	撇銷為無法收回的金額	95	-
At end of year	年終	-	(95)

其他應收款項減值撥備已於合併損益及全面收入表的行政開支中扣除(附註6)。於撥備賬目中扣除的金額一般於預期不能收回額外現金時撇銷。

於報告期末的最大信貸風險為預付款項、按金及其他應收款項的賬面值。

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18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES AND TRUST LOAN RECEIVABLE (CONTINUED)

(b) Trust loan receivable

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trust loan receivable	應收委託貸款	50,000	50,000

Trust loan receivable represents a six-month trust loan lending arrangement with a commercial bank with an interest rate of 6.5% per annum. The trust loan receivable matured and was received on 11 July 2018. The new term of trust loan receivable period is from July 12, 2018 to January 12, 2019.

18. 預付款項、按金及其他應收款項以及應收委託貸款（續）

(b) 應收委託貸款

應收委託貸款指與一間商業銀行的六個月委託貸款借貸安排，年利率為6.5%。應收委託貸款已到期及於二零一八年七月十一日收取。新的應收委託貸款期限為二零一八年七月十二日至二零一九年一月十二日。

19. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Asset management agreement, at fair value (note 35)	資產管理協議，按公平值（附註35）	68,134	60,600

For the years ended 31 December 2018 and 2017, Yongsheng Dyeing (as asset entrustor) entered into certain asset management agreements with the corresponding asset managers, pursuant to which Yongsheng Dyeing agreed to participate in the asset management plans operated by these asset managers and to deposit investments to the designated accounts maintained by the asset managers. The asset management plans mainly invest in inter-bank deposits and bonds. The financial assets at 31 December 2018 and 2017 were classified as held for trading and were, upon initial recognition, designated by the Group as financial assets designated as at fair value through profit or loss.

19. 指定為按公平值計入損益的金融資產

截至二零一八年及二零一七年十二月三十一日止年度，永盛染整（作為資產委託人）與相應資產管理人訂立若干資產管理協議，據此，永盛染整同意參與該等資產管理人運營的資產管理計劃，並向資產管理人開設的指定賬戶存入投資額。資產管理計劃主要投資於銀行同業存款及債券。該等金融資產於二零一八年及二零一七年十二月三十一日被列為持作買賣，並於初步確認時被本集團指定為按公平值計入損益的金融資產。

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### 19. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The details of the investments at 31 December 2018 and 2017 are set out below:

Assets Manager	Custodian	Investment amount	Agreement date	Fair value at year-end
資產管理人	託管人	投資額 RMB'000 人民幣千元	協議日期	於年末的 公平值 RMB'000 人民幣千元
<b>2018</b>				
二零一八年				
Minsheng Wealth Investment Management Co., Ltd 民生財富投資管理有限公司	China Merchants Securities Co., Ltd 招商證券股份有限公司	20,000	17 July 2018	20,627
China Foreign Economic and Trade Trust Co., Ltd 中國對外經濟貿易信託有限公司	Beijing Chaowai Street Sub-Branch of China Merchants Bank Co., Ltd. 招商銀行股份有限公司北京朝外大街支行	46,150	17 July 2018	47,507
			二零一八年七月十七日	
				68,134
<b>2017</b>				
二零一七年				
Shenzhen Sidaoke Investment Limited ("SZ Sidaoke Investment") 深圳市思道科投資有限公司 (「深圳市思道科投資」)	Ping An Bank Co., Limited, Shenzhen Branch ("Ping An Bank Shenzhen Branch") 平安銀行股份有限公司深圳分行 (「平安銀行深圳分行」)	45,000	31 October 2017	45,462
China Resources SZITIC Trust Co., Ltd 華潤深國投信託有限公司	China Resources Bank Of Zhuhai Co., Ltd, Shenzhen Branch 珠海華潤銀行股份有限公司深圳分行	15,000	1 November 2017	15,138
			二零一七年十一月一日	
				60,600

### 19. 指定為按公平值計入損益的金融資產 (續)

於二零一八年及二零一七年十二月三十一日，該等投資的詳情載列如下：

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20. CASH AND CASH EQUIVALENTS AND  
PLEGDED DEPOSITS

20. 現金及現金等值物以及已抵押存款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	81,483	132,837
Pledged deposits	已抵押存款	2,743	10,150
Time deposits	定期存款	63,090	20,000
		<b>147,316</b>	162,987
Less: Pledged as collateral for issuance of letters of credit	減：已就信用狀的發行質押為 抵押品	(200)	(150)
Pledged as collateral for bank acceptance bills	已就銀行承兌票據質押為 抵押品	-	(10,000)
Pledged as collateral for bank borrowings	已就銀行借貸質押為抵押品	(2,543)	-
Cash and cash equivalents	現金及現金等值物	<b>144,573</b>	152,837

At the end of the year, the cash and bank balances of the Group denominated in RMB were RMB143,233,000 (2017: RMB111,925,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between 3 to 45 days depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposits rates. The bank balances are deposited with creditworthy banks with no recent history of default.

於年末，本集團以人民幣計值的現金及銀行結餘為人民幣143,233,000元（二零一七年：人民幣111,925,000元）。人民幣不能自由兌換為其他貨幣。然而，根據中國內地《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准通過獲授權銀行兌換人民幣為其他貨幣以進行外匯業務。

銀行現金按照每日銀行存款利率，以浮動利率賺取利息。短期定期存款年期不一，視乎本集團即時現金需求而定，介乎三至四十五天不等，並按相關短期定期存款利率賺取利息。銀行結餘存放於信譽良好且近期並無失責記錄的銀行。

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### 21. TRADE AND BILLS PAYABLES

### 21. 貿易應付款項及應付票據

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	貿易應付款項	78,556	120,404
Bills payables	應付票據	-	20,000
		<b>78,556</b>	140,404

An ageing analysis of the trade and bills payables as at the end of the year, based on the invoice date, is as follows:

於年末，貿易應付款項及應付票據根據發票日期的賬齡分析如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 6 months	6個月內	76,682	138,163
6 months to 1 year	6個月至1年	40	218
1 to 2 years	1至2年	1,751	1,524
More than 2 years	超過2年	83	499
		<b>78,556</b>	140,404

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

貿易應付款項為免息及正常須於60日期限內償還。

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### 22. OTHER PAYABLES AND ACCRUALS

### 22. 其他應付款項及應計款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Advance from customers	客戶墊款	-	7,479
Contract liabilities	合約負債	15,072	-
Accrued payroll	應計工資	16,700	21,434
Accruals	應計款項	812	1,364
Interest payable	應付利息	51	-
Value-added and other taxes payable	應付增值稅及其他稅項	7,972	4,836
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的 應付款項	5,666	10,156
Others	其他	3,718	3,506
		<b>49,991</b>	48,775

All the amounts interest payable, value-added and other taxes payable, payables for purchase of property, plant and equipment and other payables are non-interest-bearing and have an average term of three months.

所有應付利息、應付增值稅及其他稅項、購買物業、廠房及設備的應付款項以及其他應付款項均為不計息及平均年期為三個月。

### 23. INTEREST-BEARING BANK AND OTHER BORROWINGS

### 23. 計息銀行及其他借款

	2018 二零一八年			2017 二零一七年		
	Effective interest rate(%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate(%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current 流動						
Bank loans – secured 銀行貸款 – 有抵押	4.57	4, December, 2019 二零一九年 十二月四日	15,000	4.35	31, March, 2018 二零一八年 三月三十一日	10,000
Bank loans – secured 銀行貸款 – 有抵押	4.75	20, June, 2019 二零一九年 六月二十日	5,000	4.35	3, November, 2018 二零一八年 十一月三日	5,000
Bank loans – secured 銀行貸款 – 有抵押	4.79	15, January, 2019 二零一九年 一月十五日	2,700			
Bank loans – secured 銀行貸款 – 有抵押	4.79	16, March, 2019 二零一九年 三月十六日	15,000			
			<b>37,700</b>			15,000



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### 23. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans:	銀行貸款		
Within one year	於一年內	<b>37,700</b>	15,000

Notes:

- (a) The Group's bank loans are secured by:
- (i) mortgages over the Group's buildings, which had an aggregate carrying value at the end of the reporting period of approximately RMB31,309,000 (2017: RMB8,547,000);
  - (ii) mortgages over the Group's land use right, which had an aggregate carrying value at the end of the reporting period of approximately RMB11,585,000 (2017: RMB8,782,000);
  - (iii) the pledge of certain of the Group's bills receivables amounting to RMB1,850,000 (2017:nil);
  - (iv) the pledge of certain of the Group's time deposits amounting to RMB2,543,000 (2017:nil).

附註：

- (a) 本集團之銀行貸款由下列各項提供擔保：
- (i) 於報告期末賬面總值為約人民幣31,309,000元(二零一七年：人民幣8,547,000元)之本集團樓宇之按揭；
  - (ii) 於報告期末賬面總值為約人民幣11,585,000元(二零一七年：人民幣8,782,000元)之本集團土地使用權之按揭；
  - (iii) 本集團金額為人民幣1,850,000元(二零一七年：零)之若干應收票據之質押；
  - (iv) 本集團金額為人民幣2,543,000元(二零一七年：零)之若干定期存款之質押。

### 24. GOVERNMENT GRANTS

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Government grants	政府資助	<b>12,510</b>	13,735
Less: current portion	減：即期部分	<b>(1,225)</b>	(1,225)
		<b>11,285</b>	12,510

### 24. 政府資助

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24. GOVERNMENT GRANTS (CONTINUED)

Movements in government grants are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At the beginning of the year	年初	13,735	14,960
Amortised as income	攤銷為收入	(1,225)	(1,225)
At the end of the year	年末	12,510	13,735

The grants were related to the subsidies received from local government authorities for the purpose of compensation for expenditure on certain facilities and were credited to a deferred income account. The grants were released to profit or loss over the expected useful lives of the relevant assets.

The Group also received certain financial subsidies from local government authorities to support local business. There were no unfulfilled conditions and other contingencies relating to these government grants. These government grants were recognised in profit or loss when received.

24. 政府資助(續)

政府資助變動如下：

該等資助與作為若干設施的開支補償從當地政府機關獲得的補貼有關，並被計入遞延收入賬。該等資助於相關資產預期使用年期解除至損益中。

本集團亦自當地政府機關獲得若干財政補貼以支持當地業務。該等政府資助並無任何未達成的條件及其他或然事項。該等政府資助於獲取時在損益中確認。

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### 25. DEFERRED TAX ASSETS/LIABILITIES

Movements in deferred income tax assets and liabilities, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

The movements in deferred tax assets:

		Write down of inventories to their net realisable value	Government grants	Accruals	Provision for impairment of trade and other receivables	Tax losses	Total
	存貨撇減至 其可變現淨值	RMB'000 人民幣千元	政府資助 RMB'000 人民幣千元	應計款項 RMB'000 人民幣千元	貿易應收款項 及其他應收 款項減值撥備 RMB'000 人民幣千元	稅項虧損 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	179	2,244	3,326	194	274	6,217
Deferred tax credited/(charged) to profit or loss during the year	年內於損益計入/(扣除)的遞延稅項	251	(184)	444	(9)	96	598
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	<b>430</b>	<b>2,060</b>	<b>3,770</b>	<b>185</b>	<b>370</b>	<b>6,815</b>
Deferred tax credited/(charged) to profit or loss during the year	年內於損益計入/(扣除)的遞延稅項	(157)	(184)	(1,110)	5	(370)	(1,816)
At 31 December 2018	於二零一八年十二月三十一日	<b>273</b>	<b>1,876</b>	<b>2,660</b>	<b>190</b>	<b>-</b>	<b>4,999</b>

The Group has tax losses arising from Hong Kong of RMB1,060,000 (2017: RMB1,433,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

### 25. 遞延稅項資產／負債

遞延所得稅資產及負債變動（未有計及抵銷同一稅務司法權區內的結餘）如下：

遞延稅項資產的變動：

本集團於香港產生的稅項虧損人民幣1,060,000元（二零一七年：人民幣1,433,000元）可用於無限期抵銷產生虧損公司的未來應課稅溢利。

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### 25. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

The Group has tax losses arising from mainland China of RMB521,000 (2017: RMB384,000) that will expire in one to five years for offsetting against future taxable profits.

Deferred tax assets have not been recognised in respect of the losses of RMB1,581,000 (2017: RMB1,433,000) as they have arisen in subsidiaries that have been loss-making for continuously and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

The movements in deferred tax liabilities are as follows:

		Unrealised interest income 未變現 利息收入 RMB'000 人民幣千元	Unrealised fair value adjustment 未變現 公平值調整 RMB'000 人民幣千元	Withholding tax 預扣稅 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	(10)	(578)	(8,685)	(9,273)
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)/計入的遞延稅項	-	488	(4,101)	(3,613)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及二零一八年一月一日	<b>(10)</b>	<b>(90)</b>	<b>(12,786)</b>	<b>(12,886)</b>
Deferred tax (charged)/credited to profit or loss during the year	年內於損益(扣除)/計入的遞延稅項	-	(207)	(3,467)*	(3,674)
Withholding income tax paid	已付預提所得稅	-	-	1,350*	1,350
At 31 December 2018	於二零一八年十二月三十一日	<b>(10)</b>	<b>(297)</b>	<b>(14,903)</b>	<b>(15,210)</b>

\* The amount as at 31 December 2018 represented a deferred tax provision of RMB3,467,000 on the distribution profits of the Company's subsidiaries in Mainland China after offsetting the realised deferred tax liabilities of RMB1,350,000 arising from dividends declared by these subsidiaries to their foreign investors during the year.

### 25. 遞延稅項資產/負債(續)

本集團於中國內地產生的稅項虧損人民幣521,000元(二零一七年: 人民幣384,000元)就抵銷未來應課稅溢利而言將於一至五年屆滿。

概無就虧損人民幣1,581,000元(二零一七年: 人民幣1,433,000元)確認遞延稅項資產, 因為該等虧損乃來自持續處於虧損狀態的附屬公司且認為不大可能有應課稅溢利可用以抵銷稅項虧損。

遞延稅項負債的變動如下:

\* 於二零一八年十二月三十一日的金額指本公司於中國內地的附屬公司年內向其海外投資者宣派股息產生的已變現遞延稅項負債人民幣1,350,000元被抵銷後就該等附屬公司分派溢利計提的遞延稅項撥備人民幣3,467,000元。

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### 25. DEFERRED TAX ASSETS/LIABILITIES (CONTINUED)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於合併財務狀況表確認的遞延稅項資產淨額	-	369
Net deferred tax liabilities recognised in the consolidated statement of financial position	於合併財務狀況表確認的遞延稅項負債淨額	<b>(10,211)</b>	(6,440)

### 25. 遞延稅項資產／負債（續）

為方便列示，若干遞延稅項資產及負債已於合併財務狀況表中抵銷。以下為本集團的遞延稅項結餘就財務報告目的所作分析：

### 26. SHARE CAPITAL

#### Shares

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Issued and fully paid 394,487,500 (2017: 400,925,600) ordinary shares	已發行及繳足 394,487,500股（二零一七年： 400,925,600股）普通股	<b>3,121</b>	3,173

### 26. 股本

#### 股份

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### 26. SHARE CAPITAL (CONTINUED)

#### Shares (Continued)

A summary of movements in the Company's share capital is as follows:

		Number of shares in issue 已發行 股份數目 RMB'000 人民幣千元	Share capital 股本 RMB'000 人民幣千元	Share premium account 股份溢價賬 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	400,000,000	3,165	195,859	199,024
Share options exercised (a)	已行使購股權(a)	925,600	8	1,546	1,554
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	-	(24,046)	(24,046)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日及 二零一八年一月一日	<b>400,925,600</b>	<b>3,173</b>	<b>173,359</b>	<b>176,532</b>
Share repurchased (b)	已購回股份(b)	<b>(9,940,000)</b>	<b>(82)</b>	<b>(22,299)</b>	<b>(22,381)</b>
Share options exercised (a)	已行使購股權(a)	<b>3,501,900</b>	<b>30</b>	<b>5,882</b>	<b>5,912</b>
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	-	<b>(26,285)</b>	<b>(26,285)</b>
At 31 December 2018	於二零一八年十二月三十一日	<b>394,487,500</b>	<b>3,121</b>	<b>130,657</b>	<b>133,778</b>

(a) The subscription rights attaching to 3,501,900 (2017: 925,600) share options were exercised at the weighted average subscription price of HK\$1.252 (2017: HK\$1.293) per share (note 27) resulting from the issue of 3,501,900 (2017: 925,600) ordinary shares for a total cash consideration, before expenses, of approximately RMB3,802,000 (2017: RMB1,013,000). An amount of approximately RMB2,110,000 (2017: RMB541,000) was transferred from the share option reserve to share premium account upon the exercise of the share options.

(b) The Company repurchased 9,940,000 of its ordinary shares on the Stock Exchange of Hong Kong Limited for a total consideration of HK\$27,129,000, which amount to approximately RMB22,381,000. The repurchased shares were cancelled during the year and total amount paid for the purchase of the shares of has been charged to share capital and share premium of approximately RMB82,000 and RMB22,299,000 respectively.

(a) 3,501,900份(二零一七年: 925,600份)購股權隨附的認購權按每股1.252港元(二零一七年: 1.293港元)的加權平均認購價獲行使(附註27),就此以總現金代價(除費用前)約人民幣3,802,000元(二零一七年: 人民幣1,013,000元)發行3,501,900股(二零一七年: 925,600股)普通股。為數約人民幣2,110,000元(二零一七年: 人民幣541,000元)已於購股權獲行使時由購股權儲備轉撥至股份溢價賬。

(b) 本公司以總代價27,129,000港元(為數約人民幣22,381,000元)於香港聯合交易所有限公司購回其9,940,000股普通股。已購回股份於年內註銷而就購回股份已付的總金額已自股本及股份溢價賬分別扣除約人民幣82,000元及人民幣22,299,000元。

### 26. 股本 (續)

#### 股份 (續)

本公司股本變動情況概要如下:

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### 27. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's directors and other employees of the Group. The Scheme became effective on 7 November 2013.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme is limited to 10% of the shares of the Company in issue on 27 November 2013, the day since which the Company's shares have been listed on the Stock Exchange of Hong Kong Limited.

Share options granted to a director, chief executive, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 7 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period of no shorter than 12 months and ends on a date which is not later than 10 years from the date of offer of the share options.

The exercise price of share options is determined at the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the par value of shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

### 27. 購股權計劃

本公司經營一項購股權計劃（「該計劃」），旨在向對本集團營運成功作出貢獻的合資格參與者提供獎勵及回報。該計劃的合資格參與者包括本公司的董事及本集團其他僱員。該計劃於二零一三年十一月七日生效。

根據該計劃現時獲准授出的未行使購股權最高數目，於獲行使時數額相等於本公司於任何時間已發行股份的30%。每名合資格參與者根據該計劃獲授的購股權而可予發行的股份最高數目，不可超過本公司股份於二零一三年十一月二十七日在香港聯合交易所有限公司上市之日的本公司已發行股份10%。

授予董事或主要行政人員的購股權須經獨立非執行董事事先批准。此外，於任何十二個月期間，倘授予本公司主要股東或獨立非執行董事或彼等任何聯繫人的任何購股權超逾本公司任何時候已發行股份的0.1%或總值（根據本公司股份於授出日期的價格計算）超過5,000,000港元，須經股東於股東大會上事先批准。

授出購股權的要約可於要約日期起計七天內藉由承授人支付名義代價合共1港元後予以接納。所授出購股權的行使期乃由董事釐定，並於不少於12個月的歸屬期後開始及不遲於購股權要約日期起十年完結。

購股權行使價乃按下列各項的最高者釐定：(i) 於購股權要約日期本公司股份於聯交所的收市價；(ii) 緊接要約日期前五個交易日本公司股份於聯交所的平均收市價；及(iii) 股份面值。

購股權並無授予持有人享有股息或於股東大會投票的權利。

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### 27. SHARE OPTION SCHEME (CONTINUED)

On 6 January 2015, 15,000,000 share options were granted to 39 employees with vesting dates falling from 2 April 2016 to 5 January 2025 and an exercise price of HK\$1.48 per share. The expiration date of the options granted was 10 years after the grant date.

On 30 December 2015, 16,300,000 share options were granted to 45 employees with vesting dates falling from 1 April 2017 to 30 December 2025 and an exercise price of HK\$1.52 per share. The expiration date of the options granted was 10 years after the grant date.

The following share options were outstanding under the Scheme during the year:

### 27. 購股權計劃（續）

於二零一五年一月六日，39名僱員已獲授15,000,000份購股權，歸屬日期介乎二零一六年四月二日至二零二五年一月五日及行使價為每股1.48港元。已授出購股權的到期日為授出日期後十年。

於二零一五年十二月三十日，45名僱員已獲授16,300,000份購股權，歸屬日期介乎二零一七年四月一日至二零二五年十二月三十日及行使價為每股1.52港元。已授出購股權的到期日為授出日期後十年。

年內，該計劃項下以下購股權尚未行使：

		2018 二零一八年		2017 二零一七年	
		Weighted average exercise price 加權平均 行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份	Weighted average exercise price 加權平均 行使價 HKD per share 每股港元	Number of options 購股權數目 '000 千份
At 1 January	於一月一日	1.503	24,612	1.503	26,618
Granted during the year	年內授出				
Exercised during the year	年內行使	1.252*	(3,502)	1.293*	(926)
Forfeited during the year	年內沒收	-	-	1.503	(1,080)
At 31 December	於十二月三十一日	1.503	21,110	1.503	24,612

The weighted average share price at date of exercise for share options excised during the year was HK\$2.59 per share (2017: HK\$1.83).

年內已行使購股權於行使日期之加權平均股份價格為每股2.59港元（二零一七年：1.83港元）。

\* The adjusted exercise prices were in line with the dividend issues approved by the board of directors.

\* 經調整行使價符合董事會批准之股息發行。



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### 27. SHARE OPTION SCHEME (CONTINUED)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

2018

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HKD per share 每股港元	Exercise period 行使期
4,036	1.48	2 April 2016 to 5 January 2025 二零一六年四月二日至二零二五年一月五日
4,036	1.48	1 April 2017 to 5 January 2025 二零一七年四月一日至二零二五年一月五日
6,504	1.52	2 April 2017 to 30 December 2025 二零一七年四月二日至二零二五年十二月三十日
6,534	1.52	1 April 2018 to 30 December 2025 二零一八年四月一日至二零二五年十二月三十日
<b>21,110</b>		

### 27. 購股權計劃(續)

於報告期末，尚未行使購股權的行使價及行使期如下：

二零一八年

2017

二零一七年

Number of options 購股權數目 '000 千份	Exercise price* 行使價* HKD per share 每股港元	Exercise period 行使期
5,361	1.48	2 April 2016 to 5 January 2025 二零一六年四月二日至二零二五年一月五日
5,361	1.48	1 April 2017 to 5 January 2025 二零一七年四月一日至二零二五年一月五日
6,930	1.52	2 April 2017 to 30 December 2025 二零一七年四月二日至二零二五年十二月三十日
6,960	1.52	1 April 2018 to 30 December 2025 二零一八年四月一日至二零二五年十二月三十日
<b>24,612</b>		

\* The exercise price of the share options is subject to adjustment in the case of rights or dividend issues, or other similar changes in the Company's share capital.

\* 購股權的行使價可因應供股或股息事項，或本公司股本的其他類似變動而予以調整。

## 27. SHARE OPTION SCHEME (CONTINUED)

The fair value of the share options granted were RMB8,556,000 for 15,000,000 share options granted on 6 January 2015 (RMB0.57 each) and RMB10,669,000 for 16,300,000 share options granted on 30 December 2015 (RMB0.65 each), of which the Group recognised a share option expense of RMB525,000 during the year ended 31 December 2018 (2017: RMB3,503,000).

The fair value of equity-settled share options granted during the year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

15,000,000 share options granted on 6 January 2015:

Dividend yield (%)	股息率(%)	—
Expected volatility (%)	預期波幅(%)	43.78
Risk-free interest rate (%)	無風險利率(%)	1.752
Expected life of options (year)	購股權的預期年限(年)	10
Share price (HK\$ per share)	股價(每股港元)	1.46

16,300,000 share options granted on 30 December 2015:

Dividend yield (%)	股息率(%)	—
Expected volatility (%)	預期波幅(%)	52.30
Risk-free interest rate (%)	無風險利率(%)	1.57
Expected life of options (year)	購股權的預期年限(年)	10
Share price (HK\$ per share)	股價(每股港元)	1.52

The expected life of the options was the contractual life of the options. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

## 27. 購股權計劃(續)

已授出的購股權的公平值就二零一五年一月六日授出的15,000,000份購股權為人民幣8,556,000元(每份人民幣0.57元)及就二零一五年十二月三十日授出的16,300,000份購股權為人民幣10,669,000元(每份人民幣0.65元)。其中本集團於截至二零一八年十二月三十一日止年度確認購股權開支人民幣525,000元(二零一七年:人民幣3,503,000元)。

年內所授出股權結算購股權於授出日期計及購股權的授出條款及條件後使用二項式模型估計其公平值。下表列出所用模型的輸入數據:

於二零一五年一月六日授出的15,000,000份購股權:

於二零一五年十二月三十日授出的16,300,000份購股權:

購股權的預期年限為購股權的合約年限。預期波幅反映歷史波幅為未來趨勢指標的假設,惟未來趨勢不一定為實際結果。

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### 27. SHARE OPTION SCHEME (CONTINUED)

No other feature of the options granted was incorporated into the measurement of fair value.

About 3,502,000 (2017: 926,000) share options exercised during the year end 31 December 2018 resulted in the issue of 3,502,000 (2017: 926,000) ordinary shares of the Company and new share capital of approximately RMB30,000 (2017: RMB8,000), as further detailed in note 26.

At the end of the reporting period, the Company had 21,110,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 21,110,000 additional ordinary shares of the Company and additional share capital of approximately RMB185,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 21,110,000 share options outstanding under the Scheme, which represented approximately 5.35% of the Company's shares in issue as at that date.

### 28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 108 of the financial statements.

In accordance with the Company Law of the PRC, certain subsidiaries of the Group which are domestic enterprises are required to allocate 10% of their profit after tax, as determined in accordance with the relevant PRC accounting standards, to their respective statutory surplus reserves until the reserves reach 50% of their respective registered capital. Subject to certain restrictions set out in the Company Law of the PRC, part of the statutory surplus reserve may be converted to increase share capital, provided that the remaining balance after the capitalisation is not less than 25% of the registered capital.

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with a functional currency other than RMB.

### 27. 購股權計劃 (續)

公平值計量中並無納入所授出購股權的其他特徵。

誠如附註26進一步詳述，截至二零一八年十二月三十一日止年度已行使約3,502,000份(二零一七年：926,000份)購股權導致發行3,502,000股(二零一七年：926,000股)本公司普通股及新股本約人民幣30,000元(二零一七年：人民幣8,000元)。

於報告期末，本公司於該計劃項下有21,110,000份尚未行使購股權。按照本公司現時的股本架構，悉數行使尚未行使的購股權可導致額外發行21,110,000股本公司普通股及額外股本約人民幣185,000元(扣除發行開支前)。

於批准該等財務報表日期，本公司在該計劃下有21,110,000份尚未行使購股權，相當於本公司於該日已發行股份約5.35%。

### 28. 儲備

本集團儲備於本年度及過往年度的金額及其變動於財務報表第108頁的合併權益變動表呈列。

根據《中華人民共和國公司法》，本集團若干附屬公司被視為國內企業，須按照相關中華人民共和國會計準則所釐定分配其10%除稅後溢利至其各自法定盈餘儲備，直至有關儲備達到其各自註冊資本的50%。在遵守《中華人民共和國公司法》載列的若干限制情況下，部分法定盈餘儲備可被轉換以增加股本，前提是資本化後的餘額不得少於註冊資本的25%。

外幣匯兌儲備包括換算功能貨幣為人民幣以外的業務財務報表產生的所有匯兌差額。

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29. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

29. 擁有重大非控股權益的非全資附屬公司

本集團擁有重大非控股權益的附屬公司詳情載列如下：

		2018 二零一八年	2017 二零一七年
Percentage of equity interest held by non-controlling interests:	非控股權益持有的股權百分比：		
Hangzhou Fiber	杭州化纖	30%	30%
Nantong Fiber	南通纖維	33%	8%
Yongsheng 3D Printing	永盛三維打印	40%	40%
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit/(loss) for the year allocated to non-controlling interests:	分配予非控股權益的 年內溢利／（虧損）：		
Hangzhou Fiber	杭州化纖	4,931	4,572
Nantong Fiber	南通纖維	1,279	1,827
Yongsheng 3D Printing	永盛三維打印	(237)	(97)
Dividends paid to non-controlling interests of Hangzhou Fiber	向杭州化纖的非控股權益 支付股息	20,296	9,000
Dividends paid to non-controlling interests of Nantong Fiber	向南通纖維的非控股權益 支付股息	1,018	2,000
Acquisition of non-controlling interests of Nantong Fiber*	收購南通纖維的非控股權益*	(4,504)	—
Disposal of non-controlling interests of Nantong Fiber**	出售南通纖維的非控股權益**	17,556	—
Capital injection from non-controlling interests of Nantong Fiber	南通纖維的非控股權益注資	—	1,600
Accumulated balances of non-controlling interests at the reporting date:	於報告日期的非控股權益 累計結餘：		
Hangzhou Fiber	杭州化纖	20,151	35,516
Nantong Fiber	南通纖維	20,071	6,758
Yongsheng 3D Printing	永盛三維打印	3,536	3,773

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### 29. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

- \* On 15 August 2018, the Group acquired 5% equity interest in Nantong Fiber from a non-controlling Shareholder with a cash consideration of RMB4,237,000. The carrying amount of the acquired non-controlling interests on the date of acquisition amounting to RMB4,504,000. The difference between the consideration paid and the carrying amount of the non-controlling interests amounting to RMB267,000 was credited into the other reserve. Upon the completion of the acquisition, the Group had 97% interest in Nantong Fiber.
  
- \*\* On 6 November 2018, the Group disposed 30% equity interest in Nantong Fiber to a non-controlling Shareholder with a cash consideration of RMB17,661,000. The carrying amount of the disposed non-controlling interests on the date of acquisition amounting to RMB17,556,000. The difference between the consideration received and the carrying amount of the non-controlling interests amounting to RMB104,000 was credited into the other reserve. Upon the completion of the disposal, the Group had 67% interest in Nantong Fiber.

### 29. 擁有重大非控股權益的非全資附屬公司 (續)

- \* 於二零一八年八月十五日，本集團向一名非控股股東收購南通纖維的5%股權，現金代價為人民幣4,237,000元。於收購日期，已收購之非控股權益賬面值為人民幣4,504,000元。已付代價及非控股權益之賬面值之差額人民幣267,000元計入其他儲備。於收購事項完成後，本集團持有南通纖維97%權益。
  
- \*\* 於二零一八年十一月六日，本集團向一名非控股股東出售南通纖維的30%股權，現金代價為人民幣17,661,000元。於收購日期，已出售之非控股權益賬面值為人民幣17,556,000元。已收取之代價及非控股權益之賬面值之差額人民幣104,000元計入其他儲備。於出售事項完成後，本集團持有南通纖維67%權益。

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29. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

29. 擁有重大非控股權益的非全資附屬公司 (續)

下表說明上列附屬公司的財務資料概要。所披露金額未扣除任何公司間對銷項目：

2018 二零一八年		Hangzhou Fiber 杭州化纖 RMB'000 人民幣千元	Nantong Fiber 南通纖維 RMB'000 人民幣千元	Yongsheng 3D Printing 永盛三維打印 RMB'000 人民幣千元
Revenue	收益	180,642	296,931	235
Total expenses	總開支	(164,224)	(286,793)	(827)
Profit/(loss) and total comprehensive income/(loss) for the year	年內溢利/(虧損)及 全面收入/(虧損)總額	16,473	10,138	(592)
Current assets	流動資產	135,562	144,532	8,894
Non-current assets	非流動資產	36,771	158,090	72
Current liabilities	流動負債	(100,308)	(237,352)	(126)
Non-current liabilities	非流動負債	(4,854)	(4,450)	-
Net cash flows from operating activities	經營活動所得現金流量淨額	1,550	40,537	762
Net cash flows from/(used in) investing activities	投資活動所得/(所用) 現金流量淨額	2,657	(41,992)	-
Net cash flows from financing activities	融資活動所得現金流量淨額	-	1,577	-
Net increase in cash and cash equivalents	現金及現金等值物增加淨額	4,207	122	762

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### 29. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

### 29. 擁有重大非控股權益的非全資附屬公司 (續)

2017 二零一七年		Hangzhou Fiber 杭州化纖 RMB'000 人民幣千元	Nantong Fiber 南通纖維 RMB'000 人民幣千元	Yongsheng 3D Printing 永盛三維打印 RMB'000 人民幣千元
Revenue	收益	232,269	217,104	94
Total expenses	總開支	(217,030)	(194,270)	(337)
Profit/(loss) for the year	年內溢利/(虧損)	15,239	22,834	(243)
Total comprehensive income for the year	年內全面收入總額	15,239	22,834	(243)
Current assets	流動資產	121,505	148,233	8,710
Non-current assets	非流動資產	37,581	152,789	794
Current liabilities	流動負債	(35,877)	(212,551)	(71)
Non-current liabilities	非流動負債	(4,822)	(3,996)	-
Net cash flows from operating activities	經營活動所得現金流量淨額	69	30,528	17
Net cash flows used in investing activities	投資活動所用現金流量淨額	(2,702)	(65,516)	(3)
Net cash flows from financing activities	融資活動所得現金流量淨額	-	35,000	-
Net (decrease)/increase in cash and cash equivalents	現金及現金等值物 (減少)/增加淨額	(2,633)	12	14

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30. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its Industrial land under operating lease arrangements, with three years lease term. The terms of the leases generally require the tenants to prepay a certain rent.

At 31 December 2018, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	186	-
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	211	-
		<b>397</b>	-

(b) As lessee

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to two years.

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within one year	一年內	806	152
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	331	-
		<b>1,137</b>	152

30. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租其工業用地，租賃期為三年。一般而言，租賃條款規定租戶須預付若干租金。

於二零一八年十二月三十一日，本集團根據與其租戶之不可撤銷經營租賃按以下年限到期的應收未來最低租金總額如下：

(b) 作為承租人

本集團根據經營租賃安排租用其若干辦公室物業。經協商後，物業租賃期介乎一至兩年不等。

於二零一八年十二月三十一日，本集團根據不可撤銷經營租賃按以下年限到期的應付未來最低租金總額如下：



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### 31. COMMITMENTS

In addition to the operating lease commitments detailed in note 30 above, the Group had the following capital commitments at the reporting date:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但未撥備：		
Land and buildings	土地及樓宇	4,944	-
Plant and machinery	廠房及設備	400	27,709
Investment	投資	180,000	-
		<b>185,344</b>	27,709

### 31. 承擔

除上文附註30所詳述的經營租賃承擔外，於報告日期，本集團的資本承擔如下：

### 32. RELATED PARTY TRANSACTIONS AND BALANCES

#### (a) Name and relationship

##### Name of related party 關連方名稱

##### Relationship with the Group 與本集團的關係

Hangzhou Yongsheng Group Limited 杭州永盛集團有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Fuyang Jingshang Agriculture Development Company Limited 富陽錦尚生態農業開發有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited 杭州蕭山永盛對外貿易有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Hangzhou Yongsheng Holdings Limited 杭州永盛控股有限公司	Controlled by the Controlling Shareholder 由控股股東控制
HUVIS Corporation and its subsidiaries 株式會社HUVIS及其附屬公司	Joint venture partner and its subsidiaries 合資企業夥伴及其附屬公司

### 32. 關連方交易及結餘

#### (a) 名稱及關係

**32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)**

**32. 關連方交易及結餘 (續)**

**(a) Name and relationship (Continued)**

**(a) 名稱及關係 (續)**

<b>Name of related party</b> 關連方名稱	<b>Relationship with the Group</b> 與本集團的關係
Hangzhou Shining 3D Tech Co., Limited 杭州先臨三維科技股份有限公司	Joint venture partner 合資企業夥伴
Hangzhou Daoxuan Film Tech Co., Limited 杭州道玄影視科技有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Yongsheng (HK) International Co., Limited 永盛(香港)國際有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Yongsheng Financial Holding Limited 永盛金融控股有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Astute Horizon Limited 睿景有限公司	Controlled by the Controlling Shareholder 由控股股東控制
First Intelligence International Limited 穎元國際有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Chang Sheng Estate Management (Hangzhou) Co., Ltd 昶盛物業(杭州)有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Yong Hao Investment Management (Hangzhou) Co., Ltd 杭州永浩投資管理有限公司	Controlled by the Controlling Shareholder 由控股股東控制
Philosojoy Investment Limited 哲瑞投資有限公司	Controlled by the Controlling Shareholder 由控股股東控制

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (b) Related party transactions

In addition to the transactions and balances otherwise disclosed else in these financial statements, the Group had the following material transactions with related parties:

### 32. 關連方交易及結餘 (續)

#### (b) 關連方交易

除此等財務報表其他部分所披露的交易及結餘外，本集團與關連方已進行以下重大交易：

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
1) Purchases of goods	1) 採購貨品	(i)		
– HUVIS Corporation and its subsidiaries	– 株式會社HUVIS及其附屬公司		29,097	67,388
– Fuyang Jingshang Agriculture Development Company Limited	– 永盛富陽錦尚生態農業開發有限公司		38	50
– Hangzhou Yongsheng Group Limited	– 杭州永盛集團有限公司		–	1
			<b>29,135</b>	67,439
2) Management fees paid to a related party	2) 向一名關連方支付管理費	(ii)		
– Yongsheng (HK) International Co., Ltd	– 永盛(香港)國際有限公司		719	–
			<b>719</b>	–
3) Sales of goods	3) 銷售貨品	(iii)		
– Hangzhou Shining 3D Tech Co., Limited	– 杭州先臨三維科技股份有限公司		–	94
– Fuyang Jingshang Agriculture Development Company Limited	– 永盛富陽錦尚生態農業開發有限公司		–	2
			–	96
4) Storage fee received from related parties	4) 向關連方收取儲存費用	(iv)		
– Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited	– 杭州蕭山永盛對外貿易有限公司		51	64
			<b>51</b>	64

Notes to the Consolidated Financial Statements  
 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

32. RELATED PARTY TRANSACTIONS AND  
 BALANCES (CONTINUED)

32. 關連方交易及結餘 (續)

(b) Related party transactions (Continued)

(b) 關連方交易 (續)

		Note 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
5)	Agency service fee received from a related party	5)		
	– Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited		3	67
	– Yongsheng Financial Holding Limited		377	–
			<b>380</b>	67
6)	Purchases of property, plant and equipment	6)		
	– Hangzhou Xiaoshan Yongsheng Foreign Trading Company Limited		–	8
			–	8

Notes:

- (i) The purchases of goods were made according to the published prices and conditions similar to those offered to the major customers of the suppliers.
- (ii) The management fee was paid for the management and administrative services provided by Yongsheng (HK) International Co., Ltd, a company which controlled by the controlling shareholder of the Group. The management fee was charged pursuant to the terms in the agreement signed between the Company and Yongsheng (HK) International Co., Ltd.
- (iii) The sales to the related party were made according to the published prices and conditions offered to the major customers of the Group.
- (iv) The storage fee received from related parties was charged at prices similar to those offered to other customers of the Group.

附註:

- (i) 採購貨品乃按提供予供應商的主要客戶相若的公開價格和條件進行。
- (ii) 管理費乃為支付永盛(香港)國際有限公司(由本集團控股股東控制之公司)所提供之管理及行政服務。管理費乃根據本公司與永盛(香港)國際有限公司簽訂之協議條款收取。
- (iii) 向關連方出售乃按提供予本集團的主要客戶的公開價格和條件進行。
- (iv) 向關連方收取的儲存費用乃按與提供予本集團其他客戶的價格相若者收取。

## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (b) Related party transactions (Continued)

Notes: (Continued)

- (v) The agency service fee received from a related party was charged at prices similar to those offered to other customers of the Group.
- (vi) The purchases of property, plant and equipment were made at prices similar to those offered to other customers of the Group.

#### (c) Outstanding balances with related parties

Disclosures pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

### 32. 關連方交易及結餘 (續)

#### (b) 關連方交易 (續)

附註：(續)

- (v) 向一名關連方收取的代理服務費與提供予本集團其他客戶的價格相若。
- (vi) 購買物業、廠房及設備乃按與提供予本集團其他客戶相若之價格進行。

#### (c) 與關連方的未償還結餘

根據香港《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規例》第3部披露的資料如下：

		At 31 December 2018	Maximum amount outstanding during the year	At 31 December 2017 and 1 January 2018 於二零一七年 十二月 三十一日及 二零一八年 一月一日	Maximum amount outstanding during the year	At 1 January 2017
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Due from related parties	應收關連方款項					
- Hangzhou Shining 3D Tech Co., Limited	- 杭州先臨三維科技股份 有限公司	2,800	2,800	2,800	3,002	3,002
- Yongsheng Financial Holding Limited (controlled by Mr. Li Cheng)	- 永盛金融控股有限公司 (由李誠先生控制)	390	390	-	-	-
		<b>3,190</b>		<b>2,800</b>		3,002

The amounts due from Hangzhou Shining 3D Tech Co., Limited is outstanding investment funds. The amount due from Yongsheng Financial Holding Limited is outstanding agency service fee.

應收杭州先臨三維科技股份有限公司款項為未償還投資資金。應收永盛金融控股有限公司款項為未償還代理服務費。

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32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

32. 關連方交易及結餘 (續)

(c) Outstanding balances with related parties (Continued)

(c) 與關連方的未償還結餘 (續)

		Maximum amount outstanding during the year	At 31 December 2017 and 1 January 2018	Maximum amount outstanding during the year	At 1 January 2017
		於二零一八年十二月三十一日 年內最高未償還金額 RMB'000 人民幣千元	於二零一七年十二月三十一日及二零一八年一月一日 RMB'000 人民幣千元	於二零一七年十二月三十一日 年內最高未償還金額 RMB'000 人民幣千元	於二零一七年一月一日 RMB'000 人民幣千元
Due to a related party	應付一名關連方款項				
- HUVIS Corporation and its subsidiaries	- 株式會社HUVIS及其附屬公司	-	-	2,375	2,375
- Yongsheng (HK) International Co., Limited	- 永盛(香港)國際有限公司	38	5	23	-
		38	5		2,375

The amount due to Yongsheng (HK) International Co., Ltd is the daily management expenses paid on behalf of Yongsheng Advanced Materials (HK) Limited.

應付永盛(香港)國際有限公司款項為代表永盛新材料有限公司支付的日常管理開支。

(d) Compensation of key management personnel of the Group

(d) 本集團主要管理人員的報酬

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	1,703	1,007
Performance related bonuses	相關績效花紅	1,509	1,563
Pension scheme contributions	退休金計劃供款	176	142
Equity-settled share option arrangements	股權結算購股權安排	278	660
Total compensation paid to key management personnel	向主要管理人員支付的總報酬	3,666	3,372

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### 32. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

#### (d) Compensation of key management personnel of the Group (Continued)

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

### 33. PLEDGE OF ASSETS

At 31 December 2018, certain of the Group's buildings, prepaid lease payment, bills receivables and bank deposits were pledged to a bank relating to the letter of credit facilities and short-term loan granted to the Group. Details are included in notes 13, 14, 17 and 20, respectively, to the consolidated financial statements.

### 32. 關連方交易及結餘 (續)

#### (d) 本集團主要管理人員的報酬 (續)

上表披露的金額為報告期內確認為有關主要管理人員開支的金額。

### 33. 資產質押

於二零一八年十二月三十一日，本集團若干樓宇、預付租賃付款、應收票據及銀行存款已就本集團獲授的信用證融資及短期貸款抵押予一間銀行。詳情分別載於合併財務報表附註13、14、17及20。

Notes to the Consolidated Financial Statements  
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34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2018

Financial assets

34. 按類別劃分的金融工具

於報告期末，各類金融工具的賬面值如下：

二零一八年

金融資產

		Financial assets designated as at fair value through profit or loss 指定為 按公平值 計入損益的 金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本 列賬的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產	68,134	-	68,134
Trade and bills receivables	貿易應收款項及應收票據	-	137,277	137,277
Trust loan receivable	應收委託貸款	-	50,000	50,000
Financial assets included in prepayments, deposits and other receivable	計入預付款項、按金及其他應收款項的金融資產	-	5,479	5,479
Amounts due from related parties	應收關連方款項	-	3,190	3,190
Pledged deposits	已抵押存款	-	2,743	2,743
Cash and cash equivalents	現金及現金等值物	-	144,573	144,573
At 31 December 2018	於二零一八年十二月三十一日	68,134	343,262	411,396



## Notes to the Consolidated Financial Statements 合併財務報表附註

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### 34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

### 34. 按類別劃分的金融工具(續)

#### Financial liabilities

#### 金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	78,556
Amounts due to a related party	應付一名關連方款項	38
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	10,247
Interest-bearing bank and other borrowings	計息銀行及其他借貸	37,700
At 31 December 2018	於二零一八年十二月三十一日	126,541

2017

二零一七年

#### Financial assets

#### 金融資產

		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Financial assets Designated as at fair value through profit or loss 指定為按公平值計入損益的金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss	指定為按公平值計入損益的金融資產	-	60,600	60,600
Trade and bills receivables	貿易應收款項及應收票據	149,986	-	149,986
Trust loan receivable	應收委託貸款	50,000	-	50,000
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	1,157	-	1,157
Amounts due from related parties	應收關連方款項	2,800	-	2,800
Pledged deposits	已抵押存款	10,150	-	10,150
Cash and cash equivalents	現金及現金等值物	152,837	-	152,837
At 31 December 2017	於二零一七年十二月三十一日	366,930	60,600	427,530

### 34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

### 34. 按類別劃分的金融工具 (續)

#### Financial liabilities

#### 金融負債

		Financial liabilities at amortised cost 按攤銷成本列賬的 金融負債 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	140,404
Amounts due to a related party	應付一名關連方款項	5
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	15,026
Interest-bearing bank and other borrowings	計息銀行及其他借貸	15,000
At 31 December 2017	於二零一七年十二月三十一日	170,435

#### Transfers of Financial Assets

#### 金融資產的轉讓

##### **Transferred financial assets that are not derecognised in their entirety**

##### **並無全面終止確認的已轉讓金融資產**

At 31 December 2018, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with a carrying amount of RMB64,591,000 (2017: RMB101,048,000) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties. As at 31 December 2018, no trade payables settled by the Endorsed Bills during the year have been recourse by the suppliers.

於二零一八年十二月三十一日，本集團向其若干供應商背書已獲中國內地的多間銀行接納的若干應收票據（「已背書票據」），賬面值為人民幣64,591,000元（二零一七年：人民幣101,048,000元），以結清應付該等供應商的貿易應付款項（「該背書」）。董事認為，本集團已保留絕大部分風險及回報，包括有關該等已背書票據的違約風險，故此其繼續悉數確認已背書票據的賬面值及相關已結清的貿易應付款項。於該背書後，本集團並無保留使用已背書票據的任何權利，包括向任何其他第三方出售、轉讓或質押已背書票據。於二零一八年十二月三十一日，有關供應商概無追索已背書票據年內所結清的貿易應付款項。

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### 34. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

#### Transfers of Financial Assets (Continued)

##### *Transferred financial assets that are derecognised in their entirety*

At the same time, the Group discounted some of the bills receivable to Jiangsu Bank in exchange for cash, with a carrying amount of RMB4,950,000 (2017: nil). After discounting, the Group does not retain any right to use discounted bills, including the sale, transfer or pledge of discounted bills to any other third party. As of December 31, 2018, during the year, the discounted bills were not recovered by the discounted bank.

At 31 December 2018, the Group endorsed certain bills receivable accepted by banks in Mainland China (the “Derecognised Bills”) to some of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB82,634,000 (2017: RMB65,537,000). The Derecognised Bills had a maturity of one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group’s Continuing Involvement in the Derecognised Bills are not significant.

For the years ended 31 December 2018 and 2017, the Group did not recognise any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the years or cumulatively. The endorsement has been made evenly throughout the years.

### 34. 按類別劃分的金融工具 (續)

#### 金融資產的轉讓 (續)

##### 已全面終止確認的已轉讓金融資產

同時，本集團向江蘇銀行折現部分應收票據以換取現金，賬面值為人民幣4,950,000元（二零一七年：無）。於該折現後，本集團並無保留使用已折現票據的任何權利，包括向任何其他第三方出售、轉讓或質押已折現票據。於二零一八年十二月三十一日，年內已折現票據並無獲已折現銀行收回。

於二零一八年十二月三十一日，本集團向其若干供應商背書已獲中國內地多間銀行接納的若干應收票據（「已終止確認票據」），以清償結欠該等供應商且賬面總金額為人民幣82,634,000元（二零一七年：人民幣65,537,000元）的貿易應付款項。於報告期末，已終止確認票據的到期期限為一至六個月。根據《中華人民共和國票據法》，倘中國的銀行違約，則已終止確認票據的持有人對本集團擁有追索權（「持續參與」）。董事認為，本集團已轉移有關已終止確認票據的絕大部分風險及回報。因此，其已終止確認已終止確認票據及相關貿易應付款項的全部賬面值。本集團因持續參與已終止確認票據及購回該等已終止確認票據的未折現現金流量所面對的最高虧損風險，相等於其賬面值。董事認為，本集團持續參與已終止確認票據的公平值並不重大。

截至二零一八年及二零一七年十二月三十一日止年度，本集團並無確認已終止確認票據於轉讓日期的任何收益或虧損。於該等年度或累計而言，概無確認持續參與的收益或虧損。於整個年度按等額作出背書。

### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, financial assets designated as at fair value through profit or loss, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, interest-bearing bank and other borrowings, an amount due to a related party, and amounts due from related parties approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance department headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the CFO and the board of directors. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the CFO.

The fair values of financial assets designated as at fair value through profit or loss require the directors to make estimates about the expected future cash flows from future proceeds when the investments mature and the fair values have been estimated to be the principle plus estimated interest income. The directors believe that the estimated fair values which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss, are reasonable, and that they were the most appropriate values at the end of reporting period.

### 35. 金融工具的公平值及公平值層級

經管理層評估，現金及現金等值物、已抵押存款、貿易應收款項及應收票據、指定為按公平值計入損益的金融資產、貿易應付款項及應付票據、計入預付款項、按金及其他應收款項的金融資產、計入其他應付款項及應計款項的金融負債、計息銀行及其他借貸、應付一名關連方款項及應收關連方款項的公平值與其賬面值相若，主要原因是該等工具的到期日較短。

由財務經理所帶領的本集團財務部負責釐定金融工具的公平值計量的政策及程序。財務經理直接向財務總監及董事會匯報。於各報告日期，財務部分析金融工具價值的變動並釐定應用於估值的主要輸入數據。該估值由財務總監檢討及審批。

指定為按公平值計入損益的金融資產的公平值須由董事於投資到期及當估算其公平值為本金加估計利息收入時，對未來所得款項的預期未來現金流量作出估計。董事認為，計入合併財務狀況表的估計公平值（及計入損益的相關公平值變動）誠屬合理，並為報告期末最恰當的價值。

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### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Below is the significant unobservable input to the valuation of financial assets designated as at fair value through profit or loss together with a quantitative sensitivity analysis as at 31 December 2018:

	Significant unobservable input 重大不可觀察輸入數據	Input 輸入數據	Sensitivity of fair value to the input 公平值對輸入數據的敏感度
Financial assets designated as at fair value through profit or loss	Estimated return rate	6.65%	2% increase (decrease) in estimated return rate would result in increase (decrease) in fair value by RMB605,000
指定為按公平值計入損益的金融資產	估計回報率		估計回報率上升(下跌)2%將導致公平值增加(減少)人民幣605,000元

#### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2018

		Fair value measurement using 公平值計量使用			Total 總計
		Quoted prices in active markets (Level 1) 在活躍市場取得報價(第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 可觀察的重要輸入數據(第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 不可觀察的重要輸入數據(第三級) RMB'000 人民幣千元	
Financial assets designated as at fair value through profit or loss: Asset management agreement	指定為按公平值計入損益的金融資產: 資產管理協議	-	-	68,134	68,134

### 35. 金融工具的公平值及公平值層級(續)

下文為指定為按公平值計入損益的金融資產估值中的重大不可觀察輸入數據，連同於二零一八年十二月三十一日的定量敏感性分析：

#### 公平值層級

下表說明本集團金融工具的公平值計量層級：

按公平值計量的資產：

於二零一八年十二月三十一日

### 35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

#### Fair value hierarchy (Continued)

As at 31 December 2017

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets (Level 1) 在活躍市場 取得報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 可觀察的 重要輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 不可觀察的 重要輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss:	指定為按公平值計入損益的 金融資產：				
Asset management agreement	資產管理協議	-	-	60,600	60,600

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2017: Nil).

The Group did not have any financial liabilities measured at fair value as at 31 December 2018 and 2017.

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities, such as trade and other receivables and trade and other payables, which arise directly from its operations.

The Group is exposed to foreign currency risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The board of directors reviews and agrees policies for managing each of these risks, which are summarised below.

### 35. 金融工具的公平值及公平值層級 (續)

#### 公平值層級 (續)

於二零一七年十二月三十一日

		Fair value measurement using 公平值計量使用			
		Quoted prices in active markets (Level 1) 在活躍市場 取得報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 可觀察的 重要輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 不可觀察的 重要輸入數據 (第三級) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets designated as at fair value through profit or loss:	指定為按公平值計入損益的 金融資產：				
Asset management agreement	資產管理協議	-	-	60,600	60,600

年內，金融資產及金融負債在第一級和第二級公平值計量間並無公平值計量轉移，而第三級亦無任何轉入或轉出（二零一七年：無）。

於二零一八年及二零一七年十二月三十一日，本集團概無任何以公平值計量的金融負債。

### 36. 金融風險管理目標及政策

本集團的主要金融工具包括現金及短期存款。該等金融工具的主要目的為籌集本集團經營所用資金。本集團具有多種其他金融資產和負債，如因經營而直接產生的貿易應收款項及其他應收款項以及貿易應付款項及其他應付款項。

本集團承擔外幣風險、信用風險及流動資金風險。本集團的高級管理層監督該等風險的管理情況。董事會檢討並同意管理各項該等風險的政策，並於下文概述。

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### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. Approximately 5% (2017: 5%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 5% (2017: 6%) of costs were denominated in currencies other than the units' functional currencies.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

		Increase/ (decrease) in RMB rate 人民幣匯率 上升/(下跌)	Increase/ (decrease) in profit before tax 除稅前溢利 增加/(減少) RMB'000 人民幣千元
<b>2018</b>	<b>二零一八年</b>		
If US\$ weakens against RMB	倘美元兌人民幣貶值	<b>+10%</b>	<b>(1,042)</b>
If US\$ strengthens against RMB	倘美元兌人民幣升值	<b>-10%</b>	<b>1,042</b>
<b>2017</b>	<b>二零一七年</b>		
If US\$ weakens against RMB	倘美元兌人民幣貶值	+10%	(1,842)
If US\$ strengthens against RMB	倘美元兌人民幣升值	-10%	1,842

### 36. 金融風險管理目標及政策 (續)

#### 外幣風險

本集團面對交易貨幣風險。此等風險因經營單位以其功能貨幣以外的貨幣進行銷售或購買產生。本集團所作銷售中約5% (二零一七年: 5%) 以進行銷售的經營單位的功能貨幣以外的貨幣計值, 另外有約5% (二零一七年: 6%) 的成本以單位功能貨幣以外的貨幣計值。

下表顯示於報告期末所有其他變量保持不變的情況下, 本集團除稅前溢利 (因貨幣資產及負債的公平值變動所致) 對人民幣匯率的合理可能變動的敏感性。

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Interest rate risk

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank and other borrowings (note 23). Management monitors the interest rate exposures and will consider hedging significant interest rate exposures should the need arise.

The Group is also exposed to cash flow interest rate risk relates to pledged bank deposits and bank balances carried at prevailing market rates. However, such exposure is minimal to the Group as these bank balances are all short-term in nature.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the interest rate as stipulated by the People's Bank of China arising from the Group's RMB borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank and other borrowings, which is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year.

For variable-rate bank and other borrowings, if the interest rates had been 50 basis points higher and all other variables were held constant, the Group's profit after tax for the year ended 31 December 2018 would have decreased by approximately RMB136,000 (2017: RMB53,000).

### 36. 金融風險管理目標及政策 (續)

#### 利率風險

本集團亦面對有關浮息銀行及其他借貸 (附註 23) 的現金流利率風險。管理層監察利率風險並在有需要時考慮對沖重大利率風險。

本集團亦面對有關按現行市場利率計息的已抵押銀行存款及銀行結餘的現金流利率風險。然而，由於該等銀行結餘均為短期性質，故有關風險對本集團而言極微。

本集團的現金流利率風險主要集中於本集團人民幣借貸產生的、由中國人民銀行訂明的利率波動。

以下敏感度分析乃根據浮息銀行及其他借貸的利率風險而釐定。編製此分析時是假設於報告期末之未償還負債金額在全年內仍未償還。

就浮息銀行及其他借貸而言，倘利率提高50個基點而所有其他變數維持不變，則本集團截至二零一八年十二月三十一日止年度的除稅後溢利將減少約人民幣136,000元 (二零一七年：人民幣53,000元)。



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### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Credit risk

The Group trades mainly with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of senior management.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged short-term deposits, an equity investment at fair value through profit or loss, other receivables and amounts due from related parties, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different regions.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 17 to the financial statements.

#### Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

### 36. 金融風險管理目標及政策 (續)

#### 信用風險

本集團主要與高知名度兼信譽可靠的第三方進行交易。本集團的政策是所有有意以信貸條件交易的客戶均須經過信貸審核程序。此外，亦持續監察應收款項結餘。對於並非以有關經營單位的功能貨幣進行的交易，本集團不會在未經高級管理層特別核准下提供信貸。

本集團其他金融資產（包括現金及現金等值物、已抵押短期存款、按公平值計入損益的股權投資、其他應收款項及應收關連方款項）的信用風險源於對手方違約，最大風險相等於該等工具的賬面值。

由於本集團只與高知名度且信譽可靠的第三方進行交易，故無需任何抵押品。集中信用風險按客戶／對手方並按地區管理。由於本集團貿易應收款項的客戶群分散於各地，因而並無重大集中信用風險。

有關本集團於貿易應收款項的信用風險的進一步量化數據於財務報表附註17披露。

#### 流動資金風險

本集團以經常性流動資金規劃工具監察資金短缺風險。此工具同時考慮金融工具及金融資產（如貿易應收款項）的到期日，並預測營運產生的現金流量。

本集團的目標是通過使用銀行貸款在資金的持續性及靈活性之間保持平衡。

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36. FINANCIAL RISK MANAGEMENT  
OBJECTIVES AND POLICIES  
(CONTINUED)

Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at each reporting date, based on the contractual undiscounted payments, is as follows:

31 December 2018

		Within 1 year 一年內 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	78,556
Amounts due to a related party	應付一名關連方款項	38
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	10,247
Interest-bearing bank and other borrowings	計息銀行及其他借貸	38,594
		<b>127,435</b>

31 December 2017

二零一七年十二月三十一日

		Within 1 year 一年內 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	140,404
Amounts due to a related party	應付一名關連方款項	5
Financial liabilities included in other payables and accruals	計入其他應付款項及應計款項的金融負債	15,026
Interest-bearing bank and other borrowings	計息銀行及其他借貸	15,288
		<b>170,723</b>

36. 金融風險管理目標及政策 (續)

流動資金風險 (續)

於各報告日期，本集團按合約未折現款項劃分的金融負債的到期概況如下：

二零一八年十二月三十一日

## Notes to the Consolidated Financial Statements 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2018 and 31 December 2017.

The Group monitors capital using a gearing ratio, which is total debt to total shareholders' equity. Total debt includes interest-bearing bank borrowings. Total shareholders' equity comprises all components of equity attributable to owners of the parent. The Group's policy is to maintain the gearing ratio at a reasonable level.

### 36. 金融風險管理目標及政策（續）

#### 資本管理

本集團資本管理的主要目標為確保本集團持續經營的能力及保持良好的信貸評分及穩健的資本比率，以支持其業務經營及使股東利益最大化。

本集團根據經濟狀況的變化及相關資產的風險特徵來管理其資本架構並作出調整。為維持或調整資本結構，本集團可能調整派付予股東的股息、向股東退還資本或發行新股份。本集團毋須遵守任何外界施加的資本要求。截至二零一八年十二月三十一日及二零一七年十二月三十一日止年度，管理資本的目標、政策或程序並無發生變化。

本集團使用資本負債比率（按債務總額除以股東權益總額計算）監察資本。債務總額包括計息銀行借貸。股東權益總額包括母公司擁有人應佔權益的所有部分。本集團的政策為將資本負債比率維持在合理水平。

Notes to the Consolidated Financial Statements  
合併財務報表附註

31 December 2018 二零一八年十二月三十一日

37. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

2018

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	15,000
Changes from financing cash flows	融資現金流量變動	22,700
At 31 December 2018	於二零一八年十二月三十一日	37,700

2017

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	-
Changes from financing cash flows	融資現金流量變動	15,000
At 31 December 2017	於二零一七年十二月三十一日	15,000

38. EVENTS AFTER THE REPORTING PERIOD

On 1 November 2018, the Group together with Astute Horizon Limited (the Vendor), ultimately controlled by the Controlling Shareholder, Mr. Li Cheng, entered into a share purchase agreement to acquire 100% equity interests of First Intelligence International Limited (the target company) for a total consideration of RMB800,000,000, which shall be satisfied by RMB200,000,000 in cash and RMB600,000,000 by way of allotment and issue of 272,661,290 new shares of the Company. On 2 January 2019, the Group paid a cash consideration of RMB60,000,000 to Chang Sheng Estate Management (Hangzhou) Co., Ltd. (a subsidiary of the target company) according to the Share Purchase Agreement. The acquisition was completed on 4 January 2019, upon which all of the conditions precedent for cash consideration and first allotment have been fulfilled for this acquisition.

37. 合併現金流量表附註

融資活動產生的負債變動

二零一八年

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元
於二零一八年一月一日		15,000
融資現金流量變動		22,700
於二零一八年十二月三十一日		37,700

二零一七年

		Bank and other loans 銀行及其他貸款 RMB'000 人民幣千元
於二零一七年一月一日		-
融資現金流量變動		15,000
於二零一七年十二月三十一日		15,000

38. 報告期後事項

於二零一八年十一月一日，本公司與睿景有限公司（賣方，由控股股東李誠先生最終控制）訂立股權轉讓協議，以收購穎元國際有限公司（目標公司）之全部股權，總代價為人民幣800,000,000元，其中人民幣200,000,000元以現金結算及人民幣600,000,000元以配發及發行272,661,290股本公司新股份的形式結算。於二零一九年一月二日，本集團根據股權轉讓協議向目標公司之附屬公司昶盛物業（杭州）有限公司支付現金代價人民幣60,000,000元。於二零一九年一月四日，現金代價及第一次配發之所有先決條件均已達成，故收購事項已於該日完成。

## Notes to the Consolidated Financial Statements 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

### 38. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

On 10 January 2019, an entrusted loan of RMB50,000,000 was repaid in full by China Merchants Bank Hangzhou Xiaoshan Branch ("CMB Xiaoshan") to Yongsheng Dyeing pursuant to an entrusted loan agreement entered into between Yongsheng Dyeing and China Merchants Bank Hangzhou Xiaoshan Branch dated 10 July 2018. Yongsheng Dyeing has not entered into any other entrusted loan agreement after the repayment.

On 12 February 2019, Yongsheng Dyeing redeemed the trust amounting to RMB46,150,000 from China Foreign Economy and Trade Trust Co. Ltd which Yongsheng Dyeing entered on 17 July 2018. After the redemption, Yongsheng Dyeing did not have any outstanding balance with China Foreign Economy and Trade Trust Co. Ltd.

On 1 February 2019, the Company and an independent third party, Easy Speed Inc. (the vendor) entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to acquire and the vendor has conditionally agreed to sell the entire issued share capital of Summer Power International Inc. for an aggregate consideration of HK\$206,000,000, which shall be satisfied by HK\$6,000,000 in cash and HK\$200,000,000 by way of allotment and issue of 80,000,000 Company's shares. The acquisition was completed on 22 February 2019 and all the conditions precedent for sale and purchase agreement have been fulfilled.

On 13 March 2019, Yongsheng Dyeing redeemed the investment amounting to RMB20,000,000 from Minsheng Wealth Investment Management Co. Ltd pursuant to the asset management agreement entered into between Yongsheng Dyeing and Minsheng Wealth Investment Management Co. Ltd. on 17 July 2018. After the redemption, Yongsheng Dyeing did not have any outstanding balance with Minsheng Wealth Investment Management Co. Ltd.

### 38. 報告期後事項 (續)

於二零一九年一月十日，招商銀行股份有限公司杭州蕭山支行（「招商銀行蕭山支行」）根據永盛染整與招商銀行股份有限公司杭州蕭山支行於二零一八年七月十日訂立之委託貸款協議向永盛染整全額償還委託貸款人民幣50,000,000元。永盛染整於償還後並無訂立任何其他委託貸款協議。

於二零一九年二月十二日，永盛染整向中國對外經濟貿易信託有限公司贖回永盛染整於二零一八年七月十七日訂立之委託款項人民幣46,150,000元。於贖回後，永盛染整與中國對外經濟貿易信託有限公司並無任何未結清結餘。

於二零一九年二月一日，本公司與獨立第三方速易有限公司（賣方）訂立買賣協議。據此，本公司有條件同意收購而賣方有條件同意出售夏力國際有限公司之全部已發行股本，總代價為206,000,000港元，將由本公司以現金方式支付6,000,000港元以及配發及發行80,000,000股本公司股份的方式支付200,000,000港元。收購事項已於二零一九年二月二十二日完成，及買賣協議之所有先決條件均已達成。

於二零一九年三月十三日，永盛染整根據其與民生財富投資管理有限公司於二零一八年七月十七日訂立之資產管理協議向民生財富投資管理有限公司贖回投資人民幣20,000,000元。於贖回後，永盛染整與民生財富投資管理有限公司並無任何未結清結餘。

Notes to the Consolidated Financial Statements  
合併財務報表附註

31 December 2018 二零一八年十二月三十一日

39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司的財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

本公司於報告期末財務狀況表的資料如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	144,967	206,249
<b>TOTAL NON-CURRENT ASSETS</b>	<b>非流動資產總額</b>	<b>144,967</b>	206,249
CURRENT ASSETS	流動資產		
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	188	172
Cash and cash equivalents	現金及現金等值物	1,240	3,239
<b>TOTAL CURRENT ASSETS</b>	<b>流動資產總額</b>	<b>1,428</b>	3,411
CURRENT LIABILITIES	流動負債		
Other payables, advances from customers and accruals	其他應付款項、客戶墊款及應計款項	1,863	284
Due to subsidiaries	應付附屬公司款項	11,439	31,778
<b>TOTAL CURRENT LIABILITIES</b>	<b>流動負債總額</b>	<b>13,302</b>	32,062
<b>NET CURRENT LIABILITIES</b>	<b>流動負債淨額</b>	<b>(11,874)</b>	(28,651)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	<b>133,093</b>	177,598
<b>NET ASSETS</b>	<b>淨資產</b>	<b>133,093</b>	177,598
EQUITY	權益		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	母公司擁有人應佔權益		
Share capital	股本	3,121	3,173
Share premium	股份溢價	130,657	173,359
Other reserves	其他儲備	(685)	1,066
<b>TOTAL EQUITY</b>	<b>權益總額</b>	<b>133,093</b>	177,598

## Notes to the Consolidated Financial Statements 合併財務報表附註

31 December 2018 二零一八年十二月三十一日

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

		Share capital	Share premium	Accumulated losses*	Foreign currency translation reserve*	Equity-settled arrangement reserve*	Total equity
		股本 RMB'000 人民幣千元	股份溢價 RMB'000 人民幣千元	累計虧損* RMB'000 人民幣千元	外幣換算儲備* RMB'000 人民幣千元	權益結算安排儲備* RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	3,165	195,859	(19,120)	22,009	12,014	213,927
Loss for the year	年內虧損	-	-	(4,070)	-	-	(4,070)
Other comprehensive income for the year:	年內其他全面收入:						
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	(12,729)	-	(12,729)
Total comprehensive income for the year	年內全面收入總額	-	-	(4,070)	(12,729)	-	(16,799)
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	(24,046)	-	-	-	(24,046)
Exercise of share options	行使購股權	8	1,546	-	-	(541)	1,013
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	-	3,503	3,503
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	<b>3,173</b>	<b>173,359</b>	<b>(23,190)</b>	<b>9,280</b>	<b>14,976</b>	<b>177,598</b>
Loss for the year	年內虧損	-	-	(5,835)	-	-	(5,835)
Other comprehensive income for the year:	年內其他全面收入:						
Exchange differences on translation of foreign operations	換算境外業務的匯兌差額	-	-	-	5,669	-	5,669
Total comprehensive income for the year	年內全面收入總額	-	-	(5,835)	5,669	-	(166)
Dividends paid to shareholders of the Company	向本公司股東支付股息	-	(26,285)	-	-	-	(26,285)
Shares repurchased and cancelled	購回並註銷之股份	(82)	(22,299)	-	-	-	(22,381)
Exercise of share options	行使購股權	30	5,882	-	-	(2,110)	3,802
Equity-settled share option arrangements	股權結算購股權安排	-	-	-	-	525	525
At 31 December 2018	於二零一八年十二月三十一日	<b>3,121</b>	<b>130,657</b>	<b>(29,025)</b>	<b>14,949</b>	<b>13,391</b>	<b>133,093</b>

\* These reserve accounts comprise the other reserves of RMB(685,000) (2017: RMB1,066,000) in the statement of financial position of the Company.

附註:

本公司儲備的摘要如下:

\* 該等儲備賬包括本公司財務狀況表內的其他儲備人民幣(685,000)元(二零一七年:人民幣1,066,000元)。

### 40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 26 March 2019.

### 40. 批准財務報表

財務報表已於二零一九年三月二十六日獲董事會批准及授權刊發。

# Five-year Financial Summary

## 五年財務概要

### RESULTS

### 業績

For the year ended 31 December

截至十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Adjusted 經調整 2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
Revenue from continuing operations	持續經營業務收益	680,180	647,811	580,651	491,165	486,361
Gross profit from continuing operations	持續經營業務毛利	156,777	180,159	167,205	141,423	121,053
Operating profit	經營溢利	106,987	121,563	111,632	83,346	75,949
Finance costs	融資成本	(1,537)	(766)	(1,350)	(975)	(3,018)
Profit before tax	除稅前溢利	105,450	120,797	110,282	82,371	72,931
Income tax expense	所得稅開支	(18,771)	(22,347)	(21,711)	(18,578)	(13,582)
Profit from continuing operations	來自持續經營業務溢利	86,679	98,450	88,571	63,793	59,349
Gain/(loss) for a discontinued operation	終止經營業務收益/ (虧損)	-	-	-	363	(2,315)
Profit for the year	年內溢利	86,679	98,450	88,571	64,156	57,034
Attributable to: Shareholders of the Company	以下應佔溢利: 本公司股東	80,751	92,144	79,128	56,230	47,897
Non-controlling interests	非控股權益	5,928	6,306	9,443	7,926	9,137
Earnings per share	每股盈利					
Basic (RMB cents per share)	基本(每股人民幣分)	20.4	23.0	19.8	14.1	12.0
Diluted (RMB cents per share)	攤薄(每股人民幣分)	19.9	22.7	19.7	14.0	12.0



## Five-year Financial Summary 五年財務概要

### ASSETS AND LIABILITIES

### 資產及負債

		As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元
<b>Non-current assets</b>	非流動資產	<b>268,953</b>	266,514	188,299	182,954	179,863
<b>Current assets</b>	流動資產	<b>532,173</b>	534,436	484,533	363,716	368,784
<b>Total assets</b>	總資產	<b>801,126</b>	800,950	672,832	546,670	548,647
<b>Current liabilities</b>	流動負債	<b>(179,716)</b>	(217,143)	(158,387)	(110,970)	(166,084)
<b>Non-current liabilities</b>	非流動負債	<b>(21,496)</b>	(18,950)	(17,232)	(15,608)	(12,325)
<b>Total liabilities</b>	負債總額	<b>(201,212)</b>	(236,093)	(175,619)	(126,578)	(178,409)
<b>EQUITY</b>	權益					
Equity attributable to shareholders of the Company	本公司股東應佔權益	<b>556,198</b>	518,806	448,068	381,470	339,942
Non-controlling interests	非控股權益	<b>43,716</b>	46,051	49,145	38,622	30,296
<b>Total equity</b>	權益總額	<b>599,914</b>	564,857	497,213	420,092	370,238

