



**HOP FUNG GROUP**

合豐集團控股有限公司

**HOP FUNG GROUP HOLDINGS LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：2320



Annual Report 2018 年報



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# CORPORATE INFORMATION

## 公司資料



### BOARD OF DIRECTORS

#### Executive Directors

Mr. Hui Sum Ping (*Chairman*)  
Mr. Hui Sum Tai (*Chief Executive Officer*)  
Ms. Hui Yuen Li (*Chief Financial Officer*)

#### Independent Non-Executive Directors

Mr. Chee Man Sang, Eric  
Mr. Wong Chu Leung  
Mr. Chau Suk Ming

### AUDIT COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)  
Mr. Wong Chu Leung  
Mr. Chau Suk Ming

### REMUNERATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)  
Mr. Wong Chu Leung  
Mr. Chau Suk Ming  
Ms. Hui Yuen Li

### NOMINATION COMMITTEE

Mr. Chee Man Sang, Eric (*Chairman*)  
Mr. Wong Chu Leung  
Mr. Chau Suk Ming  
Ms. Hui Yuen Li

### AUTHORISED REPRESENTATIVES

Mr. Hui Sum Tai  
Ms. Hui Yuen Li

### COMPANY SECRETARY

Ms. Hui Yuen Li

### AUDITOR

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong

### 董事會

#### 執行董事

許森平先生(*主席*)  
許森泰先生(*行政總裁*)  
許婉莉女士(*財務總監*)

#### 獨立非執行董事

池民生先生  
黃珠亮先生  
周淑明先生

#### 審核委員會

池民生先生(*主席*)  
黃珠亮先生  
周淑明先生

#### 薪酬委員會

池民生先生(*主席*)  
黃珠亮先生  
周淑明先生  
許婉莉女士

#### 提名委員會

池民生先生(*主席*)  
黃珠亮先生  
周淑明先生  
許婉莉女士

#### 授權代表

許森泰先生  
許婉莉女士

#### 公司秘書

許婉莉女士

#### 核數師

德勤•關黃陳方會計師行  
執業會計師  
香港

## CORPORATE INFORMATION

### 公司資料

#### HONG KONG OFFICE

Workshops E, F and H, 22nd Floor  
Superluck Industrial Centre (Phase 2)  
No. 57 Sha Tsui Road and  
Nos. 30-38 Tai Chung Road, Tsuen Wan  
New Territories  
Hong Kong

#### REGISTERED OFFICE

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

#### SHARE REGISTRARS AND TRANSFER AGENTS

##### Principal share registrar and transfer agent in the Cayman Islands

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

##### Branch share registrar and transfer agent in Hong Kong

Tricor Abacus Limited  
Level 22  
Hopewell Centre  
183 Queen's Road East  
Hong Kong

#### PRINCIPAL BANKERS

Standard Chartered Bank  
DBS Bank (Hong Kong) Limited  
Citibank, N.A.  
United Overseas Bank Limited

#### STOCK CODE

2320

#### WEBSITE

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

#### 香港辦事處

香港  
新界  
荃灣沙咀道57號及  
大涌道30-38號  
荃運工業中心(第二期)  
22樓E、F及H座

#### 註冊辦事處

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

#### 股份過戶登記處

##### 開曼群島主要股份過戶登記處

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

##### 股份過戶登記處香港分處

卓佳雅柏勤有限公司  
香港  
皇后大道東183號  
合和中心  
22樓

#### 主要往來銀行

渣打銀行  
星展銀行(香港)有限公司  
花旗銀行  
大華銀行有限公司

#### 股份代號

2320

#### 網址

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

## CHAIRMAN'S STATEMENT

### 主席報告



On behalf of the board of directors (the "Board" or "Directors"), I am pleased to present the 2018 full year results to the shareholders of Hop Fung Group Holdings Limited (the "Company", and, including subsidiaries, the "Group", "we" or "us").

2018 has been a more volatile year since the financial crisis. Although the US economy saw growth, the Federal Reserve continued to raise interest rates, and the appreciation of the US dollar resulted in depreciation of the Renminbi and other currencies. The Sino-US trade war continued, the Chinese and European economies markedly slowed, and the United Kingdom failed to resolve its Brexit issues, creating a cloud over the global economy.

China's corrugated packaging industry was in a precarious state in 2018. The Chinese government measures to eliminate outdated capacity had seen results, but the restrictions on wastepaper imports and stricter requirements on its import quality substantially pushed up prices on imported wastepaper. Domestic wastepaper prices had jumped on the back of the rise in local demand and a lack of supply, putting pressure on our industry, and some players even went out of business.

The Chinese government measures to restrict wastepaper imports raised the supply of wastepaper in overseas markets and pushed down the prices for wastepaper overseas. As overseas containerboard makers saw lower manufacturing costs, their containerboard prices were attractive compared to domestic supplies, and some domestic enterprises sourced instead from overseas suppliers. This resulted in a decline in domestic containerboard demand and affected the domestic sales.

Industry players are moving towards a new business model of seeking appropriate overseas locations for new facilities or to refurbish production lines to turn wastepaper first into pulp for subsequent import into China for making containerboard, in order to maintain a secure supply of raw materials. This would shift some of the production process overseas and change the course of development of the corrugated packaging industry in China.

The Renminbi exchange rate appreciating slightly in the first half of 2018 but receding steeply from mid-June onwards had had a negative impact on the corrugated packaging industry. This is because most industry players focus on domestic sales settled in Renminbi, but raw materials sourced overseas are usually settled in US dollars or other currencies. Thus, fluctuations in the Renminbi exchange rate create certain pressure on industry players.

本人謹代表董事會欣然向各位股東提呈合豐集團控股有限公司(「本公司」，連同其附屬公司，統稱「本集團」，「集團」或「我們」)的二零一八年度全年業績報告。

自金融危機至今，二零一八年可算是較動盪的一年。美國經濟雖錄得增長，聯儲局卻持續加息，美元升值後引發人民幣及其他貨幣貶值，中美貿易戰持續不斷，中國及歐洲之經濟明顯放緩，英國仍未解決脫歐問題，使全球經濟蒙上陰霾。

中國之瓦楞包裝業於二零一八年處於不穩狀態，中國政府推行的淘汰落後產能之政策雖然已得到成效，但卻限制廢紙進口量並提高其品質要求，以致進口廢紙價格上升不少。國內廢紙價格也因需求激增及供應量不足而大幅上升，對企業增添沉重的壓力，有企業更因此結業。

中國政府限制廢紙進口量使海外的廢紙供應量大增，海外廢紙價格因而大幅下降，由於海外廠商的製造成本下降，其箱板紙價格較國內供應的箱板紙吸引，部分國內企業因而轉向海外供應商採購，引致國內箱板紙需求下降，影響了國內的銷情。

企業為了有足夠的原材料生產箱板紙，紛紛改變營運模式，於海外物色合適的地點興建廠房或改裝生產線，在海外先將廢紙造成紙漿後送到國內生產箱板紙，此舉將部分生產工序轉移到海外處理，改變了瓦楞包裝業在國內的發展進程。

人民幣匯率於二零一八年上半年輕微上升，至六月中開始回落，回落幅度大且快，對瓦楞包裝業有一定的負面影響，原因是大多數企業都以內銷為主，即以人民幣結算，但向國外採購原材料一般以美元或其他貨幣結算，所以人民幣匯率的波動對企業構成一定的壓力。

## CHAIRMAN'S STATEMENT

### 主席報告

As a result of the said factors, the Group's results in 2018 declined sharply, with the Group's revenue declining sharply but cost of sales rising at the same time. Fortunately, the Group remains focusing on corrugated packaging products with shorter production cycles, and maintains a quality customer base. The Group has next to no bad debts and a net gearing ratio of only 0.1%, and still maintains a very healthy financial situation.

Looking ahead to 2019, we expect global trade and the global economy to slow, and the Chinese economy to potentially be impacted by the Sino-US trade war. That said, we expect the Chinese government to launch new policies and measures to offset such impact, such as the recent measures to reduce taxes and to encourage banks to lend to small and medium sized enterprises and reduce funding costs. Such policies should help Chinese economic growth and drive market demand for corrugated packaging.

The Group will continue to improve our production process and research into ways to reduce wastage, to control expenses to combat the pressure of rising operating costs, and to provide high quality corrugated packaging products to our customers. We will strive to grasp the opportunities of our vertically integrated business model, in order to deliver sustainable long-term growth in earnings for the Group.

Last but not least, I would like to thank the management team and our staff for their dedication and cooperation against various challenges and issues, and to thank our customers, suppliers, bankers and investors for their long-standing support. We will continue to strive for better returns for our shareholders.

**Hui Sum Ping**  
Chairman  
27th March, 2019

本集團因受以上各種情況所影響以致二零一八年業績大幅回落，集團的收益下跌但銷售成本卻上升，幸而集團一直專注生產週期較短的瓦楞包裝產品，並擁有優質的客戶群，集團幾乎沒有壞賬率，而淨負債率亦只有0.1%，集團的財務狀況依然非常穩健。

展望二零一九年，我們預期全球貿易及經濟增長放緩，中國經濟將有機會繼續受到中美貿易戰的衝擊，然而我們深信中國政府必定能推出一系列的政策及措施來抵禦其影響，如近期推出減稅方案及鼓勵銀行對中小企融資及降低其融資成本等，此等政策可望能帶動中國經濟增長，並帶動市場對瓦楞包裝的需求。

集團將繼續改進生產流程及研究減少損耗，以及嚴格監控成本以抵抗經營成本上漲的壓力，並提供更多優質的瓦楞包裝產品予客戶。我們承諾會盡力繼續抓緊縱向整合的競爭優勢，使集團之盈利有長遠穩定的增長。

最後，本人謹藉此機會向管理層及員工致謝，感謝各位團結一致地面對重重挑戰與考驗，並感謝客戶、供應商、銀行界及投資者多年來的支持，我們定必繼續努力為股東帶來更佳回報。

主席  
許森平  
二零一九年三月二十七日

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



### BUSINESS REVIEW

Corrugated packaging demand fell slightly in 2018 while market supply was in abundance. Although the Group's average selling price actually rose in the year, the shortage in raw materials resulted in a 10% fall in sales volume and a 6.5% fall in revenue. Domestic and export sales accounted for 80% and 20% of total sales, respectively. In the first half, revenue fell by 7% year on year compared to 2017, while second half 2018 revenue was 23% higher than the first half of 2018, and declining by 6% compared to the same half of 2017.

The Group's upstream containerboard business, producing corrugating medium and linerboard, mainly supplies our downstream corrugated packaging business for manufacturing corrugated paper boards and carton boxes, and we would also sell containerboard directly to customers depending on market demand. The upstream and downstream businesses accounted for 39% and 61% respectively of revenue in the year, with upstream revenue up by 11% due to rising average selling prices, with equipment utilization at approximately 60%; the downstream business saw revenue decline by 15% due to lower sales volume, with equipment utilization at approximately 50%.

The Group's sources its key raw material, wastepaper, from both domestic and overseas markets. Costs for wastepaper rose by more than 30% on average compared to the whole of 2017, but the Group's tight control of costs and expenses meant that most costs fell along with the lower sales volume achieved. Due to the shortage in raw materials and higher costs, the Group needed more working capital for its inventory, resulting in higher financing costs, and resulting in the 78% decline in profit for the year.

### FINANCIAL REVIEW

#### Operating results

The Group recorded a decrease in revenue of HK\$99.3 million in 2018, representing a fall of 6.5% from HK\$1,523.2 million in 2017 to HK\$1,423.9 million in 2018. In view of the shortage in raw materials for production in 2018, sales volume dropped leading to a fall in revenue.

The average cost of wastepaper, the main raw material of the group, rose sharply by more than 30% in 2018 compared to the average cost in 2017. With lower sales volume but higher raw material cost, cost of sales rose 9.5% from HK\$1,117.7 million to HK\$1,223.6 million.

### 業務回顧

於二零一八年瓦楞包裝的需求略為下降，市場供應量充足，儘管集團的平均銷售價格有所上升，但由於原材料短缺，銷售量下跌10%，全年收益下跌6.5%。內銷收益與出口收益分別佔總收益八成及兩成，而上半年之收益比二零一七年同期下跌7%，下半年收益較上半年收益高出23%，對比二零一七年同期收益則下跌6%。

集團上游箱板紙業務生產之瓦楞芯紙及牛咭，主要提供予集團下游的瓦楞包裝業務製造瓦楞紙板及紙箱，另因應市場需求變化而直接售予客戶。上下游業務分別佔收益的39%及61%，上游之收益上升11%，主要是平均銷售價上升，設備使用率約六成；而下游之收益下跌15%，主要是銷售量下跌，設備使用率約五成。

集團之主要原材料廢紙分別在國內及海外採購，其平均價格與二零一七年相比上漲約三成多，幸而集團一向嚴謹監控成本及費用，因此大部分開支跟隨銷售量下跌而減少。由於原材料短缺及其成本上升，集團需要較多資金去貯存存貨，以致財務費用上升，最終集團錄得78%的盈利跌幅。

### 財務回顧

#### 經營業績

本集團於二零一八年錄得之收益減少99,300,000港元，由二零一七年之1,523,200,000港元減少6.5%至二零一八年之1,423,900,000港元。二零一八年生產所用原材料短缺導致銷量下跌，因而使收益減少。

比起二零一七年的平均成本，廢紙(本集團的主要原材料)平均成本於二零一八年急升超過30%。由於銷量減少但原材料成本上升，銷售成本由1,117,700,000港元上升9.5%至1,223,600,000港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

Gross profit dropped from HK\$405.5 million to HK\$200.2 million, representing a 50.6% decrease. Gross profit margin fell from 26.6% to 14.1%.

The rise in other income from HK\$12.6 million to HK\$21.2 million was primarily due to the refund from the Chinese Government in 2018.

Selling and distribution costs reduced 23.7% from HK\$67.1 million to HK\$51.2 million. The decrease was arisen from the fact that less finished goods were delivered to customers in 2018 as a result of the reduction in sales volume.

As there was no recommendation of directors' performance bonus in 2018 leading to salaries decrease, the administrative expenses fell 38.3% from HK\$149.8 million to HK\$92.5 million.

Other expenses rose HK\$3.7 million from HK\$27.5 million to HK\$31.2 million. The increment was mainly attributed to the rise in exchange losses which was the result of depreciation of Renminbi in the second half of 2018.

An increase in finance costs by HK\$2.7 million, from HK\$2.1 million to HK\$4.8 million, was owing to higher average interest rate incurred and higher financing level required during 2018.

HK\$11.2 million was charged to taxation, being profits tax amounting to HK\$2.8 million and deferred tax amounting to HK\$8.4 million.

Profit for the year declined from HK\$137.7 million to HK\$30.5 million, representing a decrease of 77.9%. Profit margin fell from 9.0% to 2.1%.

### Liquidity, financial and capital resources

At 31st December, 2018, the Group's total cash and cash equivalents were HK\$219.4 million (31st December, 2017: HK\$335.5 million), mostly denominated in Renminbi. More funds were required in 2018 to maintain a higher safety inventory level as a result of raw material shortage and higher raw material cost.

Total unsecured bank borrowings rose from HK\$155.9 million to HK\$221.1 million. Current and non-current unsecured bank borrowings increased HK\$27.9 million and HK\$37.3 million respectively. At 31st December, 2018, net gearing ratio was 0.1%. The group recorded a net borrowing (total unsecured bank borrowings less bank balances and cash) of HK\$1.7 million.

毛利由405,500,000港元減少50.6%至200,200,000港元。毛利率由26.6%下跌至14.1%。

其他收入由12,600,000港元增加至21,200,000港元，主要由於二零一八年中國政府的退稅。

銷售及分銷成本由67,100,000港元減少23.7%至51,200,000港元。有關減少源於二零一八年向客戶交付的製成品減少，原因是銷量減少。

由於二零一八年並無建議董事表現花紅，令薪金減少，行政開支由149,800,000港元減少38.3%至92,500,000港元。

其他開支由27,500,000港元增加3,700,000港元至31,200,000港元。增加乃主要由於人民幣於二零一八年下半年貶值導致匯兌虧損所致。

財務成本由2,100,000港元增加2,700,000港元至4,800,000港元，乃由於二零一八年內產生較高平均利率及所需融資水平上升所致。

11,200,000港元已計入稅項，即利得稅2,800,000港元及遞延稅項8,400,000港元。

年度利潤由137,700,000港元減少77.9%至30,500,000港元。利潤率由9.0%下跌至2.1%。

### 流動資金、財務及資本資源

於二零一八年十二月三十一日，本集團大部分以人民幣列值之現金及現金等值總額為219,400,000港元(二零一七年十二月三十一日：335,500,000港元)。於二零一八年需要較多資金以維持較高安全存貨水平，原因是原材料短缺及原材料成本較高。

無抵押銀行借貸總額由155,900,000港元增加至221,100,000港元。即期及非即期無抵押銀行借貸分別增加27,900,000港元及37,300,000港元。於二零一八年十二月三十一日，淨負債比率為0.1%。本集團錄得淨借貸(無抵押銀行借貸總額減銀行結餘及現金)為1,700,000港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析



Net current assets and current ratio of the Group were HK\$262.8 million (31st December, 2017: HK\$299.2 million) and 1.64 (31st December, 2017: 1.76) respectively.

The Group spent HK\$146.6 million in 2018 on capital expenditures for maintenance and technical upgrade to the production lines and the ancillary facilities.

Debtors and creditors turnover were 45 days (2017: 37 days) and 29 days (2017: 39 days) respectively. Inventory turnover has been increased from 51 days to 65 days as a higher safety inventory level was required in 2018 in view of the shortfall of raw materials.

### Contingent liabilities

The tax audits conducted by the Inland Revenue Department ("IRD") on the Company and its subsidiaries for the years of assessment 2004/2005 to 2012/2013 are still on-going. The IRD had issued protective assessments for the years of assessment 2004/2005 to 2012/2013 to certain subsidiaries of the Group. Objections were lodged against all these assessments. The Directors believe that no additional provision for Hong Kong profits tax is necessary at the present stage. The outcome and impact of this matter cannot be determined with reasonable certainty.

### OUTLOOK

We expect the global economy as well as the Chinese economy to slow, and for overall demand to decline marginally. To resolve our current shortage in raw materials, the Group is considering purchasing pulp overseas or to build pulp production lines overseas, in order to reduce production costs and increase sales. We will continue to seek more pricing power and reasonably transfer higher operating costs to customers. Our key priorities continue to improve production efficiency, increase sales volume, reduce raw materials wastage and energy use, in order to counter rising costs, and to strive to improve the Group's profitability.

### HUMAN RESOURCES

As at 31st December, 2018, the Group employed a total workforce of around 1,050 full time staff (2017: 1,100). Competitive remuneration packages were offered to employees. The Group may also grant share options and discretionary bonuses to eligible employees based on the performance of the Group and individuals.

本集團之流動資產淨值及流動比率分別為262,800,000港元(二零一七年十二月三十一日: 299,200,000港元)及1.64(二零一七年十二月三十一日: 1.76)。

於二零一八年，本集團之資本開支為146,600,000港元，用於生產線及配套設施的維護及技術升級。

應收賬款及應付賬款之流轉率分別為45日(二零一七年: 37日)及29日(二零一七年: 39日)。存貨流轉率由51日上升至65日，因為於二零一八年需要較高安全存貨水平，原因是原材料短缺。

### 或然負債

香港稅務局(「稅務局」)仍在就本公司及其附屬公司之二零零四年／二零零五年至二零一二年／二零一三年課稅年度進行稅務稽查。稅務局曾就二零零四年／二零零五年至二零一二年／二零一三年之課稅年度向本集團若干附屬公司發出保障性評稅。本集團已就所有該等評稅提出反對。董事認為現階段無需就香港利得稅作出額外撥備，亦未能合理確定此事宜之結果及影響。

### 展望

我們預期環球及中國經濟放緩，整體需求略為下跌。為了解決原材料短缺問題，本集團正積極考慮於海外採購紙漿或覓廠地增設製造紙漿的生產線，藉此降低生產成本及增加銷售量。我們會繼續爭取在價格上的主導性，並把經營成本合理地轉嫁予客戶。我們承諾繼續以提升生產效率、增加銷量、降低原料損耗及能源消耗以抗衡成本上漲為重點策略，竭力提高集團的利潤。

### 人力資源

於二零一八年十二月三十一日，本集團僱用總共約1,050名全職員工(二零一七年: 1,100名)。本集團向僱員提供具競爭力之薪酬方案。本集團可能亦會授出購股權及酌情花紅予合資格僱員，授出之基準按本集團及個人之表現而釐定。

# MANAGEMENT PROFILE

## 管理層履歷

### BOARD OF DIRECTORS

#### Executive Directors

**Mr. Hui Sum Ping**, aged 56, is the chairman of the Board, an executive Director of the Company and a co-founder of the Group. Mr. Hui is responsible for the business development and overall corporate planning of the Group. Mr. Hui has over 34 years of experience in the corrugated packaging industry in Hong Kong and the People's Republic of China (the "PRC").

Mr. Hui Sum Ping is a brother of Mr. Hui Sum Tai (executive Director and chief executive officer of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

**Mr. Hui Sum Tai**, aged 52, is an executive Director and the chief executive officer of the Company. Mr. Hui has joined the Group since its establishment and is responsible for the strategic planning and day-to-day management of the Group. Mr. Hui has over 32 years of experience in the corrugated packaging industry in Hong Kong and the PRC.

Mr. Hui Sum Tai is a brother of Mr. Hui Sum Ping (chairman of the Board and executive Director of the Company). Mr. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

**Ms. Hui Yuen Li**, aged 48, is an executive Director, the chief financial officer, the company secretary and a member of the Remuneration Committee and the Nomination Committee of the Company. Ms. Hui is responsible for the financial management of the Group. Ms. Hui is a fellow member of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Ms. Hui worked in an international accounting firm prior to joining the Group in May 1997.

Ms. Hui obtained a Degree of Bachelor of Arts with Honours in Accountancy from the City University of Hong Kong in 1992. Ms. Hui did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Ms. Hui did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

### 董事會

#### 執行董事

許森平先生，56歲，為董事會主席兼本公司執行董事，並為本集團聯合創辦人。許先生負責本集團之業務發展及整體企業規劃。許先生於香港及中華人民共和國（「中國」）之瓦楞包裝行業積逾三十四年經驗。

許森平先生為本公司執行董事兼行政總裁許森泰先生之兄長。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許森泰先生，52歲，為本公司之執行董事兼行政總裁。許先生自集團成立起已加入本集團，負責本集團策略規劃及日常管理。許先生於香港及中國之瓦楞包裝行業積逾三十二年經驗。

許森泰先生為本公司董事會主席兼執行董事許森平先生之弟弟。許先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

許婉莉女士，48歲，為本公司之執行董事、財務總監、公司秘書以及薪酬委員會及提名委員會成員。許女士負責本集團財務管理。許女士為英國特許公認會計師公會資深會員及香港會計師公會會員。許女士於一九九七年五月加盟本集團前，曾於一間國際會計師行工作。

許女士於一九九二年獲得香港城市大學會計學文學士榮譽學位。許女士與本公司之任何董事、主要股東及高級管理層概無任何關係。許女士於過去三年並無於香港或海外上市公司出任任何其他董事職務。

# MANAGEMENT PROFILE

## 管理層履歷



### BOARD OF DIRECTORS (continued)

#### Independent Non-executive Directors

**Mr. Chee Man Sang, Eric**, aged 57, is an independent non-executive Director and the chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chee is a practising Certified Public Accountant in Hong Kong and a senior partner of Chee Chan & Co., a firm of Certified Public Accountants. Mr. Chee had worked in two international accounting firms in Canada and Hong Kong. Mr. Chee is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants of Ontario, Canada.

Mr. Chee obtained a Bachelor's Degree of Commerce (Accounting) with Honours from Birmingham University in 1984. Mr. Chee did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Chee did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

**Mr. Wong Chu Leung**, aged 71, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Wong has over 34 years of experience in enterprise management and manufacturing operation management. Mr. Wong is a shareholder and a director of a metal ware manufacturing company with manufacturing plant located in the PRC.

Mr. Wong did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Wong did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

**Mr. Chau Suk Ming**, aged 61, is an independent non-executive Director and a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Chau is a retired businessman with more than 15 years of experience in the corrugated packaging industry. Mr. Chau was a shareholder and a director of a corrugated packaging company with manufacturing plant located in the PRC.

Mr. Chau did not have any relationship with any Directors, substantial shareholders and senior management of the Company. Mr. Chau did not hold any other directorship in companies listed in Hong Kong or overseas in the last 3 years.

### 董事會 (續)

#### 獨立非執行董事

池民生先生，57歲，為本公司之獨立非執行董事及審核委員會、薪酬委員會以及提名委員會之主席。池先生為香港執業會計師，及執業會計師行池陳會計師事務所之資深合夥人。池先生曾任職加拿大及香港兩間國際會計師行。池先生乃香港會計師公會及加拿大Institute of Chartered Accountants of Ontario會員。

池先生於一九八四年獲得伯明翰大學商業學士榮譽學位(主修會計)。池先生與本公司之任何董事、主要股東及高級管理層概無任何關係。池先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

黃珠亮先生，71歲，為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。黃先生於企業管理及製造業務管理方面積逾三十四年經驗。黃先生為一間於中國設有生產廠房之金屬製品公司之股東及董事。

黃先生與本公司之任何董事、主要股東及高級管理層概無任何關係。黃先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

周淑明先生，61歲，為本公司之獨立非執行董事以及審核委員會、薪酬委員會及提名委員會成員。周先生為一名退休商人，於瓦楞包裝業積逾十五年經驗。周先生曾擔任一間於中國設有生產廠房之瓦楞包裝公司之股東及董事。

周先生與本公司之任何董事、主要股東及高級管理層概無任何關係。周先生於過去三年並無於香港或海外上市公司出任任何其他董事職務。

## MANAGEMENT PROFILE

### 管理層履歷

#### SENIOR MANAGEMENT

**Mr. Tsui Yung Wai**, aged 56, is the general manager of the Group. Mr. Tsui is responsible for the supervision of procurement, logistics and human resources of the Group. Mr. Tsui has over 23 years of experience in corrugated packaging industry in Hong Kong and the PRC. Prior to joining the Group in February 2008, Mr. Tsui was a shareholder and a director of a corrugated packaging company.

Mr. Tsui is a brother-in-law of Mr. Hui Sum Ping (chairman of the Board and executive Director of the Company) and Mr. Hui Sum Tai (executive Director and chief executive officer of the Company).

**Ms. Wong Yuk Kwan**, aged 47, is the senior accounting and administrative manager of the Group. Ms. Wong is responsible for overseeing accounting operations of the Group. Ms. Wong obtained a Degree of Bachelor of Business Administration majoring in accounting from the University of Houston – Downtown in the United States in 1994. Ms. Wong worked in an international accounting firm prior to joining the Group in May 2002.

#### 高級管理層

徐勇為先生，56歲，本集團總經理。徐先生負責監督本集團之採購、運輸物流及人力資源。徐先生於香港及中國之瓦楞包裝行業積逾二十三年經驗。徐先生於二零零八年二月加盟本集團之前，曾為一間瓦楞包裝公司之股東及董事。

徐先生為本公司董事會主席兼執行董事許森平先生之妹夫，以及本公司執行董事兼行政總裁許森泰先生之姐夫。

黃玉君女士，47歲，本集團高級會計及行政經理。黃女士負責監察本集團會計運作。黃女士於一九九四年獲得美國University of Houston – Downtown工商管理學士學位，主修會計。黃女士於二零零二年五月加盟本集團之前，曾於一間國際會計師行工作。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31st December, 2018.

### CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining high corporate governance standards to safeguard the interests of shareholders and enhance corporate value.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The Company has in place a corporate governance framework and has established a set of policies and procedures based on the CG Code contained in Appendix 14 of the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Company has applied the principles set out in the CG Code.

The Board is of the view that throughout the year ended 31st December, 2018, the Company has complied with all the code provisions as set out in the CG Code, except for code provisions A.2.1, B.1.2 and C.3.3.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own code of conduct regarding Directors' dealings in the Company's securities (the "Code of Conduct") on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made of the Directors and the Directors have confirmed that they have complied with the Model Code and the Code of Conduct throughout the year ended 31st December, 2018.

The Company has also established written guidelines (the "Employees Written Guidelines") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

董事會欣然於本集團截至二零一八年十二月三十一日止年度之年報呈列本企業管治報告。

### 企業管治常規

董事會致力於維持高標準的企業管治，以保障股東權益及提升其企業價值。

本公司之企業管治常規乃根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄14所載之企業管治守則(「企管守則」)所載之原則及守則條文而制定。

本公司已基於上市規則附錄14所載的企管守則設立企業管治框架及一套政策及程序。該等政策及程序作為基礎，提升董事會執行管治及妥為監督本公司的業務活動及事務的能力。

本公司已應用企管守則所載之原則。

董事會認為，於截至二零一八年十二月三十一日止年度期間，本公司已遵守企管守則所載之所有守則條文，惟守則條文第A.2.1、B.1.2及C.3.3條除外。

### 證券交易標準守則

本公司已採納有關董事進行本公司證券交易之操守守則(「操守守則」)，其條款嚴謹程度不低於上市規則附錄10載列之上市發行人董事進行證券交易標準守則(「標準守則」)之規定。

已向董事作出具體查詢並獲彼等確認，彼等已於截至二零一八年十二月三十一日止年度期間遵守標準守則及操守守則之規定。

本公司亦就可能獲得本公司內幕資料之僱員進行證券交易訂立其條款嚴謹程度不低於標準守則之書面指引(「僱員書面指引」)。

就本公司所知，並無僱員未遵守僱員書面指引之事件。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS

#### Board Composition

The Board currently comprises six Directors, consisting of three Executive Directors and three Independent Non-executive Directors as follows:

#### Executive Directors

Hui Sum Ping	<i>Chairman</i>
Hui Sum Tai	<i>Chief Executive Officer</i>
Hui Yuen Li	<i>Chief Financial Officer, Company Secretary and Member of the Remuneration Committee and the Nomination Committee</i>

#### Independent Non-executive Directors

Chee Man Sang, Eric	<i>Chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee</i>
Wong Chu Leung	<i>Member of the Audit Committee, the Remuneration Committee and the Nomination Committee</i>
Chau Suk Ming	<i>Member of the Audit Committee, the Remuneration Committee and the Nomination Committee</i>

The relationships between the Directors are disclosed under "Management Profile" on pages 9 to 11.

#### Chairman and Chief Executive Officer

The positions of the Chairman and the Chief Executive Officer are held by Mr. Hui Sum Ping and Mr. Hui Sum Tai respectively. The Chairman provides leadership and is responsible for the effective functioning and leadership of the Board. The Chief Executive Officer focuses on the Company's business development and daily management and operations generally.

The Board considers that the responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence, written terms thereof are not necessary. This deviates from the code provision A.2.1 of the CG Code which stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.

### 董事會

#### 董事會的組成

董事會現時由六名董事組成，包括下列三名執行董事及三名獨立非執行董事：

#### 執行董事

許森平	主席
許森泰	行政總裁
許婉莉	財務總監、公司秘書、 薪酬委員會及提名委員會成員

#### 獨立非執行董事

池民生	審核委員會、薪酬委員會及 提名委員會主席
黃珠亮	審核委員會、薪酬委員會及 提名委員會成員
周淑明	審核委員會、薪酬委員會及 提名委員會成員

董事之間之關係已於第9至11頁之「管理層履歷」披露。

#### 主席及行政總裁

主席及行政總裁之職位分別由許森平先生及許森泰先生擔任。主席發揮領導作用並負責董事會之有效運作及領導董事會。行政總裁主要負責本公司之業務發展、日常管理及一般營運。

董事會認為，主席與行政總裁各自之職責均有清楚及明確界定，故毋須以書面劃分兩者之職權範圍。此舉偏離企管守則之守則條文第A.2.1條，該條文規定應清楚地制定主席與行政總裁之職責範圍，並以書面列出。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### BOARD OF DIRECTORS *(continued)*

#### Independent Non-executive Directors

During the year ended 31st December, 2018, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received annual confirmation from each of the Independent Non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all Independent Non-executive Directors are independent.

#### Appointment and Re-election of Director

The Independent Non-executive Directors of the Company are appointed for a specific term of around two years, subject to renewal after the expiry of the current term.

The Company's Articles of Association provides that all Directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment.

Under the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

### 董事會 (續)

#### 獨立非執行董事

於截至二零一八年十二月三十一日止年度，董事會一直遵守上市規則有關委任最少三名獨立非執行董事之規定，相當於三分之一董事會成員，而其中一名獨立非執行董事須擁有適當專業資格或會計或相關財務管理專長。

本公司已根據上市規則第3.13條所載之獨立性指引，從各獨立非執行董事接獲有關彼等之獨立性之年度確認。本公司認為全體獨立非執行董事均為獨立人士。

#### 委任及重選董事

本公司之獨立非執行董事之特定委任年期約為兩年，並須於現有期限屆滿後重續。

本公司之組織章程細則規定，就填補臨時空缺所委任之所有董事均須於獲委任後首個股東大會上接受股東選舉。

根據本公司之組織章程細則，於每屆股東周年大會上，當時三分之一的董事（或倘若董事人數並非三的倍數，則為最接近但不少於三分之一的人數）須輪值告退，惟各董事須最少每三年輪值告退一次。退任董事符合資格膺選連任。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS *(continued)*

#### Responsibilities of the Directors

The Board is responsible for leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including Independent Non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Directors shall disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his/her responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

### 董事會(續)

#### 董事之職責

董事會負責領導及控制本公司並監管本集團之業務、策略決策及表現以及集體負責透過指導及監管本公司之事務推動其成功發展。

董事會直接和間接通過其委員會，通過制定策略和監督其實施、監督本集團的營運和財務績效，並確保建立健全的內部控制和風險管理系統，為管理層提供引導及方向。

全體董事(包括獨立非執行董事)均為董事會帶來不同範疇之寶貴業務經驗、知識及專長，使其高效及有效運作。

董事須向本公司披露彼等擔任之其他職務之詳情，而董事會亦會定期審閱各董事向本公司履行其職責時作出之貢獻。

董事會負責決定所有重要事宜，當中涉及政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是可能會涉及利益衝突之事宜)、財務資料、委任董事及本公司其他重大營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責轉授予管理層。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### BOARD OF DIRECTORS (continued)

#### Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development ("CPD") to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant external training courses at the Company's expenses.

During the year ended 31st December, 2018, the Company organized two in-house briefings on updates on Listing Rules and related matters for all Directors. In addition, relevant reading materials including directors' manual, legal and regulatory update and seminar handouts have been provided to the Directors for their reference and studying.

The record of CPD relating to Director's duties and regulatory and business development that have been received by the Directors for the year ended 31st December, 2018 are summarized as follows:

Directors	Type of Training <sup>Note</sup>
<i>Executive Directors</i>	
Hui Sum Ping	A and B
Hui Sum Tai	A and B
Hui Yuen Li	A and B
<i>Independent Non-executive Directors</i>	
Chee Man Sang, Eric	A and B
Wong Chu Leung	A and B
Chau Suk Ming	B

### 董事會(續)

#### 董事之持續專業發展

董事應緊隨了解最新的監管發展和變化，以有效履行其職責，並確保其對董事會作出全面和相關的貢獻。

每名新任董事均於首次獲委任時獲提供入職培訓，確保新董事可適當掌握本公司業務及營運，並充分明白上市規則及相關法規下其須承擔之董事職責及責任。有關入職培訓還包括考察本公司之主要廠房場地及與本公司之高級管理層會面。

董事應參與適當的持續專業發展(「持續專業發展」)，發展並更新其知識及技能。本公司將在適當時候在公司內部為董事安排簡介並向董事提供相關課題之閱讀材料。本公司鼓勵所有董事出席相關外部培訓課程，費用由本公司繳付。

截至二零一八年十二月三十一日止年度，本公司為全體董事舉辦了兩次有關更新上市規則及相關事宜之內部簡報。此外，本公司已向董事提供相關閱讀材料以供參考及學習，包括董事手冊、最新法律及監管資料及研討會講義。

截至二零一八年十二月三十一日止年度，董事已收到有關董事職責及監管與業務發展的持續專業發展紀錄摘要如下：

董事	培訓類型 <sup>附註</sup>
<i>執行董事</i>	
許森平	A及B
許森泰	A及B
許婉莉	A及B
<i>獨立非執行董事</i>	
池民生	A及B
黃珠亮	A及B
周淑明	B

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD OF DIRECTORS (continued)

#### Continuous Professional Development of Directors (continued)

Note:

##### Types of Training

- A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops
- B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

### BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

#### Audit Committee

The Audit Committee consists of three Independent Non-executive Directors, namely Mr. Chee Man Sang, Eric, Mr. Wong Chu Leung and Mr. Chau Suk Ming. Mr. Chee Man Sang, Eric is the chairman of the Audit Committee.

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code.

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and appointment of external auditor, and arrangements to enable employees of the Company to raise concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

### 董事會(續)

#### 董事之持續專業發展(續)

附註：

##### 培訓類型

- A：出席培訓課程，包括但不限於簡報、研討會、會議和工作坊
- B：閱讀相關新聞重點、報紙、期刊、雜誌及相關刊物

### 董事委員會

董事會已設立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司具體事務。本公司所有董事委員會均按書面界定之職權範圍履行工作。董事委員會之職權範圍已刊載於本公司網站及聯交所網站，並可應要求時供股東查閱。

各董事委員會之主席及成員名單載於第2頁之「公司資料」內。

#### 審核委員會

審核委員會由三名獨立非執行董事組成，分別為池民生先生、黃珠亮先生及周淑明先生。池民生先生為審核委員會主席。

審核委員會的職權範圍不遜於企管守則所載的職權範圍。

審核委員會之主要職責為協助董事會審閱財務資料及申報程序、風險管理及內部監控制度、內部審核職能成效、審核範圍及委任外聘核數師，以及檢討安排致使本公司僱員可就本公司財務申報、內部監控或其他方面提出可能不當行為之關注。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### BOARD COMMITTEES (continued)

#### Audit Committee (continued)

The Audit Committee held three meetings to review, in respect of the year ended 31st December, 2018, the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, appointment of external auditor and engagement of non-audit services and relevant scope of works.

Since the Company has not engaged its auditor to review the financial information in its interim report, the Audit Committee has met with the Company's auditor once to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise during the year ended 31st December, 2018. This deviates from the code provision C.3.3 of the CG Code which stipulates that the audit committee must meet, at least twice a year, with company's auditor.

#### Remuneration Committee

The Remuneration Committee consists of four members, namely Ms. Hui Yuen Li, Executive Director, Mr. Chee Man Sang, Eric, Mr. Wong Chu Leung and Mr. Chau Suk Ming, Independent Non-executive Directors. Mr. Chee Man Sang, Eric is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code.

The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual Executive Directors, the remuneration policy and structure for all Directors; and establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration.

The Remuneration Committee met twice to review the Directors' remuneration policy and structure of the Company, and the remuneration packages of the Executive Directors and the remuneration of the Non-executive Directors.

### 董事委員會 (續)

#### 審核委員會 (續)

審核委員會共舉行了三次會議，以審閱截至二零一八年十二月三十一日止年度之中期及年度財務業績及報告以及有關財務申報、經營及合規監控、風險管理及內部監控制度以及內部審核職能之成效、委任外聘核數師及進行非審計服務及相關工作範疇之重大事宜。

由於本公司並無委聘其核數師審閱其中期報告之財務資料，截至二零一八年十二月三十一日止年度，審核委員會與本公司核數師舉行一次會議以討論審計本公司全年業績時出現之事宜及核數師可能提出之其他事宜。此偏離企管守則之守則條文第C.3.3條有關審核委員會與公司核數師須每年至少舉行兩次會議之規定。

#### 薪酬委員會

薪酬委員會由四名成員組成，分別為執行董事許婉莉女士以及獨立非執行董事池民生先生、黃珠亮先生及周淑明先生。池民生先生為薪酬委員會主席。

薪酬委員會的職權範圍不遜於企管守則所載的職權範圍。

薪酬委員會之主要職責包括審閱個別執行董事之薪酬待遇、全體董事之薪酬政策及架構並就此向董事會提供意見；及設立透明的程序以制定薪酬政策及架構，從而確保概無董事或任何彼等之聯繫人士可參與釐定彼等自身之薪酬。

薪酬委員會已舉行兩次會議，以審閱本公司之董事薪酬政策及架構、執行董事之薪酬待遇及非執行董事之薪酬。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD COMMITTEES (continued)

#### Remuneration Committee (continued)

Currently, the remuneration of the senior management is attended by the Chairman and/or the Chief Executive Officer of the Company. This deviates from the code provision B.1.2 of the CG Code which stipulates that the remuneration committee should make recommendations to the board on company's policy and structure for all the directors' and senior management remuneration.

Details of the remuneration paid to the members of the senior management by band for the year ended 31st December, 2018 are set out below:

Remuneration band	薪酬組別	Number of senior management 高級管理層數目
HK\$1,000,000–HK\$2,000,000	1,000,000港元至2,000,000港元	2

#### Nomination Committee

The Nomination Committee consists of four members, namely Ms. Hui Yuen Li, Executive Director, Mr. Chee Man Sang, Eric, Mr. Wong Chu Leung and Mr. Chau Suk Ming, Independent Non-executive Directors. Mr. Chee Man Sang, Eric is the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code.

The principal duties of the Nomination Committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of Independent Non-executive Directors.

In reviewing and assessing the Board composition, the Nomination Committee would consider a number of aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

### 董事委員會(續)

#### 薪酬委員會(續)

目前，高級管理層之薪酬由本公司主席及／或行政總裁釐定。此偏離企管守則之守則條文第B.1.2條規定薪酬委員會須就公司全體董事及高級管理層之薪酬政策及架構向董事會提出建議。

截至二零一八年十二月三十一日止年度，已付高級管理層成員之薪酬按組別劃分之詳情載列如下：

#### 提名委員會

提名委員會由四名成員組成，分別為執行董事許婉莉女士以及獨立非執行董事池民生先生、黃珠亮先生及周淑明先生。池民生先生為提名委員會主席。

提名委員會的職權範圍不遜於企管守則所載的職權範圍。

提名委員會之主要職責包括審閱董事會之組成、制定及擬定提名及委任董事之相關程序、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事之獨立性。

於審閱及評估董事會的組成時，提名委員會將考慮本公司董事會成員多元化政策所載有關董事會多元化的多個方面及因素。提名委員會會討論及協定達致董事會多元化的可計量目標並(如有需要)推薦董事會採用。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### BOARD COMMITTEES *(continued)*

#### Nomination Committee *(continued)*

##### **Board Diversity Policy**

The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The particulars of the Board Diversity Policy of the Company are set out as follows:

1. The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy.
2. In reviewing and assessing the Board diversity, a number of aspects and factors will be considered, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience.
3. The Nomination Committee will discuss and where necessary, agree on the measurable objectives for achieving diversity on the Board and make recommendation to the Board for adoption.
4. The Nomination Committee will assess regularly the diversity profile of the Board and the progress on achieving diversity objectives, if any.
5. The Nomination Committee will review the Board Diversity Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

### 董事委員會 *(續)*

#### 提名委員會 *(續)*

##### **董事會成員多元化政策**

本公司認同及深信董事會成員多元化所帶來的裨益，並且認為董事會趨向多元化是維持本公司競爭優勢的重要元素。董事會成員多元化政策的詳情列載如下：

1. 提名委員會將每年檢討董事會的架構、人數及組成，並就任何為配合本公司的公司策略而對董事會作出的變動提出建議。
2. 在檢討及評估董事會成員多元化時，須考慮多個方面及因素，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及行業及地區經驗。
3. 提名委員會將會討論及協定(如有需要)為達致董事會成員多元化的可計量目標，並推薦董事會採用。
4. 提名委員會將會定期評估董事會多元化狀況及實現多元化目標的進展(如有)。
5. 提名委員會將在有需要時檢討本政策，並向董事會建議有關修訂(如有)，以供考慮及批准。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### BOARD COMMITTEES *(continued)*

#### Nomination Committee *(continued)*

##### Director Nomination Policy

- The Board has adopted the Director Nomination Policy in order to (i) set out the criteria and process in the nomination and appointment of directors of the Company; (ii) ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and (iii) ensure the Board continuity and appropriate leadership at Board level.
- In evaluating and selecting any candidate for directorship, the following criteria should be considered:
  - Character and integrity.
  - Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
  - Any measurable objectives adopted for achieving diversity on the Board.
  - Independency.
  - Any potential contributions the candidate can bring to the Board.
  - Willingness and ability to devote adequate time to discharge duties as a director.
  - Such other perspectives that are appropriate to the Company's business, succession plan, etc.
- In identifying and selecting suitable candidates for directorships, the Nomination Committee will evaluate the candidates based on the prescribed criteria, rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable) and recommend to the Board to appoint the appropriate candidate for directorship, as applicable.

### 董事委員會 *(續)*

#### 提名委員會 *(續)*

##### 董事提名政策

- 董事會已採取董事提名政策以達致(i)載列本公司提名及委任董事的準則及過程；(ii)確保本公司的董事會具備切合本公司業務所需的技巧、經驗及多元觀點；及(iii)確保本公司的董事會的持續性及維持其領導角色。
- 在評估及挑選候選人擔任董事時，會考慮下列準則：
  - 品格與誠信。
  - 資格，包括專業資格、技巧、知識及與本公司業務及策略相關的經驗。
  - 為達致董事會成員多元化而採納的任何可計量目標。
  - 獨立性。
  - 候選人可為董事會帶來的任何潛在貢獻。
  - 是否願意及是否能夠投放足夠時間履行身為董事的職責。
  - 其他適用於本公司業務及其繼任計畫的其他各項因素。
- 提名委員會會依據上述準則評估候選人，根據本公司的需要及每位候選人的證明審查(如適用)排列他們的優先次序，隨後就委任合適人選擔任董事一事向董事會提出建議(如適用)。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### BOARD COMMITTEES *(continued)*

#### Nomination Committee *(continued)*

#### Director Nomination Policy *(continued)*

- For re-election of retiring director, the Nomination Committee will review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board, determine whether the retiring director continues to meet the prescribed criteria and make recommendation to shareholders in respect of the proposed re-election of director at the general meeting.
- The Nomination Committee will review regularly the nomination procedures and the process and criteria adopted for selection and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

### Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and CPD of the Directors and the senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employee Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### 董事委員會 *(續)*

#### 提名委員會 *(續)*

#### 董事提名政策 *(續)*

- 就重選退任董事，提名委員會會檢討退任董事對本公司的整體貢獻及服務，以及在董事會的參與程度及表現，確定退任董事是否仍然符合上述準則及於股東大會上重選董事的提案向股東提出建議。
- 提名委員會將會定期為提名程序、過程及甄選準則舉行檢討，並在有需要時向董事會提出修訂建議，以完善企業策略及切合業務需要。

### 企業管治職能

董事會負責履行企管守則之守則條文第D.3.1條所載之職能。

董事會已檢討本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司在遵守法例及監管規定之政策及常規、遵守標準守則及僱員書面指引以及遵守企管守則及於本企業管治報告中作出的披露。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### ATTENDANCE RECORDS OF DIRECTORS

The attendance record of each Director at the Board, the Board Committee meetings and the general meeting of the Company held during the year ended 31st December, 2018 is set out in the table below:

### 董事之出席會議記錄

各董事於截至二零一八年十二月三十一日止年度舉行之董事會會議、董事委員會會議及本公司股東大會之出席記錄載列於下表：

Name of Director 董事姓名	Attendance/Number of Meetings 出席／會議數目					Annual General Meeting 股東週年大會
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會		
Hui Sum Ping	許森平	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Hui Sum Tai	許森泰	5/5	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Hui Yuen Li	許婉莉	5/5	N/A 不適用	2/2	1/1	1/1
Chee Man Sang, Eric	池民生	5/5	3/3	2/2	1/1	1/1
Wong Chu Leung	黃珠亮	5/5	3/3	2/2	1/1	1/1
Chau Suk Ming <sup>1</sup>	周淑明	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
Hui Sum Kwok <sup>2</sup>	許森國	3/3	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Yip Kwok Kwan <sup>3</sup>	葉國均	4/5	3/3	2/2	1/1	1/1

1. Mr. Chau Suk Ming was appointed as an Independent Non-executive Director with effect from 1st January, 2019 and became a member of the Audit Committee, the Remuneration Committee and the Nomination Committee on 12th January, 2019
2. Mr. Hui Sum Kwok resigned as an Executive Director on 15th August, 2018
3. Mr. Yip Kwok Kwan resigned as an Independent Non-executive Director, a member of the Audit Committee and the Remuneration Committee and the chairman of the Nomination Committee on 12th January, 2019

1. 周淑明先生獲委任為獨立非執行董事，由二零一九年一月一日起生效，並於二零一九年一月十二日成為審核委員會、薪酬委員會及提名委員會的成員
2. 許森國先生於二零一八年八月十五日辭任執行董事
3. 葉國均先生於二零一九年一月十二日辭任獨立非執行董事、審核委員會及薪酬委員會成員以及提名委員會主席

Apart from regular Board meetings, the Chairman also held meetings with the Independent Non-executive Directors without the presence of Executive Directors during the year ended 31st December, 2018.

除定期董事會會議外，於截至二零一八年十二月三十一日止年度期間，主席亦與獨立非執行董事在並無執行董事出席之情況下舉行會議。

Independent Non-executive Directors have attended the annual general meeting to gain and develop a balanced understanding of the view of shareholders.

獨立非執行董事已出席股東週年大會，以對股東意見有公正見解。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.

The Company has developed and adopted various risk management procedures and guidelines with defined authority for implementation by key business processes and office functions including project management, sales and leasing, financial reporting, human resources and information technology.

All divisions/departments conduct internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each division/department.

The management, in coordination with division/department heads, assesses the likelihood of risk occurrence, provides treatment plans, and monitors the risk management progress, and has reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31st December, 2018.

The Internal Audit Department is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems.

### 風險管理及內部監控

董事會確認其有關風險管理及內部監控制度，以及檢討其成效之責任。該等制度乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大失實陳述或損失作出合理而非絕對保證。

董事會全權負責評估及釐定本公司為達成策略目標所願承擔的風險性質及程度，並建立及維持適當及有效的風險管理及內部監控制度。

審核委員會協助董事會領導風險管理及內部監控制度的管理及監督其構成、執行及監管情況。

本公司已制定並採用多項風險管理程序及指引，通過關鍵業務流程及辦公職能(包括項目管理、銷售及租賃、財務申報、人力資源及信息技術)明確授權實施。

所有分部／部門定期進行內部監控評估，以識別可能影響本集團業務以及主要營運及財務流程、監管合規及信息安全等方面的風險。各分部／部門於每年進行自我評估，以確認其妥善遵守監控政策。

管理層在分部／部門主管協調下，評估風險發生概率、提供應對計劃及監察風險管理進程，並向審核委員會及董事會報告所有結果及系統成效。

管理層已向董事會及審核委員會匯報截至二零一八年十二月三十一日止年度風險管理及內部監控制度的成效。

內部審計部負責獨立檢討風險管理及內部監控系統的充足性及成效。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

The Board, as supported by the Audit Committee as well as the management report, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31st December, 2018, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

### DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31st December, 2018.

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.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 64 to 69.

### AUDITOR'S REMUNERATION

An analysis of the remuneration payable/paid to the external auditor of the Company, Deloitte Touche Tohmatsu, in respect of audit services and non-audit services for the year ended 31st December, 2018 is set out below:

#### Service Category 服務類別

#### Fees Payable/Paid 應付／已付費用 HK\$ 港元

Audit Services	審核服務	1,560,000
Non-audit Services	非審核服務	145,000
		1,705,000

### 風險管理及內部監控(續)

董事會在審核委員會的支持下，並經參考管理層報告，檢討截至二零一八年十二月三十一日止年度之風險管理及內部監控制度(包括財務、營運及合規監控)，且認為該制度有效及足夠。年度檢討亦涵蓋財務申報及內部審計職能，以及員工資格、經驗及相關資源。

### 董事有關財務報表之責任

董事確認其編製本公司截至二零一八年十二月三十一日止年度財務報表之責任。

董事並不知悉任何重大不確定因素涉及可能對本公司持續經營能力造成重大疑惑之事件或情況。

本公司獨立核數師有關其申報財務報表之責任之聲明載於第64至69頁「獨立核數師報告」內。

### 核數師之薪酬

就截至二零一八年十二月三十一日止年度之審核服務及非審核服務向本公司外聘核數師德勤•關黃陳方會計師行之應付／已付薪酬分析載列如下：

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### SHAREHOLDERS' RIGHTS

The Company engages with shareholders through various communication channels.

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

#### Convening an Extraordinary General Meeting by Shareholders

Under Article 58 of the Company's Articles of Association, any one or more shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may at all times have the right, by written requisition to the Board or the company secretary of the Company, to require the convening of an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 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.

### 股東之權利

本公司以各種溝通渠道與股東接觸。

為保障股東之利益及權利，本公司會就各項獨立重大問題(包括選舉個別董事)於股東大會提呈獨立決議案。根據上市規則，所有於股東大會上提呈之決議案須以投票方式表決，投票結果將於進行投票表決之各股東大會舉行後在本公司及聯交所之網站上刊登。

#### 股東召開股東特別大會

根據本公司之組織章程細則第58條，一名或多名於遞呈請求當日持有不少於本公司有權於股東大會上投票之繳足股本十分之一的股東，於任何時候均有權以書面形式向本公司之董事會或公司秘書提呈請求，以要求董事會就該請求書所指定之任何事務交易召開股東特別大會，而該大會須於遞呈該請求書後兩個月內舉行。倘於有關遞呈後21日內，董事會未有召開該大會，則遞呈請求人士可以相同方式召開大會，而本公司須向遞呈請求人士償付所有由遞呈請求人士因董事會未能召開大會而產生之所有合理開支。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### SHAREHOLDERS' RIGHTS (continued)

#### Putting Forward Proposals at General Meetings

The Board is not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Company's Articles of Association and the Cayman Islands Companies Law. Shareholders who wish to put forward proposals at general meeting may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for shareholders to propose a person for election as a Director of the Company are published on the Company's website.

#### Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company.

Note: The Company will not normally deal with verbal or anonymous enquiries.

#### Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Workshops E, F and H, 22nd Floor  
Superluck Industrial Centre (Phase 2)  
No. 57 Sha Tsui Road and  
Nos. 30-38 Tai Chung Road, Tsuen Wan  
New Territories  
Hong Kong  
(For the attention of the Chief Executive Officer/  
Company Secretary)

Fax: (852) 2414 5508

Email: hopfung@hopfunggroup.com

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

### 股東之權利(續)

#### 於股東大會上提呈議案

董事會並不知悉本公司之組織章程細則及開曼群島公司法有任何條文允許本公司股東於本公司之股東大會上提呈議案。股東擬於股東大會上提呈議案，可參照前段所述遞呈請求書以要求召開本公司股東特別大會。

有關股東提名候選董事的程序詳情已刊載於本公司網站。

#### 向董事會作出查詢

關於向本公司董事會作出任何查詢，股東可將書面查詢發送至本公司。

附註：本公司通常不會處理口頭或匿名的查詢。

#### 聯絡資料

就上述而言，股東可發送其查詢或要求到下列的聯絡方法：

地址：香港  
新界  
荃灣沙咀道57號及  
大涌道30-38號  
荃運工業中心(第二期)  
22樓E、F及H座  
(註明收件人為行政總裁/  
公司秘書)

傳真：(852) 2414 5508

電子郵件：hopfung@hopfunggroup.com

為免生疑，股東須存放及發出正式簽署之書面要求、通知或聲明或查詢(視情況而定)之正本到上述地址，並提供彼等全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告



### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, through annual general meetings and other general meetings.

The Chairman of the Board, all the Independent Non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet shareholders and answer their enquiries.

During the year ended 31st December, 2018, there was no significant change in the Company's constitutional documents and these documents are available on the websites of the Company and of the Stock Exchange.

#### Dividend Policy

The Board has adopted a dividend policy pursuant to code provision E.1.5 of the CG Code which aims at setting out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company as follows:

- In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.
- The Company does not have any pre-determined dividend payout ratio.
- The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of Association of the Company and all applicable laws and regulations and the factors set out below.

### 與股東溝通及投資者關係

本公司深信，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略瞭解至為重要。本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。

董事會主席、全體獨立非執行董事及所有董事委員會之主席(或彼等之代表)將出席股東週年大會，與股東見面並回答彼等之提問。

截至二零一八年十二月三十一日止年度，本公司之憲章文件並無重大變動，而該等文件已刊載於本公司及聯交所網站。

#### 股息政策

董事會已根據企管守則條文第E.1.5條採納股息政策，旨在設立原則及指引供本公司應用於宣派、派付或分發純利作為本公司股東之股息，詳情如下：

- 在建議或宣派股息時，本公司應維持足夠現金儲備，以應付其營運資金需求、未來增長以及其股東價值。
- 本公司沒有預設的派息比率。
- 根據本公司組織章程細則、所有適用法規及下列因素，董事會有權宣派及分發股息予本公司股東。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS (continued)

### 與股東溝通及投資者關係(續)

#### Dividend Policy (continued)

#### 股息政策(續)

- The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:
    - o financial results;
    - o cash flow situation;
    - o business conditions and strategies;
    - o future operations and earnings;
    - o capital requirements and expenditure plans;
    - o interests of shareholders;
    - o any restrictions on payment of dividends; and
    - o any other factors that the Board may consider relevant.
  - Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period:
    - o interim dividend;
    - o final dividend;
    - o special dividend; and
    - o any distribution of net profits that the Board may deem appropriate.
  - Any final dividend for a financial year will be subject to shareholders' approval.
  - The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.
  - Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Articles of Association.
- 董事會在考慮宣派股息時，應同時考慮下列有關本集團的因素：
    - o 財務業績；
    - o 現金流狀況；
    - o 業務狀況及策略；
    - o 未來營運及收入；
    - o 資金需求及支出計畫；
    - o 股東的利益；
    - o 任何派付股息的限制；及
    - o 董事會可能視為相關的任何其他因素。
  - 視乎本公司及本集團的財政狀況以及上述條件及因素，董事會可在財政年度或期間建議及／或宣派下列股息：
    - o 中期股息；
    - o 末期股息；
    - o 特別股息；及
    - o 任何董事會認為合適的純利分發。
  - 任何年度末期股息均須由股東批准。
  - 本公司可以董事會認為合適的形式宣派及派付股息，包括現金或以股代息或其他形式。
  - 任何未領取的股息應被沒收及應根據本公司組織章程細則歸屬本公司。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 1. SCOPE

The reporting period for this Environmental, Social and Governance report of the Group is from 1st January, 2018 to 31st December, 2018. It includes the operations of the Hong Kong Office (“Hong Kong Office”) and the factory and office of Green Forest (QingXin) Paper Industrial Limited (the “Qingyuan Factory”) of the Group. The business of the Qingyuan Factory includes production and selling of containerboard (corrugating medium and linerboard) and corrugated packaging products (corrugated paper boards and carton boxes). This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide contained in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### 2. COMMUNICATION WITH STAKEHOLDERS

The Company’s annual general meeting and other general meetings have provided an effective platform for the Board of Directors and shareholders to exchange insights. Apart from general meetings, in order to maintain a close relationship with the stakeholders, such as clients and suppliers, the Company would seek the opinions and understand the needs of the stakeholders through visits, telephone conferences, e-mails, follow-ups from customer service, questionnaires and other ways on a regular basis. The Group’s overall performance would also be reported to the investors through this annual report.

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE

#### 3.1 Environment

The Group endeavors to minimize energy consumption through its operation, reduce greenhouse gas emissions and waste emission in order to minimize its impact on the environment. The Group strengthens its management in energy conservation and emission reduction and infiltrated such practices into its various operation.

### 1. 範圍

集團的環境、社會及管治報告的報告期為二零一八年一月一日至二零一八年十二月三十一日，內容包含集團旗下香港辦公室（下稱「香港辦公室」）及森葉（清新）紙業有限公司（下稱「清遠廠」）的廠房及辦公室。清遠廠的業務包括製造及銷售箱板紙（瓦楞芯紙及牛咭）及瓦楞包裝產品（瓦楞紙板及瓦楞紙箱）。本報告內容是按照香港聯合交易所有限公司證券上市規則附錄27的環境、社會及管治報告指引編製。

### 2. 與持份者溝通

本公司每年的股東週年大會及其他股東大會，提供了一個有效的平台給董事會與股東交流意見。除了股東大會外，為保持與客戶、供應商等持份者的緊密關係，本公司不時透過拜訪、電話會議及電郵、客戶服務人員跟進、問卷調查及其他方式，以聆聽各持份者的意見及了解其需求。集團的整體業績表現亦透過本年報向各投資者作出匯報。

### 3. 環境、社會及管治表現

#### 3.1 環境

集團致力將其營運中的能源消耗減至最少、減少溫室氣體排放及廢棄物排放，盡量減少其對環境的影響。集團加強對能源節約及減排的管理，並將該等做法滲入其各種營運中。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.1 Emissions

###### *Non-Hazardous Waste Minimization*

Minimizing waste generation from its source and, reusing and recycling waste before disposal are the principles addressed by the Group's waste management policy.

As for waste control, in order to minimize environmental impact, the Group devotes itself to reducing waste. The Qingyuan factory has established a set of fixed control procedures for wastes, and has required each department to assort wastes for collection and store any wastes generated. The recycled wastes including scrap metal, scrap pallets, scrap powder bag and waste plastic barrel are collected and reprocessed by qualified licensed collectors. In addition, the factory has collected coal ash from boilers, providing it to cement and brick factories as raw material to reduce non-hazardous wastes.

###### *Hazardous Waste Minimization*

In dealing with hazardous wastes, monitoring of the use of chemicals is of utmost importance to the Group. The Qingyuan factory has established a set of monitoring procedures for the use of hazardous chemicals. The purchase of hazardous chemicals should be based on the actual needs of production orders. They should be delivered in batches to prevent over-buying, which will lead to backlogs of inventory. Therefore, the number of purchases of hazardous chemicals was reduced by 15% compared to last year.

The Group has strictly implemented the "Cleaner Production Promotion Law" of the People's Republic of China and the relevant provisions which increase the efficiency of the utilization rate of resources, reduce and avoid the generation of pollutants and protect and improve the environment. In the procurement of raw materials, non-toxic, harmless and environmentally friendly materials should be selected to minimize the generation of hazardous waste.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.1 排放物

###### *減少無害廢棄物*

從源頭開始致力減少廢棄物的產生，並於棄掉前循環再用及回收乃集團廢棄物管理政策所採納的原則。

廢棄物控制方面，為盡量減低對環境的影響，集團致力於減少浪費。清遠廠對於廢棄物設立一套既定的控制程序，要求各部門將廢棄物進行分類以便集中貯存。可回收的廢棄物包括廢金屬、廢卡板、廢包裝袋及廢膠桶等，及後會由合資格回收商收集處理。此外，工廠亦會回收鍋爐煤灰渣供水泥廠、磚廠作為原料使用，以減少無害廢棄物。

###### *減少有害廢棄物*

對於有害廢棄物，集團最重要是監控化學品的使用，對此，清遠廠設立一套使用危險化學品的監控程序。危險化學品的採購應按生產訂單的實際需求量而定，且分批交貨，以免採購量過多，造成庫存積壓。因此，危險化學品的採購量較去年減少15%。

集團嚴格執行《中華人民共和國清潔生產促進法》及相關規定，提高資源使用率的效能、減少及避免污染物的產生、保護及改善環境。在原材料的採購過程中，選用無毒、無害及綠色環保的物料，以減少有害廢棄物的產生。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.1 Emissions (continued)

The Group has demonstrated the following results in the reporting period through the implementation of the aforementioned policies and measures for waste reduction:

Figure 1

Types of Wastes		Total Annual Emissions (tonnes) 年度總排放量(噸)	
	廢棄物種類	2018	2017
Hazardous Waste	有害廢棄物	3	558
Non-hazardous Waste	無害廢棄物	347	1,502

  

Type of Waste		Waste Intensity per Employee (tonnes/person) 平均每位僱員所產生 廢棄物密度(噸/人)	
	廢棄物種類	2018	2017
Hazardous Waste	有害廢棄物	0.01	0.94
Non-hazardous Waste	無害廢棄物	0.59	2.52

#### Reduction in Atmospheric Emissions

The main source of gas emissions for the Group comes from the boilers which mainly consist of soot, sulfur dioxide and nitrogen oxide. In the meantime, the Group utilized a variety of technologies to control the gas emissions: exhaust gas from boiler combustion is passed to the Wet Flue Gas Spray Tower for magnesium desulfurization to minimize the sulfur dioxide in the flue gas; SNCR denitrification technology is adopted to minimize nitrogen oxide; and the soot from flue gas is minimized through bag filters.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.1 排放物(續)

透過實施上述減少廢棄物的政策及措施，集團展示報告期間的下列結果：

圖一

Types of Wastes		Total Annual Emissions (tonnes) 年度總排放量(噸)	
	廢棄物種類	2018	2017
Hazardous Waste	有害廢棄物	3	558
Non-hazardous Waste	無害廢棄物	347	1,502

  

Type of Waste		Waste Intensity per Employee (tonnes/person) 平均每位僱員所產生 廢棄物密度(噸/人)	
	廢棄物種類	2018	2017
Hazardous Waste	有害廢棄物	0.01	0.94
Non-hazardous Waste	無害廢棄物	0.59	2.52

#### 減少大氣排放物

集團主要的氣體排放物源頭為鍋爐釋出的廢氣，主要包含煙塵、二氧化硫和氮氧化物。同時，集團採用了不同技術去控制氣體排放物：於鍋爐排放的廢氣經煙氣濕法空心噴淋塔，以鎂法脫硫技術，減少煙氣中的二氧化硫；採用SNCR脫硝技術降低氮氧化物；以布袋除塵器減低煙氣中的煙塵。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.1 Emissions (continued)

###### Reduction in Atmospheric Emissions (continued)

Through these measures, the Group ensures that atmospheric emission controls meet the country's emissions requirements.

###### Reduction Emission of Greenhouse Gases ("GHG")

###### Reduction of Business Trip

The Group understands that business trips increase energy consumption and lead to an increase in GHG emissions. Consequently, the Group actively reduces the number of business trips in order to reduce GHG emissions. Alternatively the group uses other effective means of communication to reduce GHG emissions that arise from additional traffic: avoidance of meeting which needs long travelling, replacement by phone and/or video conferencing, and encouragement to employees in using public transport.

###### Procurement from Local Suppliers

Under the same business conditions (e.g. cost, quality, technology and services, environmental and other factors), the Group would give priority to local suppliers to reduce delivery distance and its resulting carbon emissions.

###### Control of Indoor Air Quality

Smoking is prohibited in the Qingyuan factory and the offices to maintain good air quality. The Hong Kong office has been equipped with air freshening machine and ventilation system to improve air quality.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.1 排放物(續)

###### 減少大氣排放物(續)

透過該等措施，集團確保大氣排放物控制達至國家排放要求。

###### 減少溫室氣體(「溫室氣體」)排放

###### 減少商務出差

集團明白商務出差會增加能源消耗並導致溫室氣體排放的增加。因此，集團積極減少商務出差次數以減少溫室氣體排放，或者使用其他有效的通訊方法以減少額外交通帶來的溫室氣體排放，例如：避免需長途差旅的會議，以電話及／或視頻會議代替，並鼓勵僱員乘搭公共交通工具。

###### 向本地供應商進行採購

集團會在同等的商務條件下(如成本、品質、技術和服務、環境等其他因素)，本著減少運輸距離和當中引致的碳排放，優先選擇本地供應商。

###### 室內空氣質素控制

清遠廠及辦公室實施全面禁煙，以保持良好空氣質素。香港辦公室已配備空氣清新機及抽氣系統以改善空氣質素。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.1 Emissions (continued)

###### Reduction Emission of Greenhouse Gases ("GHG") (continued)

During the reporting period, the Group has strictly complied with the relevant environmental protection regulations and no violation of environmental protection regulations was found. The sources and emission volumes of GHG generated during the period were as follows:

Figure II

GHG Emissions Sources	溫室氣體排放來源	Amount 數量	
		2018	2017
Diesel fuel consumption from stationary sources (litres)	來自固定源的柴油消耗(升)	384,381	257,820
Gasoline consumption from mobile sources (litres)	來自流動源的汽油消耗(升)	25,150	25,817
Business travel by passenger (km)	乘客差旅(公里)	89,183	65,016
Coal consumption from stationary sources (tonnes)	來自固定源的煤炭消耗(噸)	114,315	153,960
Diesel oil consumption from mobile sources (litres)	來自流動源的柴油消耗(升)	4,644	4,971
Electricity consumption by facilities (kWh)	設備耗電(千瓦時)	50,681	57,369
<b>Total GHG emissions (tonnes carbon dioxide equivalent ("t CO2e"))</b>	<b>溫室氣體排放總量(噸二氧化碳當量(「噸二氧化碳當量」))</b>	<b>182,822</b>	<b>235,279</b>
<b>GHG emission intensity per employee (t CO2e/person)</b>	<b>平均每位僱員所產生溫室氣體排放密度(噸二氧化碳當量/人)</b>	<b>311</b>	<b>394</b>

##### 3.1.2 Use of Resources

The Group's business belongs to green industry. Thus considerable attention is paid to environmental protection to ensure reasonable and efficient use of energy and resources.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.1 排放物(續)

###### 減少溫室氣體(「溫室氣體」)排放(續)

於報告期間，集團嚴謹地遵從相關環境保護法規，並無違反環保法例。期內所產生溫室氣體的來源及排放量如下：

圖二

GHG Emissions Sources	溫室氣體排放來源	Amount 數量	
		2018	2017
Diesel fuel consumption from stationary sources (litres)	來自固定源的柴油消耗(升)	384,381	257,820
Gasoline consumption from mobile sources (litres)	來自流動源的汽油消耗(升)	25,150	25,817
Business travel by passenger (km)	乘客差旅(公里)	89,183	65,016
Coal consumption from stationary sources (tonnes)	來自固定源的煤炭消耗(噸)	114,315	153,960
Diesel oil consumption from mobile sources (litres)	來自流動源的柴油消耗(升)	4,644	4,971
Electricity consumption by facilities (kWh)	設備耗電(千瓦時)	50,681	57,369
<b>Total GHG emissions (tonnes carbon dioxide equivalent ("t CO2e"))</b>	<b>溫室氣體排放總量(噸二氧化碳當量(「噸二氧化碳當量」))</b>	<b>182,822</b>	<b>235,279</b>
<b>GHG emission intensity per employee (t CO2e/person)</b>	<b>平均每位僱員所產生溫室氣體排放密度(噸二氧化碳當量/人)</b>	<b>311</b>	<b>394</b>

##### 3.1.2 資源使用

集團業務屬於綠色產業，因此相當重視環境保護以確保能源及資源的合理及有效使用。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.2 Use of Resources (continued)

###### *Energy Conservation Measure*

Basically, the Group is only equipped with low-power electrical equipment with less power consumption to reduce carbon emission. In the procurement process of electrical appliances, priority is given to energy-saving products such as refrigerators and washing machines which had grade 1 label of energy-saving logos.

Gradually all light bulbs have been replaced by LED luminaires to reduce energy consumption. They also reduce the generation of harmful waste by replacing traditional luminaires with shorter life cycle. According to the energy saving policies, lighting devices, air-conditioners and printers are temporarily switched off during lunch time to preserve energy.

Furthermore, the air-conditioning system has been set to operate only during business hours with temperature maintained at a reasonable level (e.g. 25 degrees Celsius). Energy consumption was reduced by around 12% as compared to the previous year. Apart from facility control, energy-saving slogans have been posted at office entrances.

###### *Water Conservation Measure*

With regard to the use of water resources, the Group has improved its existing technology and has carried out regular inspection to reduce water consumption. At the same time it formulates monitoring control whereby abnormal water consumption will be investigated. Water conservation slogans are also posted to raise employee awareness of water conservation and to remind employees and visitors to conserve water.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.2 資源使用(續)

###### *節約能源措施*

本集團基本上僅採用耗電少的低功耗電力設備，以減少碳排放。在電器的採購過程中，優先選擇節能產品，如擁有一級節能標誌的冰箱及洗衣機。

所有燈泡逐步被LED燈具取代，以減少能源消耗。通過取代較短壽命的傳統燈具，亦可減少有害廢棄物產生。根據節能政策，在午膳期間會暫時關掉照明設備、空調及打印機以節約能源。

此外，空調系統已設定僅在上班時間運行，且溫度維持在合理水平(例如攝氏25度)。能源消耗較去年減少約12%。除設備控制外，辦公室入口已張貼節能標語。

###### *節約用水措施*

對於水資源的使用，集團改進現有技術並進行定期檢查以減少耗水量，同時制訂監控措施，調查非正常用水的原因。集團更張貼節約用水標語以提高僱員的節約用水意識及提醒僱員和訪客節約用水。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.2 Use of Resources (continued)

###### *Water Conservation Measure (continued)*

In the process of manufacturing paper, lots of wastes and useful fibers would be extracted from waste paper. Parts of the useful fibers would be retained in water ("White Water"). The Group has adopted the reuse of White Water at the Qingyuan Factory. After processing through the White Water recycling system, wastewater reaching the standards would be returned to the production lines for use in order to minimize wastewater generation and water consumption. Moreover, it has also been equipped with effective wastewater treatment technique, anaerobic digestion. With this facility and technology, the Group has greatly reduced water consumption and hazardous substance in the wastewater. The thermal power station is equipped with cooling system so that condensed water could be recycled for the boiler use. Technological upgrade to the facilities has increased the rate of reusing water and reduced the volume of wastewater emission.

###### *Office Resource Conservation*

The Group actively promotes electronic documentation to implement the concept of a paperless office. Computer files are used instead of hardcopies to reduce the use of paper in offices. The Group also encourages employees to adopt other recognized management practices to avoid excessive use of resources by the Hong Kong and Qingyuan offices such as (1) re-usable eating utensils instead of disposable ones, (2) using single-side printed paper as draft paper, (3) encouraging double-side printing, (4) collecting waste office paper for recycling, and (5) collecting and returning empty ink cartridges to the qualified license suppliers for recycling. Concurrently, those scrap paper and confidential documents must be shredded and stored at the recycling station, and finally passed to the qualified license recyclers on a regular basis.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.2 資源使用(續)

###### *節約用水措施(續)*

在造紙過程中，大量廢棄物及有用纖維會從廢紙中提取，部份有用的纖維會遺留在水中(「白水」)。集團於清遠廠內實行白水回用，經白水回收系統處理後達標的廢水，可回收到生產線使用，以減少廢水的產生及耗水量。此外，集團亦配置高效的污水處理技術(厭氧技術)，集團藉此設施及技術大大減少耗水及在污水裡的有害物質的產生。而熱電站則安裝了冷卻系統把冷凝水回收至鍋爐循環使用。對廠內的設備進行技術改造，提高了重複用水率及減少廢水的排放量。

###### *節約辦公室資源*

集團積極提倡電子文件以貫徹無紙辦公室的概念，使用電腦文件而非紙質版以減少辦公室紙張耗材的使用。同時，集團亦鼓勵僱員採取其他公認的管理措施以避免香港及清遠辦公室過度使用資源，如(1)可重複使用餐具取代一次性餐具；(2)單面印刷紙用作草稿紙；(3)鼓勵雙面印刷；(4)回收辦公室廢紙進行循環利用；及(5)回收並向合資格持牌供應商退還空墨盒進行循環使用。同時，該等廢紙及機密文件必須切碎並儲存在回收站，最後定期交給合資格持牌回收商。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.2 Use of Resources (continued)

During the reporting period, the key resources consumed in the Group's operations were summarized as follows:

Figure III

Resources	資源	Total Annual Consumption 年度總消耗量	
		2018	2017
Electricity (kWh)	電力(千瓦時)	50,681	57,369
Water (cubic metre) (Note 1)	水(立方米)(附註1)	2,597,587	2,099,665
Packaging materials (plastic) (tonne)	包裝物料(塑料)(噸)	19	27
Packaging materials (others) (tonne)	包裝物料(其他)(噸)	565	804

Figure IV

Resources	資源	Consumption Intensity per employee 每位僱員平均消耗強度	
		2018	2017
Electricity (kWh/person) (Note 2)	電力(千瓦時/人)(附註2)	86.19	96.26
Water (cubic metre/person) (Note 1)	水(立方米/人)(附註1)	4,417.66	3,522.93
Packaging materials (plastic) (tonne/person)	包裝物料(塑料)(噸/人)	0.03	0.04
Packaging materials (others) (tonne/person)	包裝物料(其他)(噸/人)	0.96	1.35

Notes:

- A different and new measurement has been adopted by the Department of Ecology and Environment of Guangdong Province in the PRC during the reporting period
- The data of electricity consumption only refers to the volume of purchases from outsiders. The Group mainly generates electricity from coal (refer to figure II)

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.2 資源使用(續)

於報告期間，集團業務消耗的主要資源概述如下：

圖三

Total Annual Consumption  
年度總消耗量

圖四

Consumption Intensity  
per employee  
每位僱員平均消耗強度

附註：

- 於本報告期間，中國廣東省生態環境廳已採納不同及新的計量方式
- 以上之電力使用量乃為外購電力數據，本集團主要發電源為煤炭(參考圖二)

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.3 The Environment and Natural Resources

The Group understands the concerns of our society on environmental issues; thus, it has implemented the following green manufacturing and green procurement policies:

###### *Green Procurement Policy*

In Qingyuan factory, as the main material for production is recycled waste paper, it should be non-toxic and non-hazardous. The Group requires suppliers to provide a Restriction of Hazardous Substances (ROHS) test report annually to ensure that their products meet the environmental protection requirement.

###### *Green manufacturing Policy*

The Group is committed to reducing its impact on the environment and natural resources. The Qingyuan factory has been accredited with ISO 14001 certification for its environmental management system, and continuously improves its management of the environment. Various exhausts, wastewater, solid wastes and noises from the production sites have been strictly controlled by government laws and regulations.

In addition, Qingyuan factory has set up a safety and environmental incident emergency rescue team for safety and environmental incident issue, and has conducted different emergency drills. It has also established contingency plans with corresponding emergency preparations and responses dealing with emergency to cope with various urgent environmental safety incidents. Furthermore, in delivering or storing hazardous solid wastes, it has strictly complied with the requirements of the "Standard for Pollution Control on Hazardous Waste Storage" published by the government and relevant administrative measures on hazardous waste transfer to prevent pollution.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.3 環境及自然資源

集團了解社會對環保問題的關注，因此我們提倡下列的綠色製造及綠色採購政策：

###### *綠色採購政策*

由於清遠廠的主要生產原材料為回收的廢紙，廢紙應該是無毒及無害。集團要求供應商每年提供限制使用某些有害物質指令「ROHS」檢測報告，以確保其產品符合環保要求。

###### *綠色生產政策*

集團致力於減少其對環境及自然資源的影響。清遠廠已取得ISO 14001環境管理體系的認證，並持續改進其環境管理。生產現場的各種廢氣、廢水、固體廢物以及噪音已嚴格按照政府法律法規控制。

此外，清遠廠就安全與環保事故問題成立了安全與環保事故應急救援隊伍，且已進行不同應急演練。為應付各種緊急的環境安全事故，清遠廠亦制訂了突發環境事件應急預案及相應的應急準備和回應。此外，我們對危險固體廢物在運輸或儲存環節中，已嚴格執行政府制訂的《危險廢物貯存污染控制標準》和相關的危險廢物轉移管理辦法以防止污染。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.1 Environment (continued)

##### 3.1.3 The Environment and Natural Resources (continued)

###### Green manufacturing Policy (continued)

Concurrently, the Group is also equipped with specialized facilities for wastewater treatment. And it has also established clear pollutant treatments and operating instructions which monitor the facilities on real-time basis and record the results in detail.

The Group would carry out regular inspections on the key pollution control facilities to ensure its normal operation. According to the provisions of the Law of Environmental Protection of the People's Republic of China, the Group makes environmental impact assessment on construction projects in the Qingyuan factory and strictly complies with government emission regulations. All pollutants after processing have been discharged in standards.

#### 3.2 Society

##### 3.2.1 Employment

Apart from complying with the local employment regulations, the Group has formulated relevant employment policies to ensure employees are treated in a fair and reasonable manner.

###### Recruitment and Promotion

The Group ensures that the recruitment process is in compliance with the legislation and free from discrimination. All candidates have been treated equally. During recruitment, it has been stipulated to prohibit discrimination against factors such as race, ethnicity, social class, nation, religion, disability, gender, sexual orientation, marital status, age, membership in trade union or political party.

### 3. 環境、社會及管治表現(續)

#### 3.1 環境(續)

##### 3.1.3 環境及自然資源(續)

###### 綠色生產政策(續)

同時，集團亦設有專門的廢水處理設施，並建立了明確的污染物處理方法和作業指導書，實行即時監控設施並將結果詳細記錄。

集團針對廠內的重點污染控制設施進行定期的監測，保證設施的正常運行。根據《中華人民共和國環境保護法》，集團對清遠廠的建設專案進行了環境影響評估，並嚴格執行政府排放規定。經處理後的所有污染物均符合監管規定。

#### 3.2 社會

##### 3.2.1 僱傭

除了遵守當地的僱傭法規要求外，集團亦制訂相關的僱傭政策，保障僱員獲得公平合理的待遇。

###### 招聘及晉升

集團確保招聘程序符合法律規定且無歧視。所有應徵者均平等對待。招聘中規定禁止種族、民族、社會階層、國家、信仰、殘疾、性別、性傾向、婚姻狀況、年齡、公會或政黨成員等因素的歧視。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.1 Employment (continued)

###### *Recruitment and Promotion (continued)*

Employees would be promoted in accordance with the Group's rules and regulations, through fair and impartial performance appraisal, to ensure equal opportunities for promotion.

###### *Compensation and Welfare*

The Group pays compensation and welfare to employees in strict compliance with relevant laws and regulations, including the statutory minimum wages, legal calculation for overtime compensation, social insurance paid for employees, statutory holiday, paid annual leave and paid maternal leave.

In addition, whenever compensation to the employee at work is required, the Group would implement in strict compliance with the relevant laws and regulations.

###### *Employee Benefits*

Employees would be entitled to insurance, medical benefits, share options as well as discretionary bonus. The Group offers holiday benefits to employees.

During the reporting period, the Group did not make any legal violation or discrimination.

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.1 僱傭(續)

###### *招聘及晉升(續)*

僱員將根據集團的規章制度，透過公平公正的績效考核進行晉升，以確保晉升中獲得平等對待。

###### *賠償及福利*

本集團嚴格遵守相關法律法規向僱員支付補償金及福利，包括法定最低工資、加班補償金的合法計算、為僱員支付的社會保險，法定假日、有薪年假及有薪產假。

此外，倘需向在職員工作出補償，本集團將嚴格執行相關法律法規。

###### *僱員福利*

僱員將享有保險、醫療福利、購股權及酌情花紅。本集團會在節日發放福利。

於報告期間，本集團未發現任何違反法律或與歧視相關的違規行為。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.1 Employment (continued)

As of 31st December, 2018, the total number and distribution of employees were summarized as below:

Figure V

Gender	性別	Number of Employees 僱員數目	
		2018	2017
Male	男性	476	489
Female	女性	112	107
<b>Employment Type</b>			
	<b>僱傭類別</b>		
Full Time	全職	588	596
Part Time	兼職	0	0
<b>Age group</b>			
	<b>年齡組別</b>		
18-24	18至24	50	69
25-34	25至34	207	209
35-44	35至44	166	181
45-54	45至54	135	112
55-64	55至64	29	23
>65	>65	1	2
<b>Total</b>	<b>總計</b>	<b>588</b>	<b>596</b>

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.1 僱傭(續)

於二零一八年十二月三十一日，僱員總數及分佈情況概述如下：

圖五

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.1 Employment (continued)

Figure VI

Gender	性別	Average Monthly Employee Turnover Rate (%) 月均僱員流失率(%) Average 平均值	2018	2017
Male	男性		3.19	3.56
Female	女性		4.46	4.44
<hr/>				
Age group	年齡組別	Average 平均值	2018	2017
18-24	18至24		8.50	7.25
25-34	25至34		4.99	5.10
35-44	35至44		2.11	2.62
45-54	45至54		1.30	1.34
55-64	55至64		0.86	1.09
>65	>65		0	0
<hr/>				
<b>Overall Average</b>	<b>整體平均值</b>		<b>3.43</b>	3.72

##### 3.2.2 Health and Safety

The Group has implemented an occupational health and safety management system which takes different measures to minimize the occurrence of occupational illness and industrial injury.

###### Occupational Health and Safety Policy

The Group has formulated a set of safety production management, including first-aid and self-help knowledge after the occurrence of an accident. In the Qingyuan factory, it has set up a safety team and provided three levels of safety training on regular basis namely Factory Level, Departmental Level and Group Level which are led by the departmental heads and safety officers.

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.1 僱傭(續)

圖六

Average Monthly Employee Turnover Rate (%)  
月均僱員流失率(%)  
Average  
平均值

Gender	性別	Average Monthly Employee Turnover Rate (%) 月均僱員流失率(%) Average 平均值	2018	2017
Male	男性		3.19	3.56
Female	女性		4.46	4.44
<hr/>				
Age group	年齡組別	Average 平均值	2018	2017
18-24	18至24		8.50	7.25
25-34	25至34		4.99	5.10
35-44	35至44		2.11	2.62
45-54	45至54		1.30	1.34
55-64	55至64		0.86	1.09
>65	>65		0	0
<hr/>				
<b>Overall Average</b>	<b>整體平均值</b>		<b>3.43</b>	3.72

##### 3.2.2 健康與安全

集團實施職業健康安全管理體系，使用不同的措施降低職業病與工傷的發生。

###### 職業健康及安全政策

集團制訂了一套安全生產管理，包括發生事故後的緊急救護和自救常識。在清遠廠成立了安全小組，並定期提供三級安全培訓，即廠級、部門級及班組級，並由各部門負責人及安全主任領導。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.2 Health and Safety (continued)

###### Occupational Health and Safety Policy (continued)

In addition, the Qingyuan Factory is equipped with a fire engine for safety purpose. Apart from this, it also installs CCTV in various locations such as warehouse, materials storage to reduce the risk from any accident.

###### Workplace Safety Management

The Group assesses safety risks in the workplaces and formulated corresponding operating rules to manage the health and safety hazards posed to employees as follows:

1. Operating procedures are set up for all level positions, for example, regulations of operations management for safe work in confined space and the procedures for machinery to protect the safety of employees;
2. Safety officers would regularly inspect fire protection facilities and safety facilities to ensure they can function properly;
3. Protective equipment is provided to employees such as mask, earplugs, plastic gloves and anti-smashing shoes;
4. Emergency exits are kept clean to prevent obstruction.

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.2 健康與安全(續)

###### 職業健康及安全政策(續)

此外，基於安全考慮，清遠廠裝備了一輛消防車。除此之外，集團在廠區內不同區域(如倉庫、放置物料區等)安裝了閉路電視，以減少任何意外所帶來的風險。

###### 工作場所安全管理

集團評估了工作場所的安全風險，並制訂了相應的作業規則，以管理對僱員構成的健康及安全危害，包括以下數項：

1. 各級別崗位均有操作規程，如有限空間安全作業管理規定及機器系統規程，以保障僱員安全；
2. 安全主任會不時巡查消防設施及安全設施，以確保其運作正常；
3. 為僱員提供防護用品，如口罩、耳塞、膠手套及防砸鞋；
4. 保持緊急通道暢通無阻。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE *(continued)*

#### 3.2 Society *(continued)*

##### 3.2.2 Health and Safety *(continued)*

###### *Employee Safety Training*

The Group provides suitable training to ensure effective implementation of operating rules and safe operation of equipment. Moreover, all new employees must take training in knowledge of safety. The Qingyuan Factory also arranges fire and emergency drills on a regular basis to ensure employees are familiar with procedures when dealing with accidents.

###### *Work-life Balance Management*

The Group emphasizes on employee work-life balance and have regularly organized different activities for employees after work. There are recreational facilities in Qingyuan factory like sports ground, gardens, billiard room, table tennis room and karaoke room.

We have strictly abided by the related safety regulations and there were no cases of prosecution due to violation of related occupational safety regulations during the reporting period. Also, no work-related fatality and loss of work hours due to work injuries were identified.

### 3. 環境、社會及管治表現 *(續)*

#### 3.2 社會 *(續)*

##### 3.2.2 健康與安全 *(續)*

###### *僱員安全培訓*

集團安排適當培訓，以確保有效地執行作業規則及設備的安全操作。此外，所有新入職人員必須接受安全知識培訓。清遠廠亦定期安排消防及應急演練，以確保僱員熟習緊急事故的處理方法。

###### *工作生活平衡管理*

集團重視僱員的工作與生活之間的平衡，定期為僱員組織工餘活動。清遠廠內設有運動場、花園、桌球室、乒乓球室、卡拉OK房等康樂設施。

集團嚴格遵行相關的安全法例，報告期內並無因違反與職業安全相關的法例而被起訴的案件。此外，集團並無發現任何與工作有關的死亡及因工受傷而損失的工作時數。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.3 Development and Training

###### Career Development Policy

The Group has established comprehensive training system that covers factory's rules and regulations, product workmanship, environmental protection and the relevant safety training. In addition, the Group emphasizes practical experiences and thus arranges team leaders, group leaders or experienced employees to guide new recruits in their work.

During the reporting period, the total number of employees attended training and the total number of training hours provided to employees were summarized as follows:

Figure VII

Gender	性別	Total number of trained employees 參加培訓的僱員總數	
		2018	2017
Male	男性	682	715
Female	女性	118	101
Employee Category		僱員分類	
Senior Management	高級管理層	2	2
Middle Management	中層管理	10	10
Supervisor	主管	35	13
General Staff	一般員工	753	791

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.3 發展及培訓

###### 職業發展政策

集團建立了涵蓋工廠規章制度、產品工藝、環境保護及相關安全培訓的綜合培訓體系。此外，集團強調實踐，並安排團隊負責人、小組負責人或經驗豐富的員工在工作中指導新員工。

於報告期間，參加培訓的僱員總數及僱員完成培訓的總時數概述如下：

圖七

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.3 Development and Training (continued)

Career Development Policy (continued)

Figure VIII

Gender	性別	Total number of training hours completed by employees (Hours) 僱員完成培訓的總時數(小時)	
		2018	2017
Male	男性	1,607	1,380
Female	女性	513	389
<hr/>			
Employee Category	僱員分類	Total number of training hours completed by employees (Hours) 僱員完成培訓的總時數(小時)	
		2018	2017
Senior Management	高級管理層	75	83
Middle Management	中層管理	159	224
Supervisor	主管	384	177
General Staff	一般員工	1,502	1,285

During the reporting period, the total number of employees attended training was 800 and the total number of training hours provided to employees was 2,120. The average training hour for each employee were around 2.65 hours.

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.3 發展及培訓(續)

職業發展政策(續)

圖八

於報告期間，集團參加培訓的僱員總數為800名及全體僱員完成的培訓總時數為2,120小時。各僱員完成的平均培訓時數約為2.65小時。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE *(continued)*

#### 3.2 Society *(continued)*

##### 3.2.4 Labour Standards

The Group strictly prohibits the employment of child labour and only employs individuals aged 18 or above. The Group also ensures no forced labour occurs.

During the reporting period, there was no reported case of child labour or forced labour.

##### 3.2.5 Supply Chain Management

###### *Supplier's Code of Conduct*

The Group has developed various codes of conduct which are communicated to suppliers of the Group, to assure product quality. Prohibition on imported waste paper being mixed with hazardous wastes would minimize the impact on environment.

In addition, the Group has established a set of code of practices in selecting suppliers. After evaluation of factors such as product quality, price, environmental protection and social responsibility performance, the suppliers with the highest performance-to-price ratio and the best overall performance would be selected. Besides, the Group has also established evaluation system for evaluation beyond commercial interest. The system evaluates qualification of new suppliers and performance of existing key suppliers on regular basis. Evaluations are carried out in the form of on-site audits and/or document reviews on qualification and compliance.

### 3. 環境、社會及管治表現 *(續)*

#### 3.2 社會 *(續)*

##### 3.2.4 勞工準則

集團嚴格禁止僱用童工，僅僱用年齡在18歲或以上人員。集團確保沒有發生強制勞工的情況。

集團於報告期內並未出現任何童工或強制勞工的情況。

##### 3.2.5 供應鏈管理

###### *供應商行為守則*

集團向供應商制訂不同的行為守則以確保產品質素。禁止其進口廢紙混有危險廢物將減少對環境的影響。

此外，集團對挑選供應商制訂一套既定的準則。在對產品質量、價格、環境保護及社會責任表現等因素進行評估後，選擇性價比最高、綜合表現最好的供應商。除此之外，集團亦建立高於商業利益的評估體系。有關系統定期評估新供應商的資質及現有主要供應商的表現。評估以現場審核及／或文件審核資格及合規性的形式來進行。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.5 Supply Chain Management (continued)

As of 31st December, 2018, the geographical distribution of the Group's suppliers was as follows:

Figure IX

Geographical location	地理位置	Number of Suppliers 供應商數目	
		2018	2017
PRC	中國	190	344
Others	其他	17	28
<b>Total</b>	<b>總計</b>	<b>207</b>	<b>372</b>

##### 3.2.6 Product Responsibility

###### Quality Assurance Policy

The Group has stringent criteria in monitoring production process. The quality of semi-finished products and finished products are examined. Moreover, the Group ensures workers to operate carefully during the production process to avoid defective products being delivered to the market.

###### Product Safety Policy

For assuring product safety, the finished products must pass through the final inspection and testing before releasing to the market.

### 3. 環境、社會及管治表現 (續)

#### 3.2 社會 (續)

##### 3.2.5 供應鏈管理 (續)

於二零一八年十二月三十一日，集團供應商的地理分佈如下：

圖九

Geographical location	地理位置	Number of Suppliers 供應商數目	
		2018	2017
PRC	中國	190	344
Others	其他	17	28
<b>Total</b>	<b>總計</b>	<b>207</b>	<b>372</b>

##### 3.2.6 產品責任

###### 質量保證政策

集團在監控生產過程中有嚴格的標準。半成品及成品必須接受品質檢驗。此外，集團確保工人在生產過程中謹慎作業，以免讓不良產品流出市場。

###### 產品安全政策

為保證產品安全，成品在流出市場前必須經過最終的檢驗及測試。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.6 Product Responsibility (continued)

###### *Fair Marketing Policy*

The Group's salespersons are required to disseminate information on the recognized competitive advantage only when promoting the products. Negative description of competitors is not allowed so as to avoid misleading customers.

###### *After-sales Service Policy*

Customer service officers and salespersons would make after-sales visits to customers on a regular basis. The Group would obtain comments for improvement according to results of customer's satisfaction survey and would follow up after-sales issues immediately. If there are severe product quality issues, the Group would recall the defective products from the market.

During the reporting year, the Group received 38 (2017: 12) complaints in relation to product quality.

###### *Privacy Protection of Consumer's Information*

Personal information of customers would properly be maintained by the Group. Relevant information has been stored at the internal specific department. Moreover, customer information can only be accessed by the authorized personnel. No one is allowed to make own copies of or store privately or get the customer information out of the offices without permission.

The Group has strictly abided by relevant regulations, and no violation of product responsibility or privacy were found during the reporting period.

##### 3.2.7 Anti-corruption

###### *Corporate Governance*

The Board of Directors has set up different committees, such as audit committee, nomination committee and remuneration committee, striving to maintain high standards of corporate governance to safeguard shareholders rights and interests, as well as the Group's value and accountability.

### 3. 環境、社會及管治表現(續)

#### 3.2 社會(續)

##### 3.2.6 產品責任(續)

###### *公平宣傳訊息政策*

集團銷售人員在推廣產品時，方可發放有關已確認的競爭優勢的資訊，不允許對競爭對手有負面陳述，避免客戶被誤導。

###### *售後服務政策*

客戶服務人員及銷售人員定期對客戶進行售後回訪，以及透過客戶滿意程度調查表獲得客戶的改善意見，並立即跟進售後問題。如產品出現嚴重品質問題，集團將收回市場上的問題產品。

於報告年度，集團接獲38宗(二零一七年：12宗)有關產品質量的投訴。

###### *消費者資料的隱私保護*

集團將妥善維護客戶的個人資料。有關資料已存放於內部特定部門。此外，客戶資料只能由授權人員查閱。未經允許，任何人不得擅自複印或私下儲存客戶資料或將其帶離公司。

集團嚴格遵行相關的法例，報告期內並無違反產品責任或私隱。

##### 3.2.7 反貪污

###### *企業管治*

董事會轄下設立不同委員會，如審核委員會、提名委員會及薪酬委員會，致力維持高標準的企業管治，以保障股東權利及權益、其企業價值及問責度。

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### 3. ENVIRONMENTAL, SOCIAL AND GOVERNANCE PERFORMANCE (continued)

#### 3.2 Society (continued)

##### 3.2.7 Anti-corruption (continued)

###### *Whistle-blowing Policy*

The Group has supervised the behavior of operating personnel in order to safeguard employees' legal rights and corporate interests. In addition, the Group welcomes employees to report any non-compliance and dishonest behavior. The privacy of relevant employees who report the issues would be protected.

###### *Financial Auditing*

The Group engages Deloitte Touche Tohmatsu as the independent third-party auditor to audit the Group's financial accounts. This ensures that the Group's accounts are clear and accurate, and the interests of shareholders are protected.

###### *Declaration on Conflict of Interest*

The Group stipulates that all employees must declare the conflict of interests. Directors and senior management are prohibited to transact any securities of the Group during sensitive periods.

###### *Prevention of Corruption, Extortion and Fraud*

The Group has established comprehensive system for internal control and formulated a set of strict policies, which prevent malpractices and unethical business practices, and also avoid the occurrence of corruption and other fraudulent behaviours.

The Group has strictly complied with the regulations on anti-corruption. No violations of any provisions were found in the reporting period.

##### 3.2.8 Community Investment

The Group has actively participated in the community including donating funds and materials to charitable organizations.

### 3. 環境、社會及管治表現 (續)

#### 3.2 社會 (續)

##### 3.2.7 反貪污 (續)

###### *告密政策*

集團已監督操作人員的行為，以保障僱員的合法權益及公司利益。此外，集團歡迎僱員舉報任何不合規和不誠實的行為，而舉報的相關僱員的私隱將會被保障。

###### *財務審核*

集團聘請德勤•關黃陳方會計師行為獨立第三方核數師，對集團的財務賬目進行審核。這確保集團賬目清晰、準確及保護了股東的利益。

###### *利益衝突申報*

集團規定全體僱員須申報利益衝突，董事及高級管理層禁止在敏感時期進行集團的證券交易。

###### *防止貪污、勒索及欺詐*

集團建立了全面的內部控制體系，制訂了一套嚴格的政策，防止舞弊和不道德的商業行為，並防止貪污和其他欺詐行為的發生。

集團嚴格遵行防貪防賄法例，報告期內並無違反任何規定。

##### 3.2.8 社區投資

集團曾積極參與社區團體的活動，包括定期捐款及捐物資到慈善團體，以回饋社會。

# DIRECTORS' REPORT

## 董事會報告

The Directors have pleasure in presenting their report and the audited consolidated financial statements of the Group for the year ended 31st December, 2018.

董事欣然提呈彼等就本集團截至二零一八年十二月三十一日止年度之報告及經審核綜合財務報表。

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

### 主要業務及業務回顧

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 32 to the consolidated financial statements.

本公司為一間投資控股公司，其主要附屬公司之主要業務刊載於綜合財務報表附註32。

A business review of the Group, with description of the principal risks and uncertainties and the likely future development, are set out in chairman's statement, management discussion and analysis on pages 4 to 8, this directors' report on pages 51 to 63, and in notes 4, 5, 26, 29 and 30 to the consolidated financial statements.

本集團之業務回顧，及主要風險及不明朗因素以及可能進行之未來發展之概述，載於第4頁至8頁之主席報告及管理層討論及分析及第51頁至63頁之本董事會報告以及綜合財務報表附註4、5、26、29及30內。

### RESULTS AND APPROPRIATIONS

### 業績及分配

The results of the Group for the year ended 31st December, 2018 are set out in the consolidated statement of profit or loss and other comprehensive income on page 70.

本集團截至二零一八年十二月三十一日止年度之業績載於第70頁之綜合損益及其他全面收益表內。

The Directors did not recommend the payment of a final dividend for the year.

董事並不建議就本年度派付末期股息。

### FINANCIAL SUMMARY

### 財務概要

A summary of the results and of the assets and liabilities of the Group for the years from 2014 to 2018 is set out on page 152.

本集團由二零一四年至二零一八年之業績及資產與負債概要載於第152頁。

### PROPERTY, PLANT AND EQUIPMENT

### 物業、廠房及設備

Details of the movements in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

有關本集團物業、廠房及設備於年內之變動詳情，載於綜合財務報表附註13。

### SHARE CAPITAL

### 股本

Details of the share capital of the Company are set out in note 20 to the consolidated financial statements.

本公司股本之詳情載於綜合財務報表附註20。

# DIRECTORS' REPORT

## 董事會報告



### SHARE PREMIUM AND RESERVES

Details of the movement in the share premium and reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 72.

### DIRECTORS

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

#### Executive Directors

Mr. Hui Sum Ping, *Chairman*  
 Mr. Hui Sum Tai, *Chief Executive Officer*  
 Ms. Hui Yuen Li, *Chief Financial Officer*  
 Mr. Hui Sum Kwok (*resigned on 15th August, 2018*)

#### Independent Non-executive Directors

Mr. Chee Man Sang, Eric  
 Mr. Wong Chu Leung  
 Mr. Chau Suk Ming (*appointed on 1st January, 2019*)  
 Mr. Yip Kwok Kwan (*resigned on 12th January, 2019*)

In accordance with Articles 86(3) and 87(1) of the Company's Articles of Association, Ms. Hui Yuen Li, Mr. Chee Man Sang, Eric and Mr. Chau Suk Ming shall retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

Mr. Chau Suk Ming was appointed by the Board as a new Independent Non-executive Director with effect from 1st January, 2019 and he will hold directorship until 31st December, 2019. Further, each of the Directors has entered into a service agreement with the Company for a term commencing from 8th March, 2019 to 31st March, 2021, which may be terminated by not less than three months' notice in writing served by either party.

Save as disclosed above, no Director proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received, from the Independent Non-executive Directors, annual confirmations of their independence pursuant to the Listing Rules. The Company considers the Independent Non-executive Directors are independent.

### 股份溢價及儲備

本集團股份溢價及儲備於年內之變動詳情載於第72頁之綜合權益變動表內。

### 董事

年內及截至本報告日止，本公司之在任董事如下：

#### 執行董事

許森平先生，*主席*  
 許森泰先生，*行政總裁*  
 許婉莉女士，*財務總監*  
 許森國先生 (*於二零一八年八月十五日辭任*)

#### 獨立非執行董事

池民生先生  
 黃珠亮先生  
 周淑明先生 (*於二零一九年一月一日獲委任*)  
 葉國均先生 (*於二零一九年一月十二日辭任*)

根據本公司之組織章程細則第86(3)及87(1)條，許婉莉女士、池民生先生及周淑明先生將於本公司應屆股東週年大會輪值告退，惟彼等符合資格並願膺選連任。

周淑明先生已獲董事會委任為新任獨立非執行董事，自二零一九年一月一日起生效，而彼將一直擔任董事至二零一九年十二月三十一日止。此外，各董事已經與本公司訂立服務協議，任期由二零一九年三月八日起至二零二一年三月三十一日止，可於任何一方發出不少於三個月書面通知後終止。

除上文披露者外，擬於本公司應屆股東週年大會重選連任之董事概無與本公司或其任何附屬公司訂立本集團如不作出賠償(法定賠償除外)則不能在一年內終止之服務合約。

本公司已接獲獨立非執行董事根據上市規則就其獨立性作出之年度確認書。本公司認為，獨立非執行董事均為獨立人士。

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS (continued)

The biographical details of the Directors and senior management of the Company are set out in Management Profile on pages 9 to 11.

### SHARE OPTIONS

Particulars of the share option scheme of the Company are set out in note 22 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

### 董事(續)

本公司董事及高級管理層履歷詳情載於第9至11頁之管理層履歷。

### 購股權

本公司之購股權計劃之詳情載於綜合財務報表附註22。

下表披露本公司購股權於年內之變動：

Category 類別	Option type 購股權種類 (Note) (附註)	Date of grant 授出日期	Exercise price per share 每股行使價 HK\$ 港元	Outstanding at beginning of the year 年初尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	Outstanding at end of the year 年終尚未行使
<b>Directors</b>								
<b>董事</b>								
Mr. Hui Sum Ping 許森平先生	G	15.10.2018	0.435	—	7,968,000	—	—	7,968,000
Mr. Hui Sum Tai 許森泰先生	G	15.10.2018	0.435	—	7,968,000	—	—	7,968,000
Ms. Hui Yuen Li 許婉莉女士	G	15.10.2018	0.435	—	7,968,000	—	—	7,968,000
Mr. Chee Man Sang, Eric 池民生先生	G	15.10.2018	0.435	—	1,000,000	—	—	1,000,000
Mr. Wong Chu Leung 黃珠亮先生	G	15.10.2018	0.435	—	1,000,000	—	—	1,000,000
				—	25,904,000	—	—	25,904,000
<b>Other employees</b> 其他僱員	G	15.10.2018	0.435	—	16,736,000	—	—	16,736,000
<b>Total for all categories</b> 全部類別總計				—	42,640,000	—	—	42,640,000

# DIRECTORS' REPORT

## 董事會報告



### SHARE OPTIONS *(continued)*

Note:

The vesting period of the share options granted is determined by Directors at each time when the options are granted. Holders of share options granted under the Company's share option scheme may only exercise their options during the exercisable periods as follows:

#### Granted under scheme

根據計劃授出

**Option type G**

**G類購股權**

### 購股權(續)

附註：

授出購股權之歸屬期由董事於每次授出購股權時釐定。本公司購股權計劃下購股權持有人僅可於以下行使期行使彼等之購股權：

#### Maximum % of share options exercisable 可行使購股權之最高百分比

1.5.2019 – 30.4.2020	up to 50% 最高可達50%
1.5.2020 – 30.4.2021	up to 75% (to the extent not already exercised) 最高可達75% (以尚未行使者為限)
1.5.2021 – 30.4.2026	up to 100% (to the extent not already exercised) 最高可達100% (以尚未行使者為限)

As at 31st December, 2018, the total number of new shares which might be issued upon exercise of the options that had been granted and remained outstanding under the scheme was 42,640,000 new shares, representing approximately 5.35% of the shares of the Company in issue at that date.

於二零一八年十二月三十一日，根據計劃已授出且尚未行使的購股權獲行使後可能發行新股份總數為42,640,000股，佔本公司於該日已發行股份約5.35%。

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st December, 2018, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, were as follows:

#### (a) Shares

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Mr. Hui Sum Ping 許森平先生	Company 本公司	Beneficial owner 實益擁有人	120,476,681 shares Long position 120,476,681股股份 好倉	15.11%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Founder of a discretionary trust/interest of controlled corporations 全權信託創立人／ 受控法團權益	107,755,400 shares Long position (Note 1) 107,755,400股股份 好倉(附註1)	13.52%
Mr. Hui Sum Ping 許森平先生	Company 本公司	Interest of spouse 配偶之權益	19,754,000 shares Long position 19,754,000股股份 好倉	2.47%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Beneficial owner 實益擁有人	146,572,430 shares Long position 146,572,430股股份 好倉	18.39%
Mr. Hui Sum Tai 許森泰先生	Company 本公司	Interest of spouse 配偶之權益	5,110,000 shares Long position 5,110,000股股份 好倉	0.64%

### 董事於股份、相關股份及債券之權益

於二零一八年十二月三十一日，按照本公司根據證券及期貨條例(「證券及期貨條例」)第352條之規定置存之登記冊所記錄，或根據上市發行人董事進行證券交易的標準守則已知會本公司及聯交所者，董事於本公司及其相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中擁有之權益及淡倉如下：

#### (a) 股份

# DIRECTORS' REPORT

## 董事會報告



### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

### 董事於股份、相關股份及債券之權益(續)

#### (a) Shares (continued)

#### (a) 股份(續)

Name of Director 董事姓名	Company/ Name of associated corporation 本公司／相聯法團名稱	Capacity 身分	Number and class of securities 證券數目及類別	Approximate percentage of issued share capital 佔已發行股本 概約百分比
Ms. Hui Yuen Li 許婉莉女士	Company 本公司	Beneficial owner 實益擁有人	80,000 shares Long position 80,000股股份 好倉	0.01%
Mr. Chee Man Sang, Eric 池民生先生	Company 本公司	Beneficial owner 實益擁有人	96,000 shares Long position 96,000股股份 好倉	0.01%
Mr. Yip Kwok Kwan 葉國均先生	Company 本公司	Interest of spouse 配偶之權益	388,000 shares Long position 388,000股股份 好倉	0.04%
Mr. Hui Sum Ping 許森平先生	Gong Ming Hop Fung Paper Ware Factory Limited ("Hop Fung GM") 公明合豐紙品廠有限公司 (「合豐公明」)	Founder of a discretionary trust/interest of controlled corporations/short position of controlled corporations 全權信託創立人／ 受控法團權益／ 受控法團淡倉	3,000,000 non-voting deferred shares of HK\$1 each Long and short positions (Note 2) 3,000,000股每股面值 1港元之無投票權 遞延股 好倉及淡倉 (附註2)	100%
Mr. Hui Sum Tai 許森泰先生	Hop Fung GM 合豐公明	Short position of a controlled corporation 受控法團淡倉	Nil (Note 2) 無(附註2)	—

# DIRECTORS' REPORT

## 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

#### (a) Shares (continued)

Notes:

1. The 107,755,400 shares are owned by Goldspeed Holdings Limited ("Goldspeed"). Goldspeed is wholly owned by Goldkeen Assets Management Limited ("Goldkeen") and Goldkeen is wholly owned by HSBC International Trustee Limited ("HSBC") in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, Mr. Hui Sum Ping is deemed to be interested in the 107,755,400 shares under the SFO.
2. Hop Fung GM is a subsidiary of the Company and therefore an associated corporation of the Company under the SFO. The entire issued share capital of Hop Fung GM is HK\$3,000,100 divided into 100 ordinary shares of HK\$1 each and 3,000,000 non-voting deferred shares of HK\$1 each. The 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM are beneficially owned by Hop Fung Group (HK) Limited ("Hop Fung Group HK") which is owned as to 91.43% and 8.57% by Hop Fung Holdings Limited ("Hop Fung Holdings (BVI)"), and Mr. Hui Sum Tai respectively.

The issued share capital of Hop Fung Holdings (BVI) is owned as to 61.81% and 38.19% by Mr. Hui Sum Ping and Goldspeed respectively. Under the SFO, Mr. Hui Sum Ping is deemed to be interested in the 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM.

Pursuant to an option deed dated 19th August, 2003, Hop Fung Group HK and its nominee granted to Hop Fung Group Company Limited, a wholly owned subsidiary of the Company, an option to purchase from them such 3,000,000 non-voting deferred shares of HK\$1 each in Hop Fung GM. Accordingly, Mr. Hui Sum Ping is deemed to have a short position in the underlying shares of the option granted under the option deed pursuant to the SFO.

### 董事於股份、相關股份及債券之權益(續)

#### (a) 股份(續)

附註：

1. 該107,755,400股股份由Goldspeed Holdings Limited (「Goldspeed」) 擁有。Goldspeed由Goldkeen Assets Management Limited (「Goldkeen」) 全資擁有，而Goldkeen由HSBC International Trustee Limited (「HSBC」) 以HSP 2004 Family Trust受託人之身分全資擁有。該信託為一項全權信託，其創立人為許森平先生，全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，許森平先生被視為擁有該107,755,400股股份之權益。
2. 合豐公明乃本公司之附屬公司，因此根據證券及期貨條例，屬本公司之相聯法團。合豐公明之全部已發行股本為3,000,100港元，分為100股每股面值1港元之普通股及3,000,000股每股面值1港元之無投票權遞延股。該3,000,000股每股面值1港元之合豐公明無投票權遞延股由合豐集團(香港)有限公司(「合豐集團香港」)實益擁有，而合豐集團香港則分別由Hop Fung Holdings Limited (「Hop Fung Holdings (BVI)」) 及許森泰先生擁有91.43%及8.57%。

Hop Fung Holdings (BVI) 之已發行股本分別由許森平先生及Goldspeed擁有61.81%及38.19%。根據證券及期貨條例，許森平先生被視為擁有合豐公明3,000,000股每股面值1港元無投票權遞延股之權益。

根據日期為二零零三年八月十九日之購股權契據，合豐集團香港及其代名人向本公司之全資附屬公司Hop Fung Group Company Limited授出購股權，以向彼等購買3,000,000股每股面值1港元之合豐公明無投票權遞延股。因此，根據證券及期貨條例，許森平先生被視為擁有根據購股權契據所授出購股權涉及之相關股份之淡倉。

# DIRECTORS' REPORT

## 董事會報告



### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

#### (b) Share options

Details of the Directors' and their associates' interests in share options of the Company are set out in the section headed "Share Options" in this report.

Other than as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 31st December, 2018.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31st December, 2018, the following shareholders had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, or as otherwise notified to the Company:

### 董事於股份、相關股份及債券之權益(續)

#### (b) 購股權

董事及彼等之聯繫人士於本公司購股權之權益詳情載於本報告「購股權」一節。

除上文披露者外，於二零一八年十二月三十一日，董事及彼等之聯繫人士概無於本公司或其任何相聯法團之任何股份、相關股份或債券中擁有任何權益或淡倉。

### 主要股東於股份、相關股份及債券之權益

於二零一八年十二月三十一日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄或另行知會本公司，下列股東於本公司股份或相關股份中擁有權益或淡倉：

Name of shareholder 股東名稱／姓名	Capacity 身份	Number of issued shares held 持有已發行股份數目	Number of share options held 所持購股權數目	Note(s) 附註	Approximate percentage of issued share capital 佔已發行股本概約百分比
Mr. Hui Sum Ping 許森平先生	Beneficial owner/founder of a discretionary trust/interest of controlled corporations/interest of spouse 實益擁有人／全權信託創立人／受控法團權益／配偶之權益	247,986,081	7,968,000	1, 2	32.12%
Goldspeed	Beneficial owner 實益擁有人	107,755,400	-	2	13.52%
Goldkeen	Interest of a controlled corporation 受控法團權益	107,755,400	-	2	13.52%
HSBC	Trustee of discretionary trust 全權信託受託人	107,755,400	-	2	13.52%
Mr. Hui Sum Tai 許森泰先生	Beneficial owner/interest of spouse 實益擁有人／配偶之權益	151,682,430	7,968,000	3	20.03%
Mr. Hui Sum Kwok 許森國先生	Beneficial owner/interest of spouse 實益擁有人／配偶之權益	171,227,882	-	4	21.48%

## DIRECTORS' REPORT

### 董事會報告

#### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Notes:

- Of 255,954,081 total shares, Ms. Jian Jian Yi is directly interested in 19,754,000 shares and is deemed to be interested in 236,200,081 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Ping, a Director and a substantial shareholder of the Company.
- The entire issued share capital of Goldspeed is indirectly held by HSBC through its 100% controlled corporation, Goldkeen in its capacity as the trustee of HSP 2004 Family Trust, a discretionary trust the founder of which is Mr. Hui Sum Ping and the discretionary objects of which include family members of Mr. Hui Sum Ping. Accordingly, each of Goldspeed, Goldkeen, HSBC and Mr. Hui Sum Ping is deemed to be interested in the 107,755,400 shares under the SFO.
- Of 159,650,430 total shares, Ms. Leung Pui Man is directly interested in 5,110,000 shares and is deemed to be interested in 154,540,430 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Tai, a Director and a substantial shareholder of the Company.
- Of 171,227,882 shares, Ms. Wong Mui is directly interested in 750,000 shares and is deemed to be interested in 170,477,882 shares of the Company under the SFO as she is the spouse of Mr. Hui Sum Kwok, a substantial shareholder of the Company.

Other than as disclosed above, the Company had not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 31st December, 2018.

#### PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SHARES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year ended 31st December, 2018.

#### ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the heading "Share Options" above, at no time during the year was the Company, any of its holding companies, fellow subsidiaries or subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, save as disclosed above, none of the Directors, and any of their respective associates were granted any right to subscribe for the securities of the Company or had exercised any such right during the year.

#### 主要股東於股份、相關股份及債券之權益 (續)

附註：

- 於255,954,081股股份總數中，簡健儀女士直接持有本公司19,754,000股股份權益，以及由於彼為本公司之董事及主要股東許森平先生之配偶，根據證券及期貨條例，簡健儀女士被視為擁有本公司236,200,081股股份之權益。
- Goldspeed之全部已發行股本由HSBC透過其100%受控法團Goldkeen以HSP 2004 Family Trust之受託人身份間接持有。HSP 2004 Family Trust乃一項全權信託，其創立人為許森平先生；而全權信託對象包括許森平先生之家族成員。因此，根據證券及期貨條例，Goldspeed、Goldkeen、HSBC及許森平先生各自被視為擁有該107,755,400股股份之權益。
- 於159,650,430股股份總數中，梁佩雯女士直接持有本公司5,110,000股股份權益，以及由於彼為本公司之董事及主要股東許森泰先生之配偶，根據證券及期貨條例，梁佩雯女士被視為擁有本公司154,540,430股股份之權益。
- 於171,227,882股股份中，黃梅女士直接持有本公司750,000股股份權益，以及由於彼為本公司之主要股東許森國先生之配偶，根據證券及期貨條例，黃梅女士被視為擁有本公司170,477,882股股份之權益。

除上文披露者外，於二零一八年十二月三十一日，本公司並無獲悉任何其他人士於本公司已發行股本中擁有相關權益或淡倉。

#### 購買、出售或贖回本公司上市股份

截至二零一八年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

#### 購買股份或債券之安排

除上文「購股權」一節披露者外，本公司、其任何控股公司、同系附屬公司或附屬公司並無於年內任何時間參與訂立任何安排，致使董事可透過收購本公司或任何其他法人團體之股份或債券而獲益。此外，除上文披露者外，董事及彼等各自之聯繫人士亦無獲授或於年內行使任何可認購本公司證券之權利。

## DIRECTORS' REPORT

### 董事會報告



#### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Other than the transactions set out in note 27 to the consolidated financial statements, no other transactions, arrangements and contracts of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company is or was materially interested, either directly or indirectly, subsisted at the end of the year or at any time during the year.

#### DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors or any of their respective associates were interested in any business apart from the Group's business, that competes or competed or are or were likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31st December, 2018 and up to the date of this report.

#### MANAGEMENT CONTRACTS

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2018.

#### PERMITTED INDEMNITY PROVISION

Pursuant to Article 167(1) of the Company's Articles of Association, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses incurred by him or her in the execution and discharge of his or her duties.

The Company maintained appropriate directors and officers liability insurance during 2018 and up to the date of this report.

#### COMPLIANCE WITH LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

#### 董事於交易、安排及重要合約之權益

除綜合財務報表附註27所載之交易外，本公司或其任何附屬公司概無訂立任何於本年度完結時或年內任何時間仍然生效而本公司董事於當中直接或間接擁有重大權益之交易、安排及重要合約。

#### 董事於競爭業務的權益

截至二零一八年十二月三十一日止年度以及直至本報告日期內，董事及彼等各自之聯繫人士概無於本集團業務以外，且現時或過往直接或間接與本集團業務競爭或可能競爭的任何業務中擁有權益。

#### 管理合同

於二零一八年，概無訂立或存在任何與本公司業務整體或任何重大部分的管理及行政有關的合同（僱傭合同除外）。

#### 獲准許彌償條文

根據本公司組織章程細則第167(1)條，各董事應就執行及履行其職責時可能招致之所有行動、成本、費用、損失、損害及開支獲得本公司資產及溢利作出彌償保證及免受損害。

於二零一八年及直至本報告日期，本公司維持適當之董事及高級職員責任保險。

#### 遵守法律及法規

年內，本集團並未重大違反或不遵守適用法律及法規。

# DIRECTORS' REPORT

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st December, 2018, the aggregate amount of revenue attributable to the Group's five largest customers accounted for around 16% of the Group's revenue.

The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 55% of the Group's total purchases and the purchases attributable to the Group's largest supplier accounted for approximately 26% of the Group's total purchases.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) has any interest in the Group's five largest suppliers.

### CONNECTED TRANSACTIONS

During the year, the Group did not enter into any related party transactions or continuing related party transactions which fall under the definition of "Connected Transaction" or "Continuing Connected Transaction" in Chapter 14A of the Listing Rules.

### PRE-EMPTIVE RIGHTS

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

### DONATIONS

During the year, the Group made charitable donations amounting to approximately HK\$21,000.

### 主要客戶及供應商

於截至二零一八年十二月三十一日止年度，本集團五大客戶之收益合共佔本集團收益約16%。

本集團五大供應商之購貨額合共佔本集團購貨總額約55%，而本集團最大供應商之購貨額則佔本集團購貨總額約26%。

各董事、其聯繫人士或就董事所知擁有本公司股本5%以上之股東概無在本集團五大供應商中擁有任何權益。

### 關連交易

年內，本集團並無訂立任何屬上市規則第14A章所界定「關連交易」或「持續關連交易」之關連人士交易或持續關連人士交易。

### 優先購買權

本公司之組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

### 捐款

年內，本集團作出慈善捐款約21,000港元。

# DIRECTORS' REPORT

## 董事會報告



### CORPORATE GOVERNANCE

The Directors strive to maintain high standards of corporate governance to enhance shareholder value and safeguard shareholder interests. The corporate governance principles of the Company emphasise the importance of a quality Board, effective internal controls and accountability to shareholders. The Company has met the code provisions set out in the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange throughout the year ended 31st December, 2018, except with the following deviations:

#### Code Provision A.2.1

- Code provision A.2.1 stipulates that the division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing.
- There are no written terms on division of responsibilities between the Chairman and the Chief Executive Officer. The Directors consider that the responsibilities of the Chairman and the Chief Executive Officer respectively are clear and distinctive and hence written terms thereof are not necessary.

#### Code Provision B.1.2

- A deviation from the code provision B.1.2 is that the Remuneration Committee of the Company reviews and makes recommendations to the Directors on the remuneration packages of the Directors only but not the senior management.
- Currently, the remuneration of the senior management is attended by the Chairman and/or the Chief Executive Officer of the Company.

#### Code Provision C.3.3

- Code provision C.3.3 stipulates that the audit committee must meet, at least twice a year, with the Company's auditor.
- Since the Company has not engaged its auditor to review the financial information in its interim report, the Audit Committee has met with the Company's auditor once a year to discuss matters arising from the audit of the Company's annual results and other matters the auditor may wish to raise. The Audit Committee has met with the Company's auditor once during the year ended 31st December, 2018.

### 企業管治

董事致力維持高水平企業管治，以提升股東價值及保障股東權益。本公司之企業管治原則強調高質董事會、有效內部監控及向股東負責之重要性。截至二零一八年十二月三十一日止年度期間，本公司已符合聯交所證券上市規則附錄14中企業管治守則所載之守則條文，惟以下之偏離除外：

#### 守則條文A.2.1條

- 守則條文A.2.1條規定主席與行政總裁之職責範圍應清楚地制定，並以書面列出。
- 本公司並無書面列出主席與行政總裁之職責範圍。董事認為，主席與行政總裁各自之職責均有明確界定，故毋須明文編製彼等之職權範圍。

#### 守則條文B.1.2條

- 偏離守則條文B.1.2條為本公司薪酬委員會僅就董事而非就高級管理層之薪酬方案進行檢討及向董事作出建議。
- 目前，高級管理層之薪酬由本公司主席及／或行政總裁處理。

#### 守則條文C.3.3條

- 守則條文C.3.3條規定審核委員會須每年與本公司核數師舉行最少兩次會議。
- 由於本公司並無委聘其核數師審閱中期報告之財務資料，審核委員會每年與本公司核數師舉行一次會議，以討論審計本公司全年業績所產生之事宜及核數師可能提出之其他事宜。截至二零一八年十二月三十一日止年度期間，審核委員會已與本公司核數師舉行一次會議。

# DIRECTORS' REPORT

## 董事會報告

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving continuous improvement in environmental performance and complying with the relevant environmental protection regulations and rules. 100% wastepaper (old containerboard cardboard) is used by the Group for producing containerboard in the upstream business.

Environmental protection measures are implemented by the Group to minimize the impact on the environment. Two of the manufacturing facilities of the Group have been accredited with the ISO14001 certification for its environmental management system.

The environmental, social and governance ("ESG") report of the Group disclosing detailed discussion on the Group's environmental policies and performance are prepared in accordance with Appendix 27 Environmental, Social and Governance Reporting Guide issued by the Stock Exchange. The ESG report is disclosed in this Annual Report.

### PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares were held by the public as at the date of this report.

### AUDITOR

Messrs. Deloitte Touche Tohmatsu has acted as auditor of the Company since its incorporation.

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

**Hui Sum Ping**  
Chairman  
27th March, 2019

### 環境政策及表現

本集團承諾致力持續改善環保表現，並遵守相關環保條例及規則。本集團之上游業務使用百份百廢紙(舊箱板紙)以製造箱板紙。

本集團已實施環保方法以盡量減少對環境的影響。本集團有兩間生產廠房榮獲ISO14001的環保管理系統認證。

本集團根據聯交所頒佈之附錄27《環境、社會及管治報告指引》編製環境、社會及管治(「環境、社會及管治」)報告，以披露有關本集團環保政策及表現的詳細討論。環境、社會及管治報告已於本年度報告中披露。

### 公眾持股量

根據本公司公開可得之資料及就董事所知，於本報告日，本公司至少25%之已發行股本總數乃由公眾人士持有。

### 核數師

德勤•關黃陳方會計師行自本公司註冊成立以來，一直擔任本公司核數師。

本公司將於應屆股東週年大會提呈續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

主席  
許森平  
二零一九年三月二十七日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

# Deloitte.

# 德勤

**TO THE SHAREHOLDERS OF  
HOP FUNG GROUP HOLDINGS LIMITED**  
(incorporated in the Cayman Islands with limited liability)

致合豐集團控股有限公司全體股東  
(於開曼群島註冊成立之有限公司)

### OPINION

We have audited the consolidated financial statements of Hop Fung Group Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “the Group”) set out on pages 70 to 151, which comprise the consolidated statement of financial position as at 31st December, 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 31st December, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### 意見

本核數師行已審核載於第70頁至第151頁的合豐集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)綜合財務報表，當中包括於二零一八年十二月三十一日的綜合財務狀況報表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

本核數師行認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實且公平地反映貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例之披露準則妥為編製。

### 意見基準

本核數師行已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核工作。本核數師行於該等準則下的責任在本行的報告內核數師就審核綜合財務報表須承擔的責任部分詳述。根據香港會計師公會的專業會計師道德守則(「守則」)，本核數師行獨立於貴集團，並已遵循守則履行其他道德責任。本核數師行相信，本行所獲得的審核憑證能充足及適當地為本行的意見提供基礎。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTER

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key audit matter

#### ***Contingent liabilities and provision of tax liabilities in relation to the tax audits on the Group conducted by Hong Kong Inland Revenue Department (the "IRD")***

We identified the determination of the contingent liabilities and provision of tax liabilities in relation to the tax audits on the Group conducted by the IRD as a key audit matter due to significant judgements made by the Group's management.

The IRD is conducting tax audits on the Company and certain of its subsidiaries in respect of the years of assessment 2004/2005 to 2012/2013. The Group appointed a tax representative to respond to the IRD on its behalf and the directors have determined the potential tax liability based on their judgement, which may be different from the IRD's opinion.

The Group only recognises liabilities for tax and tax-related expense when the potential tax liabilities are probable. Since the directors consider that whilst the tax audits are still ongoing, the IRD has issued the protective assessments for the years of assessment from 2004/2005 to 2012/2013 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors of the Company believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2012/2013 was necessary as at 31st December, 2018. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

The details in relation to the tax audits are set out in notes 4 and 26 to the consolidated financial statements.

### 關鍵審核事項

根據本核數師行的專業判斷，關鍵審核事項為本行於本期間的綜合財務報表中最重要的事項。本核數師行在審核綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。

#### 關鍵審核事項

#### **有關香港稅務局（「稅務局」）就 貴集團進行稅務審核之或然負債及稅項負債撥備**

本核數師行已確認釐定稅務局就 貴集團進行稅務審核之或然負債及稅項負債撥備為關鍵審核事項，原因為 貴集團管理層須運用重大判斷。

稅務局正就 貴公司及其若干附屬公司二零零四年／二零零五年至二零一二年／二零一三年課稅年度進行稅務審核。 貴集團已委聘稅務代表回應稅務局，董事根據其判斷釐定潛在稅務負債，當中可能與稅務局之意見有所不同。

貴集團僅於很有可能產生潛在稅務負債時確認稅務負債及稅務相關開支。由於董事認為稅務審核工作仍在進行中，稅務局向 貴集團發出二零零四年／二零零五年至二零一二年／二零一三年課稅年度之保護性評稅是為免影響稅務局於六個評稅年度的時效後喪失其評稅權力。 貴公司董事相信 貴集團很大可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一八年十二月三十一日無需就二零零四年／二零零五年至二零一二年／二零一三年課稅年度之稅務審核為香港利得稅作出撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。

有關稅務審核已載於綜合財務報表附註4及26。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### KEY AUDIT MATTER (continued)

#### How our audit addressed the key audit matter

Our procedures in relation to evaluating the contingent liabilities and provision of tax liabilities in relation to the tax audits on the Group conducted by the IRD and the sufficiency of the relevant disclosures in the consolidated financial statements included:

- Obtaining and reviewing all relevant documents and correspondence between the Group/authorised tax representative of the Group and the IRD;
- Engaging our tax specialists to evaluate the appropriateness of the management's assessment;
- Assessing whether the accounting treatment of the tax position is in accordance with the HKFRSs; and
- Considering the adequacy of the relevant disclosures and provision in the consolidated financial statements.

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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.

### 關鍵審核事項(續)

#### 本核數師行於審核中處理關鍵審核事項之方式

本核數師行就稅務局對 貴集團進行稅務審核之或然負債及稅項負債撥備評估及於綜合財務報表之相關披露是否足夠的程序包括：

- 取得及審閱 貴集團／授權稅務代表與稅務局之間的所有相關文件及通信；
- 委聘本核數師行的稅務專員評估管理層評估的合適性；
- 評估稅務狀況的會計處理是否符合香港財務報告準則之規定；及
- 考慮綜合財務報表中有關披露及撥備是否足夠。

### 其他資料

貴公司董事負責其他資料。其他資料包括年報所載資料，惟不包括綜合財務報表及本核數師行就此發出之核數師報告。

本核數師行對綜合財務報表的意見並不涵蓋其他資料，本核數師行亦不對該等其他資料發表任何形式的鑒證結論。

當本核數師行審核綜合財務報表時，本核數師行的責任為閱讀該等其他資料，於此過程中，考慮其他資料是否與綜合財務報表或本核數師行於審核過程中所知的情況有重大抵觸，或者有重大錯誤陳述。基於吾等已執行的工作，倘本核數師行認為該等其他資料有重大錯誤陳述，本核數師行須報告該事實。就此而言，本核數師行並無任何報告。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### 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 solely to you, as a body, in accordance with our agreed terms of engagement, 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 HKSAAs 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.

### 董事及管治層對綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例，編製真實且公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

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

管治層須負責監督貴集團之財務申報程序。

### 核數師就審核綜合財務報表須承擔的責任

本核數師行的目標為對綜合財務報表是否不存在由欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本行意見的核數師報告。本報告乃根據委聘之協定條款僅向整體股東(作為法人)作出報告，並無作其他用途。本核數師行不會就本報告內容向任何其他人士負上或承擔任何責任及債務。合理核證是高水平的核證，但不能保證按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。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據該等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

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

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

### 核數師就審核綜合財務報表須承擔的責任 (續)

本核數師行根據香港審計準則執行審核的工作之一，是在審核的過程中運用職業判斷及保持職業懷疑。本核數師行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表報表存在重大錯誤陳述的風險，設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為本核數師行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審計程序，惟並非旨在對 貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基準的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘本核數師行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂本行意見。本核數師行的結論乃基於截至本核數師行的核數師報告日期止所得的審核憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

The engagement partner on the audit resulting in the independent auditor's report is Tsang Chi Wai.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
 Hong Kong  
 27th March, 2019

### 核數師就審核綜合財務報表須承擔的責任 (續)

- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。本核數師行負責集團審核的方向、監督及執行。本核數師行為審核意見承擔全部責任。

本核數師行與管治層溝通，其中包括審核的計劃範圍、時間安排及重大審核發現，該等發現包括本行在審核過程中識別的內部監控的任何重大缺陷。

本核數師行亦向管治層作出聲明，指出本行已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理地認為會影響本行獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與管治層溝通的事項中，本核數師行釐定對本期間綜合財務報表審核至關重要的事項，因而構成關鍵審核事項。本核數師行在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極少數情況下，倘合理預期在本行的報告中溝通某事項造成的負面後果超出產生的公眾利益，則本核數師行決定不應在報告中溝通該事項。

出具本獨立核數師報告之審核項目合夥人為曾志偉。

**德勤•關黃陳方會計師行**  
*執業會計師*  
 香港  
 二零一九年三月二十七日

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### 綜合損益及其他全面收益表

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

		NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Revenue	收益	5	<b>1,423,860</b>	1,523,210
Cost of sales	銷售成本		<b>(1,223,626)</b>	(1,117,744)
Gross profit	毛利		<b>200,234</b>	405,466
Other income	其他收入	6	<b>21,191</b>	12,637
Selling and distribution costs	銷售及分銷成本		<b>(51,176)</b>	(67,123)
Administrative expenses	行政開支		<b>(92,471)</b>	(149,824)
Other expenses	其他開支		<b>(31,228)</b>	(27,493)
Finance costs	財務成本	7	<b>(4,832)</b>	(2,096)
Profit before taxation	稅前利潤		<b>41,718</b>	171,567
Income tax expense	所得稅開支	8	<b>(11,246)</b>	(33,857)
Profit for the year, attributable to owners of the Company	本公司擁有人應佔年度利潤	9	<b>30,472</b>	137,710
Other comprehensive (expense) income for the year:	年度其他全面(開支)收益:			
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目:</i>			
Exchange differences arising from translation of foreign operations	換算海外業務之匯兌差額		<b>(57,209)</b>	79,717
Total comprehensive (expense) income for the year, attributable to owners of the Company	本公司擁有人應佔年度全面(開支)收益總額		<b>(26,737)</b>	217,427
			<b>HK cents</b>	HK cents
			<b>港仙</b>	港仙
Earnings per share	每股盈利	12		
— basic	— 基本		<b>3.82</b>	17.28
— diluted	— 攤薄		<b>3.81</b>	N/A 不適用

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

AT 31ST DECEMBER, 2018

於二零一八年十二月三十一日

	NOTES 附註	2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	13	1,399,143
Prepaid lease payments on land use rights	土地使用權預付租賃款項	14	22,451
		<b>1,415,531</b>	1,421,594
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	15	157,409
Trade and other receivables	貿易及其他應收款項	16	178,639
Deposits and prepayments	按金及預付款		19,355
Prepaid lease payments on land use rights	土地使用權預付租賃款項	14	558
Bank balances and cash	銀行結餘及現金	17	335,541
		<b>673,846</b>	691,502
<b>Current liabilities</b>	<b>流動負債</b>		
Trade, bills and other payables	貿易、票據及其他應付款項	18	241,186
Taxation payable	應付稅項		12,672
Unsecured bank borrowings	無抵押銀行借貸	19	138,448
		<b>411,029</b>	392,306
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>262,817</b>	299,196
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>1,678,348</b>	1,720,790
<b>Capital and reserves</b>	<b>股本及儲備</b>		
Share capital	股本	20	79,682
Reserves	儲備		1,558,631
<b>Total equity, attributable to owners of the Company</b>	<b>本公司擁有人應佔權益總額</b>	<b>1,550,222</b>	1,638,313
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Unsecured bank borrowings	無抵押銀行借貸	19	17,489
Deferred taxation	遞延稅項	21	64,988
		<b>128,126</b>	82,477
		<b>1,678,348</b>	1,720,790

The consolidated financial statements on pages 70 to 151 were approved and authorised for issue by the Board of Directors on 27th March, 2019 and are signed on its behalf by:

於第70至151頁之綜合財務報表已於二零一九年三月二十七日經董事會批准及授權發表，並由下列董事代表簽署：

HUI SUM PING 許森平  
DIRECTOR 董事

HUI SUM TAI 許森泰  
DIRECTOR 董事

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

		Share capital	Share premium	Special reserve	Translation reserve	Share options reserve	Retained profits	Total
		股本	股份溢價	特別儲備	匯兌儲備	購股權儲備	保留利潤	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(note)				
				(附註)				
At 1st January, 2017	於二零一七年一月一日	79,682	481,258	(107,444)	(31,720)	—	1,034,969	1,456,745
Profit for the year	年度利潤	—	—	—	—	—	137,710	137,710
Exchange differences arising from translation of foreign operations	換算海外業務之匯兌差額	—	—	—	79,717	—	—	79,717
Total comprehensive income for the year	年度全面收益總額	—	—	—	79,717	—	137,710	217,427
2016 special and final dividends paid	已付二零一六年特別及末期股息	—	—	—	—	—	(35,859)	(35,859)
At 31st December, 2017	於二零一七年十二月三十一日	79,682	481,258	(107,444)	47,997	—	1,136,820	1,638,313
Profit for the year	年度利潤	—	—	—	—	—	30,472	30,472
Exchange differences arising from translation of foreign operations	換算海外業務之匯兌差額	—	—	—	(57,209)	—	—	(57,209)
Total comprehensive (expense) income for the year	年度全面(開支)收益總額	—	—	—	(57,209)	—	30,472	(26,737)
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	—	—	—	—	2,392	—	2,392
2017 special and final dividends paid	已付二零一七年特別及末期股息	—	—	—	—	—	(63,746)	(63,746)
At 31st December, 2018	於二零一八年十二月三十一日	79,682	481,258	(107,444)	(9,212)	2,392	1,103,546	1,550,222

Note: Special reserve represents the difference between the costs of investments in subsidiaries of the Company and the aggregate amount of the non-voting deferred share capital of the subsidiaries and the nominal value of the share capital of the subsidiaries acquired as a result of the group reorganisation in 2003.

附註：特別儲備指本公司於附屬公司之投資成本與附屬公司無投票權遞延股本總額及因二零零三年集團重組而收購之附屬公司之股本面值之差額。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before taxation	稅前利潤	<b>41,718</b>	171,567
Adjustments for:	經作出以下調整：		
Finance costs	財務成本	<b>4,832</b>	2,096
Allowance for inventories	存貨撥備	<b>1,413</b>	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>86,594</b>	77,490
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	<b>574</b>	557
Interest income	利息收入	<b>(1,992)</b>	(1,710)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	<b>1,307</b>	3,816
Share-based payment expense	以股份支付之支出	<b>2,392</b>	—
Operating cash flows before movements in working capital	流動資金變動前營運現金流量	<b>136,838</b>	253,816
Increase in inventories	存貨增加	<b>(113,580)</b>	(33,150)
Increase in trade and other receivables	貿易及其他應收款項增加	<b>(3,442)</b>	(41,596)
(Increase) decrease in deposits and prepayments	按金及預付款(增加)減少	<b>(1,404)</b>	3,708
Increase (decrease) in trade, bills and other payables	貿易、票據及其他應付款項增加(減少)	<b>4,936</b>	(53,208)
Cash generated from operations	營運產生之現金	<b>23,348</b>	129,570
Income tax paid	已繳付所得稅	<b>(2,869)</b>	(20,215)
Income tax refunded	退回所得稅	<b>35</b>	196
<b>Net cash from operating activities</b>	<b>經營活動產生之現金淨額</b>	<b>20,514</b>	109,551

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Investing activities</b>	<b>投資活動</b>		
Purchases of property, plant and equipment	收購物業、廠房及設備	<b>(146,563)</b>	(168,073)
Interest received	已收利息	<b>1,992</b>	1,710
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	<b>1,070</b>	1,262
<b>Net cash used in investing activities</b>	<b>投資活動使用之現金淨額</b>	<b>(143,501)</b>	(165,101)
<b>Financing activities</b>	<b>融資活動</b>		
Repayment of bank loans	償還銀行貸款	<b>(103,303)</b>	(184,223)
Repayment of other bank borrowings	償還其他銀行借貸	<b>(83,656)</b>	(140,046)
Dividend paid	已付股息	<b>(63,746)</b>	(35,859)
Interest paid	已付利息	<b>(4,832)</b>	(2,096)
New bank loans raised	新增銀行貸款	<b>184,882</b>	127,000
Other bank borrowings drawn	提取其他銀行借貸	<b>61,933</b>	66,700
<b>Net cash used in financing activities</b>	<b>融資活動使用之現金淨額</b>	<b>(8,722)</b>	(168,524)
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等值減少淨額</b>	<b>(131,709)</b>	(224,074)
<b>Cash and cash equivalents at 1st January</b>	<b>於一月一日現金及現金等值</b>	<b>335,541</b>	547,601
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>15,566</b>	12,014
<b>Cash and cash equivalents at 31st December</b>	<b>於十二月三十一日現金及現金等值</b>	<b>219,398</b>	335,541
represented by bank balances and cash	銀行結餘及現金		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 1. GENERAL

Hop Fung Group Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is disclosed under Corporate Information section of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 32.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Company and its subsidiaries (hereinafter collectively referred to as the “Group”) has applied the following new and amendments to HKFRSs and an interpretation issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 “Financial Instruments” with HKFRS 4 “Insurance Contracts”
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

### 1. 一般資料

合豐集團控股有限公司(「本公司」)根據開曼群島法例第22章公司法(一九六一年第3條法例，經綜合及修訂)於開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司之註冊辦事處之地址載於本年報公司資料部份內。

綜合財務報表均以港元(「港元」)呈列，港元為本公司之功能貨幣。

本公司為投資控股公司，其主要附屬公司之主要業務載於附註32。

### 2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

#### 於本年度強制生效之新訂及經修訂香港財務報告準則

在本年度，本公司及其附屬公司(在下文統稱「本集團」)首次採用下列由香港會計師公會(「香港會計師公會」)頒佈之新訂及經修訂香港財務報告準則及詮釋：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	來自客戶合約的收入及相關修訂
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價
香港財務報告準則第2號之修訂	以股份為基礎之付款交易的分類及計量
香港財務報告準則第4號之修訂	與香港財務報告準則第4號「保險合約」一併應用香港財務報告準則第9號「金融工具」
香港會計準則第28號之修訂	作為二零一四年至二零一六年週期的香港財務報告準則年度改進的一部份
香港會計準則第40號之修訂	轉讓投資物業

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### New and amendments to HKFRSs that are mandatorily effective for the current year (continued)

Except as described below, the application of the above new and amendments to HKFRSs and an interpretation in the current year has had no material impact on the Group’s performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### HKFRS 15 “Revenue from Contracts with Customers”

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1st January, 2018. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1st January, 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and the related interpretations.

The Group recognises revenue from the manufacturing and sales of containerboard and corrugated packaging products which arise from contracts with customers.

The application of HKFRS 15 has no material impact on the timing and amount of revenue recognised in current year. Information about the Group’s accounting policies resulting from application of HKFRS 15 is disclosed in note 3.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂及經修訂香港財務報告準則(續)

除下述者外，於本年度應用上述新訂及經修訂香港財務報告準則及詮釋並無對本集團於本年度及過往年度的業績及財務狀況及／或此等綜合財務報表所載披露資料造成重大影響。

#### 香港財務報告準則第15號「來自客戶合約的收入」

於本年度，本集團已首次應用香港財務報告準則第15號。香港財務報告準則第15號已取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累積影響已於首次應用日期二零一八年一月一日確認。首次應用日期的任何差額於年初保留利潤確認，而並無重列比較資料。此外，根據香港財務報告準則第15號的過渡條文，本集團已選擇僅就於二零一八年一月一日尚未完成的合約追溯應用該準則。因此，若干比較資料可能無法與根據香港會計準則第18號「收益」及相關詮釋所編製之比較資料作出比較。

本集團確認來自製造及銷售箱板紙及瓦楞包裝產品的收益，其源自客戶合約。

應用香港財務報告準則第15號並無對本年度確認收益的時間及金額造成重大影響。有關本集團因應用香港財務報告準則第15號而產生的會計政策資料於附註3披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### HKFRS 9 “Financial Instruments”

In the current year, the Group has applied HKFRS 9 “Financial Instruments” and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1st January, 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1st January, 2018. The difference between carrying amounts as at 31st December, 2017 and the carrying amounts as at 1st January, 2018 are recognised in the opening retained profits, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of HKFRS 9 are disclosed in note 3.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 香港財務報告準則第9號「金融工具」

於本年度，本集團已應用香港財務報告準則第9號「金融工具」及其他香港財務報告準則相關的相應修訂。香港財務報告準則第9號就1)金融資產及金融負債的分類及計量、2)金融資產的預期信貸虧損(「預期信貸虧損」)及3)一般對沖會計引入新規定。

本集團已根據香港財務報告準則第9號所載的過渡條文應用香港財務報告準則第9號，即對二零一八年一月一日(首次應用日期)尚未終止確認的工具追溯應用分類及計量規定(包括根據預期信貸虧損模式減值)，且並無對已於二零一八年一月一日終止確認的工具應用相關規定。於二零一七年十二月三十一日的賬面值與於二零一八年一月一日的賬面值之間的差額，於年初保留利潤確認，毋須重列比較資料。

因此，若干比較資料可能無法與根據香港會計準則第39號「金融工具：確認及計量」所編製之比較資料作出比較。

因應用香港財務報告準則第9號而產生的會計政策於附註3披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### HKFRS 9 “Financial Instruments” (continued)

#### Summary of effects arising from initial application of HKFRS 9

##### Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables, which are grouped based on shared credit risk characteristics by reference to past default experience and current past due exposure of the debtors.

ECL for other financial assets at amortised cost, including other receivables and deposits and bank balances are assessed on 12-month ECL (“12m ECL”) basis as there had been no significant increase in credit risk since initial recognition.

As at 1st January, 2018, no additional credit loss allowance has been recognised against retained profits as the directors of the Company consider that the amount is immaterial.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 香港財務報告準則第9號「金融工具」(續)

#### 初步應用香港財務報告準則第9號產生之影響概要

##### 預期信貸虧損模式項下的減值

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，就所有貿易應收款項應用全期預期信貸虧損，所有貿易應收款項已參考債務人過往拖欠的經驗及現時逾期還款的風險後，按其共同信貸風險特徵分類。

由於信貸風險自初始確認以來並未顯著增加，因此按攤銷成本計量的其他金融資產(包括其他應收款項及按金及銀行結餘)的預期信貸虧損乃按12個月預期信貸虧損(「12個月預期信貸虧損」)基準評估。

於二零一八年一月一日，概無就保留利潤確認額外信貸虧損撥備，因為本公司董事認為該金額並不重大。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16	Leases <sup>1</sup>
HKFRS 17	Insurance Contracts <sup>2</sup>
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments <sup>1</sup>
Amendments to HKFRS 3	Definition of a Business <sup>5</sup>
Amendments to HKFRS 9	Prepayment Features with Negative Compensation <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKAS 1 and HKAS 8	Definition of Material <sup>4</sup>
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement <sup>1</sup>
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1st January, 2019.

<sup>2</sup> Effective for annual periods beginning on or after 1st January, 2021.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1st January, 2020.

<sup>5</sup> Effective for business combinations and assets acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1st January, 2020.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 已頒佈但尚未生效之新訂及經修訂香港財務報告準則

本集團並無提前應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則 第16號	租賃 <sup>1</sup>
香港財務報告準則 第17號	保險合約 <sup>2</sup>
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定性 <sup>1</sup>
香港財務報告準則 第3號之修訂	業務的定義 <sup>5</sup>
香港財務報告準則 第9號之修訂	具有負補償的預付款特性 <sup>1</sup>
香港財務報告準則 第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>3</sup>
香港會計準則第1號及香港會計準則 第8號之修訂	重大的定義 <sup>4</sup>
香港會計準則第19號之修訂	計劃修訂、縮減或結清 <sup>1</sup>
香港會計準則第28號之修訂	於聯營公司及合營企業的長期權益 <sup>1</sup>
香港財務報告準則之修訂	二零一五年至二零一七年度週期的香港財務報告準則的年度改進 <sup>1</sup>

<sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效。

<sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效。

<sup>3</sup> 於有待釐定日期或之後開始之年度期間生效。

<sup>4</sup> 於二零二零年一月一日或之後開始之年度期間生效。

<sup>5</sup> 對收購日期為二零二零年一月一日或之後開始的首個年度期間的業務合併及資產收購生效。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### HKFRS 16 “Leases”

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 “Leases” and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, HKFRS 16 requires sales and leaseback transactions to be determined based on the requirements of HKFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. HKFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號「租賃」及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，香港財務報告準則第16號要求根據香港財務報告準則第15號規定釐定銷售及租回交易，即相關資產轉讓是否應按銷售列賬。香港財務報告準則第16號亦包含與分租及租賃修改有關的規定。

除短期租賃及低價值資產租賃外，經營租賃及融資租賃的區分自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

使用權資產初次按成本計量，隨後以成本(惟若干情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初次按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。應用香港財務報告準則第16號後，本集團將有關租賃負債的租賃款項分配至本金及利息部分，並以融資現金流量呈列。

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### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### HKFRS 16 “Leases” (continued)

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31st December, 2018, the Group has non-cancellable operating lease commitments of HK\$7,601,000 as disclosed in note 23. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16. Upon application of HKFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases.

In addition, the Group currently considers refundable rental deposits paid of HK\$1,243,000 as rights and obligations under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the initial measurement of right-of-use assets.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 香港財務報告準則第16號「租賃」(續)

根據香港會計準則第17號，本集團作為承租人已確認租賃土地之預付租賃款項。採用香港財務報告準則第16號可能導致該等資產之分類發生潛在變動，其分類視乎本集團是否分開呈列使用權資產或按將呈列相應相關資產(倘擁有)的相同項目內呈列。

除了若干規定亦適用於出租人外，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計規定，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

誠如附註23所披露，於二零一八年十二月三十一日，本集團有不可撤銷的經營租賃承擔7,601,000港元。初步評估表明，該等安排符合香港財務報告準則第16號下的租賃定義，在應用香港財務報告準則第16號後，本集團將就所有該等租賃確認為使用權資產及相應負債。

此外，本集團現時認為已支付之可退回租賃按金1,243,000港元為適用香港會計準則第17號之租賃項下之權利及責任。根據香港財務報告準則第16號項下租賃付款之定義，該等按金並不是與使用相關資產權利有關的付款。因此，該等按金之賬面值或會調整為攤銷成本。可退還已付租賃按金的調整被視為額外租賃付款，且計入使用權資產之初步計量。

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### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

#### HKFRS 16 “Leases” (continued)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 “Leases” and HK(IFRIC) – Int 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17 and HK(IFRIC) – Int 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

#### HK(IFRIC) – Int 23 “Uncertainty over Income Tax Treatments”

HK(IFRIC) – Int 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. The directors of the Company has assessed the financial impact of the application of HK(IFRIC) – Int 23 and anticipate that the effect will be immaterial to the Group.

Other than as described above, the directors of the Company anticipates that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 2. 應用新訂及經修訂香港財務報告準則 (「香港財務報告準則」)(續)

#### 香港財務報告準則第16號「租賃」(續)

如上述所示，應用新的規定或會導致計量、呈列及披露出現變化。本集團擬選擇使用實際權宜法，對先前採納香港會計準則第17號「租賃」及香港（國際財務報告詮釋委員會）— 詮釋第4號「釐定是否一項安排包含租賃」時識別為租賃的合約採納香港財務報告準則第16號，而不會對先前採納香港會計準則第17號及香港（國際財務報告詮釋委員會）— 詮釋第4號時未識別為包含租賃的合約採納這一準則。因此，本集團將不會重新評估在初次採納日期前已存在的合約是否屬於或包含租賃。此外，本集團擬選擇經修訂回溯法採納香港財務報告準則第16號（作為承租人）及將於年初保留利潤確認初次採納的累計影響，而不會重列比較資料。

#### 香港（國際財務報告詮釋委員會）— 詮釋第23號「所得稅處理的不確定性」

香港（國際財務報告詮釋委員會）— 詮釋第23號載列在所得稅處理方面存在不確定性時如何釐定會計稅務狀況。該詮釋要求實體釐定是否將不確定的稅務狀況單獨或作為一個組別進行評估；並評估稅務機關是否有可能接受實體在其所得稅申報中使用或擬使用的不確定稅務處理。本公司董事已評估應用香港（國際財務報告詮釋委員會）— 詮釋第23號的財務影響，估計對本集團的影響甚微。

除上述者外，本公司董事預期，應用所有其他新訂及經修訂香港財務報告準則，在可見將來將不會對綜合財務報表構成重大影響。

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### 3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based Payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 "Inventories" or value in use in HKAS 36 "Impairment of Assets".

### 3. 主要會計政策

綜合財務報表已根據由香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表載列聯交所證券上市規則及香港公司條例規定之適用披露。

綜合財務報表於各報告期末按歷史成本基準編製，詳情載於下文之會計政策。

歷史成本一般按交換貨品及服務代價之公平值釐定。

公平值是指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格是直接觀察到的結果還是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的那些特徵。在本綜合財務報表中計量和／或披露的公平值均在此基礎上予以確定，但香港財務報告準則第2號「以股份支付之支出」範圍內的以股份支付之支出交易、香港會計準則第17號「租賃」範圍內的租賃交易、以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號「存貨」中的可變現淨值或香港會計準則第36號「資產減值」中的使用價值）除外。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### Basis of consolidation

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

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

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

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

### 3. 主要會計政策(續)

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據的可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級 輸入數據是實體於計量日可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級 輸入數據是資產或負債的直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級 輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列於下文。

#### 綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制之實體之財務報表。當本公司符合以下要素時，則本公司取得控制權：

- 對被投資方具有權力；
- 因參與被投資方業務而承擔可變回報之風險或享有可變回報之權利；及
- 可對被投資方使用權力以影響其回報。

倘事實及情況顯示上文所示三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制被投資方。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及開支乃自本集團取得控制權之日期起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日期為止。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Basis of consolidation (continued)

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

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

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

### 3. 主要會計政策(續)

#### 綜合基準(續)

如有需要，本集團會對附屬公司財務報表作出調整，以使彼等之會計政策與本集團之會計政策一致。

本集團內公司間之所有資產及負債、權益、收入、開支及有關本集團成員之間交易的現金流量，已於綜合賬目時悉數對銷。

#### 客戶合約收益(根據附註2的過渡條文應用香港財務報告準則第15號)

根據香港財務報告準則第15號，當(或於)滿足履約責任時，本集團確認收入，即於特定履約責任的相關貨品或服務的控制權轉讓予客戶時確認。

履約責任指不同的貨品及服務(或一組貨品或服務)或一系列不同的貨品及大致相同的服務。

控制權隨時間轉移，而倘滿足以下其中一項條件，則收入乃參照完全滿足相關履約責任的進展情況而隨時間確認：

- 隨本集團履約，客戶同時取得並耗用本集團履約所提供的利益；
- 本集團之履約創建或強化一資產，該資產於創建或強化之時即由客戶控制；或
- 本集團的履約並未產生對本集團有替代用途的資產，且本集團對迄今已完成履約之款項具有可執行之權利。

否則，收入於客戶獲得貨品或服務控制權的時間點確認，即貨品交予客戶之時間點。於貨品已付運至客戶指定地點，則屬已交付。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

The revenue of the Group is recognised at a point in time. Under the transfer-of-control approach in HKFRS 15, revenue from manufacturing and sales of containerboard and corrugated packaging products to the Group's customers is recognised when the goods are passed to the customers, which is the point of time when the customer has the ability to direct the use of the goods and obtain substantially all of the remaining benefits of the goods.

#### Variable consideration

For transactions that contain variable consideration, the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

### 3. 主要會計政策(續)

#### 客戶合約收益(根據附註2的過渡條文應用香港財務報告準則第15號)(續)

本集團之收入於某一時間點確認。根據香港財務報告準則第15號下的控制權轉移方法，來自製造及向外部客戶銷售箱板紙及瓦楞包裝之收益於貨品轉予客戶時確認，即當客戶有能力管理貨品的使用並獲得該貨品的絕大部分剩餘利益的某個時間點。

#### 可變代價

就包含可變代價的交易而言，本集團使用以下其中一種方法估計本集團有權收取的代價金額：(a)預期價值法或(b)最有可能的金額(視乎何種方法更能預測本集團有權收取的代價金額而定)。

可變代價的估計金額僅在以下情況下，方會計入交易價格：於計入交易價格時很大可能不會導致其後關乎可變代價的不確定因素獲得解決時出現收入大幅撥回。

於各報告期末，本集團更新估計交易價格(包括更新評估有關可變代價的估計是否受到限制)，以真實反映於報告期末存在的情況以及於報告期內該等情況發生的變化。

合約資產指本集團就向客戶換取本集團已轉讓的貨品或服務收取代價的權利(尚未成為無條件)。其根據香港財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價付款到期前僅需時間推移。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Revenue from contracts with customers (upon application of HKFRS 15 in accordance with transitions in note 2) (continued)

##### Variable consideration (continued)

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

#### Revenue recognition (prior to 1st January, 2018)

Revenue is measured at the fair value of the consideration received or receivable. Revenue is net of discounts and returns.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed.

Service income is recognised when services are provided.

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3. 主要會計政策(續)

客戶合約收益(根據附註2的過渡條文應用香港財務報告準則第15號)(續)

#### 可變代價(續)

合約負債指本集團因已自客戶收取代價(或已可自客戶收取代價),而須轉讓貨品或服務予客戶之責任。

與同一合約有關的合約資產及合約負債以淨額列賬。

#### 收益確認(二零一八年一月一日前)

收益按已收或應收代價之公平值計算。收益已扣除折扣及退貨。

當收益的數額能夠可靠地計量、未來經濟利益很有可能流入本集團,而本集團每項活動均符合具體條件時(如下文所述),本集團即確認收益。

銷售貨品收益於交付貨品及轉讓所有權時確認。

服務收入於提供服務時確認。

利息收入乃按時間分攤基準,並參照尚未償還本金及按所適用之實際利率累計,而實際利率為透過財務資產之預期可用年期將估計日後所收現金折讓至該資產於初步確認之賬面淨值之利率。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Property, plant and equipment

Property, plant and equipment including leasehold land and buildings held for use in the production or for administrative purposes, other than construction in progress as described below, are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

### 3. 主要會計政策(續)

#### 物業、廠房及設備

物業、廠房及設備(包括作生產或行政用途而持有之租賃土地及樓宇,下文所述之在建工程除外)按成本減其後之累計折舊以及其後累計減值虧損(如有)於綜合財務狀況表呈列。

確認物業、廠房及設備項目(在建工程除外)之折舊乃根據其估計可使用年期,於計及其估計殘值後,以直線法攤銷其成本。估計可使用年期、殘值及折舊方法乃於各報告期末檢討,任何估計變動之影響按預先計提之基準列賬。

在建工程包括就生產或自用目的之在建物業、廠房及設備。在建工程按成本減任何已確認之減值虧損入賬。在建工程於其完成及可作擬定用途時分類為合適之物業、廠房及設備類別。此等資產之折舊乃按其他物業資產之相同基準,於可作擬定用途開始時計算。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時取消確認。出售或廢置物業、廠房及設備項目產生之任何收益或虧損乃按資產之出售所得款項及其賬面值之差額計算,並於損益確認。

#### 存貨

存貨以成本及可變現淨值之較低者列賬。存貨成本採用先進先出法計算。可變現淨值指存貨之估計售價減完成之全部估計成本及作出銷售所需之成本。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 有形資產減值虧損

於報告期末，本集團會審閱其有形資產賬面值，以確定有否任何跡象顯示該等資產出現減值虧損。倘出現任何該等跡象，則會估計資產之可收回金額以釐定減值虧損(如有)之幅度。

有形資產的可收回金額將予個別評估，如不可能估計某單一資產之可收回金額，本集團會估計該資產所屬之現金產生單位之可收回金額。如能確認以合理及統一的依據分配，企業的資產亦分配至單一現金產生單位，或分配至其他能確認以合理及統一的依據分配的最小現金產生單位組別。

可收回金額乃公平值扣除銷售成本與使用價值之較高者。於評估使用價值時，估計未來現金流量乃使用除稅前折現率折現至其現值，該折現率反映現行市場對貨幣時間值之評估及該資產(其估計未來現金流未經調整)特有之風險。

倘資產(或現金產生單位)之可收回金額估計低於其賬面值，則將該資產(或現金產生單位)賬面值減至其可收回金額。減值虧損即時於損益確認。

倘其後撥回減值虧損，則將該資產(或現金產生單位)之賬面值增至經修訂之估計可收回金額，惟增加的賬面值不得超過假如該資產(或現金產生單位)於過往年度未有確認減值虧損而原應釐定之賬面值。減值虧損之撥回即時於損益確認。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customer which are initially measured in accordance with HKFRS 15 since 1st January, 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策(續)

#### 撥備

當本集團因過往事件而承擔現有責任(法律或推定)，而本集團可能須履行該項責任及可以可靠地估計該項責任之金額時，則會確認撥備。

確認為撥備之金額是於報告期間結束日經計入有關責任之風險及不明朗因素後，對償付現有責任之所需代價之最佳估計。倘撥備使用償付現有責任之估計現金流量計量，則其賬面值為該等現金流量之現值(當其貨幣時間值的影響屬重大)。

如果清償撥備所需流出的經濟利益之一部分或全部預期會得到第三方補償，則應收款項只有在補償金額基本確定能夠收到及應收款項能夠可靠計量時，才確認為資產。

#### 金融工具

當某集團實體成為工具合約條文之訂約方時，財務資產及財務負債便會在綜合財務狀況表上被確認。所有常規方式買賣的財務資產概於交易日予以確認及取消確認。常規方式買賣乃指遵循法規或市場慣例在約定時間內交付資產的財務資產買賣。

財務資產及財務負債按公平值初步計量，惟客戶合約產生的貿易應收款項除外，該等貿易應收款項根據香港財務報告準則第15號由二零一八年一月一日起初始計量。首次確認時，收購或發行財務資產及財務負債產生之直接交易成本(以公平值計入損益之財務資產或財務負債除外)將視乎情況加入或扣除財務資產或財務負債之公平值。收購以公平值計入損益之財務資產或財務負債產生之直接交易成本即時在損益確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liabilities, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

#### Financial assets

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

### 3. 主要會計政策(續)

#### 金融工具(續)

實際利率法為計算財務資產或財務負債的攤銷成本以及分配相關期間的利息收入及利息開支之方法。實際利率乃於初步確認時按財務資產或財務負債的預期可使用年期或適用的較短期間內確切貼現估計未來現金收入及款項(包括構成實際利率不可或缺部分的所有已付或已收費用及點數、交易成本及其他溢價或貼現)至賬面淨值的利率。

#### 財務資產

*財務資產的分類及期後計量(根據附註2的過渡條文應用香港財務報告準則第9號)*

當財務資產滿足以下條件，則其後按攤銷成本計量：

- 以收取合約現金流量為目的之經營模式下持有之財務資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及未償還本金之利息。

利息收入就其後按攤銷成本計量的財務資產乃使用實際利率法予以確認。利息收入乃對一項財務資產賬面總值應用實際利率予以計算，惟其後出現信貸減值的財務資產除外(見下文)。就其後出現信貸減值的財務資產而言，自下一報告期起，利息收入乃對財務資產攤銷成本應用實際利率予以確認。倘信貸減值金融工具的信貸風險好轉，使財務資產不再出現信貸減值，於釐定資產不再出現信貸減值後，自報告期開始起利息收入乃對財務資產賬面總值應用實際利率予以確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings based on share credit risk characteristics by reference to past default experience and current past due status of the debtors.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

*財務資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)*

本集團根據香港財務報告準則第9號就發生減值之財務資產(包括貿易及其他應收款項、按金及銀行結餘)確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新，以反映自初始確認後信貸風險的變化。

全期預期信貸虧損指將相關工具的預期使用期內所有可能的違約事件產生之預期信貸虧損。相反，12個月預期信貸虧損將預期於報告日期後12個月內可能發生的違約事件導致之全期預期信貸虧損部分。

評估乃根據本集團過往的信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團通常就貿易應收款項確認全期預期信貸虧損。就有重大結餘的債務人而言，該等資產的預期信貸減值，會個別作出評估，以及／或參考該等債務人的過往違約經驗及目前逾期情況，根據共有的信貸風險特徵，使用合適組別的撥備模式進行共同評估。

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認後信貸風險顯著增加，則本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初始確認以來發生違約之可能性或風險是否顯著增加。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)*

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, 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. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

*財務資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)*

(i) 信貸風險顯著增加

於評估自初始確認後信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量和定性資料，包括過往經驗及無需付出不必要的成本或費力而可得之前瞻性資料。

具體而言，在評估信貸風險是否顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信用評級的實際或預期顯著惡化；
- 外部市場信貸風險指標的顯著惡化，如信貸利差大幅增加，債務人的信用違約掉期價格顯著增加；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變化；
- 債務人經營業績的實際或預期顯著惡化；
- 監管、經濟或技術環境出現實際或預期的重大不利變動，導致債務人履行債務責任的能力大幅下降。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk (continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

財務資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

(i) 信貸風險顯著增加(續)

不論上述評估之結果如何，本集團認為，當合約付款逾期超過三十天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料另作證明。

儘管如此，如果債務工具於報告日被認為具低信貸風險，則本集團可假設該債務工具之信貸風險自初始確認後未有顯著增加。債務工具被認為具低信貸風險假若i)其違約風險較低；ii)借款人在短期內絕對有能力履行其合約現金流量之責任，以及iii)長遠之經濟和商業條件不利變化，不一定會降低借款人履行合約現金流責任之能力。當根據全球理解之定義，其內部或外部之信用評級被評為投資級別，本集團認為債務工具之信貸風險較低。

本集團定期監控用以識別信貸風險有否顯著增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險顯著增加。

(ii) 違約定義

本集團認為當財務資產逾期超過90日已發生違約，除非本集團有合理及且可支持之資料來顯示更加滯後的違約標準更為恰當。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)

#### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

#### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

財務資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)

#### (iii) 信貸減值財務資產

財務資產在一項或以上違約事件(對該財務資產估計未來現金流量構成不利影響)出現時發生信貸減值。財務資產信貸減值的證據包括有關下列事件的可觀察數據:

- (a) 發行人或借款人的重大財困;
- (b) 違反合約(如違約或逾期事件);
- (c) 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出一般貸款人不會考慮的讓步;
- (d) 借款人將可能陷入破產或其他財務重組。

#### (iv) 撇銷政策

當資料顯示交易夥伴處於嚴重財困及無實際收回可能時(例如交易夥伴被清盤或已進入破產程序時),本集團則撇銷財務資產。經考慮法律意見後(倘合適),遭撇銷的財務資產可能仍須按本集團收回程序進行強制執行方式。撇銷構成取消確認事項。任何其後收回在損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)*

#### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL are the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL are measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the basis:

- Nature of financial instruments (i.e. the Group's trade receivables, other receivables and bank balances are each assessed as a separate group);
- Past-due status.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

*財務資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)*

#### (v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損幅度)及違約風險之函數。違約概率及違約虧損之評估乃基於過往數據按前瞻性資料作調整。預期信貸虧損的預估乃無偏概率加權平均金額，以各自發生違約的風險為權重確定。

一般而言，預期信貸虧損為根據合約應付本集團之所有合約現金流量與本集團預期收取之所有現金流量之間的差額(按初始確認時釐定之有效利率貼現)。

倘預期信貸虧損按共同基準計量或適用於個別工具水平證據未必存在的情況下，則金融工具按以下基準歸類：

- 金融工具性質(即本集團貿易應收款項、其他應收款項及銀行結餘各自評為獨立組別)；
- 逾期狀況。

歸類工作經管理層定期檢討，以確保各組別成份繼續具備類似信貸風險特性。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets (upon application HKFRS 9 with transitions in accordance with note 2) (continued)*

#### (v) Measurement and recognition of ECL (continued)

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, where the corresponding adjustment is recognised through a loss allowance account.

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1st January, 2018)*

The Group's financial assets comprise loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

*財務資產減值(根據附註2的過渡條文應用香港財務報告準則第9號)(續)*

#### (v) 預期信貸虧損之計量及確認(續)

利息收入乃根據財務資產的總賬面值計算，除非財務資產已錄得信貸減值，其時利息收入乃根據財務資產的攤銷成本計量。

本集團就所有金融工具，透過調整其賬面值，以於損益確認減值收益或虧損，惟貿易應收款項除外，其相應調整透過虧損撥備賬確認。

*財務資產的分類及其後計量(於二零一八年一月一日應用香港財務報告準則第9號前)*

本集團之財務資產包括貸款及應收款項。分類乃根據財務資產的性質及目的，並於首次確認時決定。所有常規購買或出售財務資產乃按交易日基準確認及取消確認。常規購買或出售財務資產是指按市場上規則或慣例設定之時間框架內付運資產的購買或出售財務資產。

#### 貸款及應收款項

貸款及應收款項乃於活躍市場並無報價之固定或可釐定付款之非衍生財務資產。於初步確認後，貸款及應收款項(包括貿易及其他應收款項、按金及銀行結餘及現金)均按採用實際利率法計算之已攤銷成本減任何已識別減值虧損入賬(見下文有關財務資產減值之會計政策)。

利息收入透過應用實際利率確認，惟確認利息影響不大的短期應收款項除外。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets (before application of HKFRS 9 on 1st January, 2018)*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period ranged from 5 to 120 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

*財務資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)*

財務資產於各報告期末需被評估是否出現減值。倘有客觀證據顯示財務資產之估計未來現金流量受首次確認該等財務資產後發生之一項或多項事件影響時，則財務資產將考慮被視為減值。

減值的客觀證據可能包括：

- 發行人或交易夥伴出現重大財政困難；或
- 違反合約，例如拖欠或逾期支付利息或本金；或
- 借款人有可能會破產或進行財務重組。

應收款項組合的減值客觀證據包括本集團之過往收款經驗、組合中超過平均信貸期5至120日的逾期付款數目增加，以及有關國家或當地經濟狀況出現明顯變動導致應收賬款未能償還。

對按攤銷成本入賬的財務資產而言，減值虧損金額按資產賬面值與估計未來現金流量現值(以財務資產的原實際利率折現)的差額確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial assets (continued)

*Impairment of financial assets (before application of HKFRS 9 on 1st January, 2018) (continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務資產(續)

*財務資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

所有財務資產的減值虧損會直接於財務資產的賬面值中作出扣減，惟貿易應收賬款除外，其賬面值會透過撥備賬戶作出扣減。減值撥備賬戶的賬面值變動於損益確認。當貿易應收款項被視為不可收回，則於減值撥備賬戶內撇銷。過往撇銷的金額於其後收回時計入損益。

對按攤銷成本入賬的財務資產而言，於往後期間，如減值虧損金額減少且有關減少可客觀地與確認減值後所發生的事件相關，則過往確認的減值虧損可於損益回撥，惟有關資產於撥回減值當日的賬面值不得超逾未有確認減值虧損下原應釐定的攤銷成本。

#### 財務負債及權益工具

#### 分類為債項或權益

集團實體發行之債務及權益工具乃根據所訂立合同安排之性質與財務負債及權益工具之定義分類為財務負債或權益。

#### 權益工具

權益工具乃證明本集團於扣減所有負債後之資產中擁有剩餘權益之任何合同。本公司所發行之權益工具乃按已收取之所得款項減直接發行成本確認。

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## 綜合財務報表附註

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Financial instruments (continued)

#### Financial liabilities and equity instruments (continued)

##### Financial liabilities

Financial liabilities (including trade, bills and other payables and unsecured bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

##### Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Share-based payment transactions

#### Equity-settled share-based payment transactions

##### Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

### 3. 主要會計政策(續)

#### 金融工具(續)

#### 財務負債及權益工具(續)

##### 財務負債

財務負債(包括貿易、票據及其他應付款項及無抵押銀行借貸)其後乃採用實際利率法按已攤銷成本計量。

##### 取消確認

僅於現金流量的合約權利屆滿時，本集團方會取消確認財務資產。

於取消確認某項按攤銷成本計量的財務資產時，該項資產賬面值與已收及應收代價總額的差額在損益確認。

本集團僅於其責任被解除、註銷或屆滿時，才取消確認財務負債。已取消確認的財務負債的賬面值與已付或應付代價間差額於損益確認。

#### 以股份支付之支出交易

#### 以權益結算以股份支付之支出交易

##### 授予僱員之購股權

向僱員及其他提供類似服務之人士作出之以權益結算以股份支付之支出乃於授出日期按權益工具之公平值計量。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Share-based payment transactions (continued)

#### Equity-settled share-based payment transactions (continued)

#### Share options granted to employees (continued)

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

#### Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### 3. 主要會計政策(續)

#### 以股份支付之支出交易(續)

#### 以權益結算以股份支付之支出交易(續)

#### 授予僱員之購股權(續)

權益結算以股份支付之支出於授出日期所釐定之公平值並不考慮所有非市場歸屬條件，乃按直線法於整個歸屬期支銷，並按本集團對於最終將歸屬之權益工具之估計於權益(購股權儲備)中作相應增加。於各報告期末，本集團根據所有相關非市場歸屬條件評估修訂其預算歸屬權益工具數量。修訂原先估計之影響(如有)於損益確認，並使累計開支反映經修訂估計，及於購股權儲備中作相對應之調整。就於授出日期隨即歸屬之購股權而言，已授出購股權之公平值即時於損益支銷。

購股權獲行使時，之前於購股權儲備中確認之數額將轉移至股份溢價。當購股權於歸屬期後被收回或於屆滿日仍未獲行使，之前於購股權儲備中確認之數額將轉撥至保留溢利內。

#### 租賃

當租賃條款將有關資產擁有權之絕大部分風險及收益轉移給承租人，租賃便列為融資租賃。所有其他租賃列為經營租賃。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Leasing (continued)

##### The Group as lessee

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

##### Leasehold land and building

When the Group makes payments for a property interest which includes both leasehold land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire property is accounted as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

### 3. 主要會計政策(續)

#### 租賃(續)

##### 本集團作為承租人

租賃款項按比例分攤為財務費用及減少租賃承擔，從而得出負債餘額之常數定期利率。財務費用隨即於損益確認。

經營租賃款項(包括經營租賃項下持有收購土地之成本)按有關租賃年期以直線法確認為開支。經營租賃項下產生之或然租金乃於產生期間確認為開支。

倘於訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少。

##### 租賃土地及樓宇

當本集團就物業權益包括土地及樓宇部分付款時，本集團以租賃資產之擁有權所承擔之絕大部分風險及回報是否已轉移至本集團為依據用作獨立評估每一部份的分類，除非兩個部分均明確定為經營租賃，於此情況下，整項物業會分類為經營租賃。特別是，全部代價(包括任何一次性預付款)被分配到的土地及樓宇部分的比例，於初步確認時土地租賃和樓宇租賃權益的公平值比例分配。

倘能可靠地分配相關款項，則列為經營租賃之租賃土地權益將作為「預付租賃款項」，並於綜合財務狀況表列賬及按租賃年期以直線法攤銷。當該款項不能在土地及樓宇之間作可靠分配，則整項物業均被納入融資租賃(倘租賃土地乃根據融資租賃持有)。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3. 主要會計政策(續)

#### 稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收益表中的「稅前利潤」不同，乃由於其不包括在其他年度應課稅或可扣稅收入或開支，亦不包括不用課稅或不可扣稅之項目。本集團之即期稅項負債乃按報告期末已實行或實質已實行之稅率計算。

遞延稅項指就綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基間之暫時差額而確認。遞延稅項負債一般就所有應課稅暫時差額確認。遞延稅項資產則一般於很可能以可扣稅暫時差額對銷應課稅溢利時就所有可扣稅暫時差額確認。如暫時差額由初次確認一項不影響應課稅溢利或會計溢利之交易之資產及負債所產生，有關資產及負債則不予確認。

遞延稅項負債按於附屬公司之投資所引致之應課稅暫時差額而確認，惟若本集團可控制暫時差額之撥回而暫時差額於可見將來應不會撥回之情況除外。與該等投資相關之可扣稅暫時差額所產生之遞延稅項資產僅於可能產生足夠的應課稅溢利以抵銷暫時差額之得益且預計於可見將來撥回時確認。

遞延稅項資產之賬面值於報告期末檢討，並予以相應扣減，直至並無足夠應課稅溢利以收回全部或部分遞延稅項資產為止。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

### 3. 主要會計政策(續)

#### 稅項(續)

遞延稅項資產及負債乃根據於報告期末已實行或實質已實行之稅率(及稅法)·按預期適用於清償負債或變現資產期間之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或清償其資產及負債賬面值之方式所產生之稅務結果。

倘有按法律可強制執行的權利·可將即期稅務資產與即期稅務負債抵銷·以及倘稅務資產及稅務負債涉及相同稅務機構徵收的所得稅·遞延稅項資產及負債予以抵銷·而本集團擬以淨額基準結付其即期稅務資產及負債。

即期及遞延稅項於損益確認·除非這些稅項涉及於其他全面收入或直接於權益確認之項目·在該情況下·即期及遞延稅項亦分別於其他全面收入或直接於權益確認。

#### 外幣

在編製個別集團實體之財務報表時·凡以其功能貨幣以外之貨幣(外幣)計算之交易·均按交易日期之匯率入賬。以外幣計值之貨幣項目於報告期末按該日之匯率重新換算;以外幣結算並按歷史成本計量之非貨幣項目則不作重新換算。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the Group's interests in subsidiaries.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3. 主要會計政策(續)

#### 外幣(續)

於結算及重新換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益中確認，惟那些結算未納入計劃中亦不可能發生(因此形成海外業務投資淨額部分)之應收或應付海外業務之貨幣項目之匯兌差額除外。該等匯兌差額初步於其他全面收益中確認，且在本集團出售或部分出售其在附屬公司之權益時，從權益中重新分類至損益。

就呈列綜合財務報表而言，本集團海外業務之資產及負債乃按於各報告期末之適用匯率換算為本集團之列賬貨幣(即港元)。收入及支出乃按該年度之平均匯率進行換算，除非匯率於該期間內出現大幅波動則作別論，於此情況下，則採用於交易當日之適用匯率。所產生之匯兌差額(如有)於其他全面收入確認，並於匯兌儲備項下之權益累積。

#### 借貸成本

購置、建造或生產合資格資產(即需要較長時間方可用於擬定用途或銷售之資產)之直接應佔借貸成本計入該等資產之成本，直至該等資產已充份就緒並可作擬定用途或可供銷售時為止。

特定借貸有待用於合資格資產時作臨時投資所賺取之投資收入，於可撥充資本之借貸成本扣除。

所有其他借貸成本乃於產生之期間於損益內確認。

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### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme (the "MPF Scheme")/state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

#### Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following are 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.

### 3. 主要會計政策(續)

#### 退休福利成本

向強制性公積金計劃(「強積金計劃」)/國家管理退休福利計劃作出之供款於僱員提供服務而獲得供款之權利時列作開支確認。

#### 短期僱員福利

當僱員提供服務，短期僱員福利按預期支付的福利的未折現金額確認。所有短期僱員福利確認為支出，惟其他香港財務報告準則規定或允許將其計入資產成本的情況則除外。

僱員福利(如工資及薪金、年假及病假)於扣除已支付之任何金額後確認為負債。

### 4. 估計不明朗因素之主要來源

在應用本集團載述於附註3的會計政策時，本公司董事須對未能輕易地從其他來源確定的資產及負債賬面值作出估計及假設。該等估計及相關假設是根據過往經驗及被認為相關的其他因素而作出。實際結果或會與該等估計有所不同。

該等估計及相關假設會持續地檢討。若估計修訂只影響該時期，會計估計的修訂會於該期內確認；或如該估計修訂影響本期及未來期間，則會計估計的修訂會於修訂期及未來期間確認。

於報告期末，有關未來主要假設以及用以估計不明朗因素之其他主要來源如下，該等假設存有導致下一財政年度資產及負債賬面值需作大幅調整的重大風險。

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### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Contingent liabilities and provision of tax liabilities in relation to the tax audits on the Group conducted by Hong Kong Inland Revenue Department (the "IRD")

As set out in note 26, the IRD is conducting tax audits on the Company and certain of its subsidiaries in respect of years of assessments 2004/2005 to 2012/2013. The Group appointed a tax representative to respond to the IRD on its behalf and the directors have determined the potential tax liability based on their judgement, which may be different from the IRD's opinion.

The Group only recognises liabilities for tax and tax-related expense when the potential tax liabilities are probable. Since the directors consider that whilst the tax audits are still on-going, the IRD issued the protective assessments for the years of assessment from 2004/2005 to 2012/2013 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2012/2013 was necessary as at 31st December, 2018. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

#### Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the directors of the Company would evaluate ageing analysis of inventories and compare the carrying value of inventories to their respective net realisable values based on latest market prices and current economic conditions. A considerable amount of judgement is required in determining such allowance. If conditions which have an impact on the net realisable value of inventories deteriorate/improve, additional allowances/reversal of allowances already made may be required.

### 4. 估計不明朗因素之主要來源(續)

#### 有關香港稅務局(「稅務局」)對本集團作出稅務審核的稅務負債涉及的或然負債及撥備

誠如附註26所載，稅務局就本公司及其若干附屬公司二零零四年／二零零五年至二零一二年／二零一三年課稅年度之稅務審核仍在進行中。本集團已委任稅務代表代其回應稅務局，而董事已根據其判決釐定潛在稅務負債，可能有別於稅務局的意見。

本集團僅於很有可能產生潛在稅務負債時確認稅務負債及稅務相關開支。由於董事認為稅務審核工作仍在進行中，稅務局向本集團發出二零零四年／二零零五年至二零一二年／二零一三年課稅年度之保護性評稅是為免影響稅務局於六個評稅年度的時效後喪失其評稅權力。董事相信本集團很大可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一八年十二月三十一日無需就二零零四年／二零零五年至二零一二年／二零一三年課稅年度之稅務審核為香港利得稅作出撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。

#### 存貨撥備

本公司董事在釐定陳舊及滯銷之存貨撥備金額時，會評估存貨之賬齡分析，並根據最近期之市價及目前經濟情況，比較存貨之賬面值與其相關之可變現淨值。釐定該等撥備需要作出大量判斷。倘對存貨可變現淨值有影響之情況轉壞／好轉，則可能須作出額外撥備／撥回撥備。

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## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

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### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

#### Allowance for inventories (continued)

The carrying amount of inventories as at 31st December, 2018 was HK\$258,661,000 (net of allowance for inventories of HK\$1,989,000) (2017: HK\$157,409,000 (net of allowance for inventories of HK\$735,000)).

#### Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for the trade receivables. The provision rates are based on past due status as groupings of various debtors that have similar loss patterns. The provision matrix is grouped based on past default experience and current past due status of the debtors. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 30 and 16 respectively.

#### Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, the directors of the Company estimate the useful lives of various categories of property, plant and equipment according to their experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. The useful lives of property, plant and equipment are reviewed annually. If the expectations differ from the previous estimates, the changes will be accounted for prospectively as changes in accounting estimates.

The carrying amount of property, plant and equipment as at 31st December, 2018 was HK\$1,394,531,000 (2017: HK\$1,399,143,000).

### 4. 估計不明朗因素之主要來源(續)

#### 存貨撥備(續)

存貨於二零一八年十二月三十一日的賬面值為258,661,000港元(已扣除存貨撥備1,989,000港元)(二零一七年：157,409,000港元(已扣除存貨撥備735,000港元))。

#### 貿易應收款項預期信貸虧損撥備

本集團使用撥備模式計算貿易應收款項的預期信貸虧損。撥備比率乃根據逾期情況，而有類似虧損模式的不同債務人已分組。撥備模式乃根據債務人的過往違約經驗及目前到期情況分組。於各報告日期，過往觀察到的違約比率會接受評估及前瞻性資料會予以考慮。此外，有重大結餘及信貸減值的貿易應收款項會個別評估預期信貸虧損減值。

預期信貸虧損撥備容易受估計變更所影響。關於預期信貸虧損及本集團貿易應收款項的資料分別於附註30及16披露。

#### 物業、廠房及設備之可用年期

在應用有關物業、廠房及設備折舊之會計政策時，本公司董事會根據彼等使用物業、廠房及設備之經驗，並參考相關行業於物業、廠房及設備所採用之折舊標準來評估各類物業、廠房及設備之可用年期。物業、廠房及設備之可用年期每年均會進行檢討。倘有關預期與先前之評估相異，則有關變動將作為會計評估變動，並預先進行會計處理。

於二零一八年十二月三十一日，物業、廠房及設備之賬面值為1,394,531,000港元(二零一七年：1,399,143,000港元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

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### 5. REVENUE AND SEGMENT INFORMATION

#### Disaggregation of revenue from contracts with customers

An analysis of the Group's revenue by type of goods is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Sales of containerboard	箱板紙銷售	553,617	497,871
Sales of corrugated packaging	瓦楞包裝銷售	870,243	1,025,339
		1,423,860	1,523,210

The Group applies the practical expedient that information regarding the transaction prices allocated to the remaining performance obligation for contracts with customers is not disclosed as the original expected duration of the contracts are less than one year.

#### Segment information

The Group's manufacturing operations are located in the People's Republic of China (the "PRC").

The Group's operations are organised based on the differences in products. Information reported to the executive directors of the Company, being the chief operating decision maker ("CODM"), for the purposes of resource allocation and assessment of segment performance is analysed based on the difference in products. No operating segments identified by CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments are categorised into the manufacture and sale of:

- Containerboard – corrugating medium and linerboard
- Corrugated packaging – corrugated paper boards and carton boxes

Information regarding the above segments is reported below.

### 5. 收益及分部資料

#### 客戶合約收益的分析

本集團按貨品種類的收益分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Sales of containerboard	箱板紙銷售	553,617	497,871
Sales of corrugated packaging	瓦楞包裝銷售	870,243	1,025,339
		1,423,860	1,523,210

本集團應用實際權宜方法，關於分配至客戶餘下合約履約責任的交易價格的資料，由於合約的原定預期期限少於一年，乃不予披露。

#### 分部資料

本集團之製造業務位於中華人民共和國（「中國」）。

本集團之業務乃按不同產品類別劃分。就資源分配及評估分部表現向本公司執行董事（即主要營運決策者（「主要營運決策者」）呈報之資料乃按不同產品類別分析。本集團之可呈報分部，並無將主要營運決策者已識別的經營分部滙合呈報。

具體而言，本集團之可呈報及經營分部可分為製造及銷售：

- 箱板紙 – 瓦楞芯紙及牛咭
- 瓦楞包裝 – 瓦楞紙板及紙箱

有關上述分部之資料呈報於下文。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment information (continued)

#### Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31st December, 2018

### 5. 收益及分部資料(續)

#### 分部資料(續)

#### 分部收益及業績

以下為按經營及可呈報分部劃分之本集團收益及業績分析：

截至二零一八年十二月三十一日止年度

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>					
External sales	對外銷售	553,617	870,243	1,423,860	—	1,423,860
Inter-segment sales	分部間銷售	412,818	—	412,818	(412,818)	—
Total	總計	966,435	870,243	1,836,678	(412,818)	1,423,860
<b>RESULT</b>	<b>業績</b>					
Segment profit	分部利潤	63,238	15,790	79,028	—	79,028
Central administrative expenses	中央行政開支					(32,478)
Finance costs	財務成本					(4,832)
Profit before taxation	稅前利潤					41,718

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment information (continued)

#### Segment revenues and results (continued)

For the year ended 31st December, 2017

### 5. 收益及分部資料(續)

#### 分部資料(續)

#### 分部收益及業績(續)

截至二零一七年十二月三十一日止年度

		Containerboard 箱板紙 HK\$'000 千港元	Corrugated Packaging 瓦楞包裝 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
<b>REVENUE</b>	<b>收益</b>					
External sales	對外銷售	497,871	1,025,339	1,523,210	—	1,523,210
Inter-segment sales	分部間銷售	746,920	—	746,920	(746,920)	—
Total	總計	1,244,791	1,025,339	2,270,130	(746,920)	1,523,210
<b>RESULT</b>	<b>業績</b>					
Segment profit	分部利潤	152,581	95,597	248,178	—	248,178
Central administrative expenses	中央行政開支					(74,515)
Finance costs	財務成本					(2,096)
Profit before taxation	稅前利潤					171,567

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment information (continued)

#### Segment revenues and results (continued)

The accounting policies adopted in preparing the reportable segment information are the same as the Group's accounting policies described in note 3.

Segment profit represents the profit earned by each segment without allocation of central administrative expenses and finance costs. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

No revenue from any single customer during the year contributed over 10% of the total revenue of the Group for both years.

#### Other segment information

For the year ended 31st December, 2018

Amounts included in the measurement of segment profit:

Interest income	利息收入
Release of prepaid lease payments on land use rights	撥回土地使用權 預付租賃款項

### 5. 收益及分部資料(續)

#### 分部資料(續)

#### 分部收益及業績(續)

編製可呈報分部資料時採用之會計政策與附註3所載之本集團會計政策相同。

分部利潤代表各分部所賺取之利潤，但未分配中央行政開支及財務成本。此乃為分配資源及評估表現而匯報給主要營運決策者之方法。

分部間銷售乃參照現行市價計算。

於兩個年度內，均無任何單一客戶於年內之收益貢獻超過本集團收益總額10%。

#### 其他分部資料

截至二零一八年十二月三十一日止年度

計算分部利潤時包括之金額：

Containerboard 箱板紙 HK\$'000 千港元	Corrugated packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
(1,386)	(606)	(1,992)
510	64	574

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 5. REVENUE AND SEGMENT INFORMATION (continued)

#### Segment information (continued)

#### Other segment information (continued)

For the year ended 31st December, 2017

Amounts included in the measurement of segment profit:

	Containerboard 箱板紙 HK\$'000 千港元	Corrugated packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income 利息收入	(910)	(800)	(1,710)
Release of prepaid lease payments on land use rights 撥回土地使用權 預付租賃款項	496	61	557

#### Geographical information

The following table sets out information about (i) the Group's revenue from external customers by location of delivery destination of the goods and (ii) the Group's non-current assets by location of assets:

		Revenue from external customers 外來客戶收益		Non-current assets 非流動資產	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元
PRC	中國	1,423,860	1,523,210	1,392,481	1,397,168
Hong Kong	香港	—	—	21,634	22,854
Macau	澳門	—	—	1,416	1,572
		1,423,860	1,523,210	1,415,531	1,421,594

#### Segment assets and liabilities

The measure of the segment reporting of the Group reported to the CODM for the purposes of resources allocation and performance assessment does not include any assets and liabilities. Accordingly, no segment assets and liabilities are presented.

### 5. 收益及分部資料(續)

#### 分部資料(續)

#### 其他分部資料(續)

截至二零一七年十二月三十一日止年度

計算分部利潤時包括之金額：

	Containerboard 箱板紙 HK\$'000 千港元	Corrugated packaging 瓦楞包裝 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Interest income 利息收入	(910)	(800)	(1,710)
Release of prepaid lease payments on land use rights 撥回土地使用權 預付租賃款項	496	61	557

#### 地區資料

下表載列有關(i)本集團按貨品交付目的地劃分之外來客戶收益及(ii)本集團按資產所在地區劃分之非流動資產之資料：

#### 分部資產及負債

計算供主要營運決策者作資源分配及表現評估之用之本集團分部報告時並無計入任何資產及負債。因此，並無呈列分部資產及負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 6. OTHER INCOME

### 6. 其他收入

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Other income includes:	其他收入包括：		
Interest income	利息收入	1,992	1,710
Scrap sales	廢品銷售	611	295
Service income	服務收入	9,413	8,476
Sundry income (note)	雜項收入(附註)	9,175	2,156
		<b>21,191</b>	12,637

Note: Amount including HK\$6,209,000 (2017: nil) represents one-off refund received by one of the Company's PRC subsidiaries for qualifying as a High and New-Tech Enterprise.

附註：該金額包括6,209,000港元(二零一七年：無)，為本公司一間中國附屬公司因符合高新企業的資格而獲得的一筆過退款。

### 7. FINANCE COSTS

### 7. 財務成本

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest on unsecured bank borrowings	無抵押銀行借貸之利息	4,832	2,096

### 8. INCOME TAX EXPENSE

### 8. 所得稅開支

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	417	887
PRC Enterprise Income Tax	中國企業所得稅	2,413	20,166
		<b>2,830</b>	21,053
Deferred tax (note 21)	遞延稅項(附註21)	8,416	12,804
		<b>11,246</b>	33,857

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

截至二零一八年十二月三十一日止年度

### 8. INCOME TAX EXPENSE (continued)

On 21st March, 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28th March, 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

A portion of the Group's profits are earned by the Macau subsidiaries of the Group incorporated under the Macau SAR's Offshore Law. Pursuant to the Macau SAR's Offshore Law, such portion of profits are exempted from Macau complementary tax, which is currently at 12% of the profits. Further, in the opinion of the directors of the Company, that portion of the Group's profit is not at present subject to taxation in any other jurisdiction in which the Group operates.

Under the law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

### 8. 所得稅開支(續)

於二零一八年三月二十一日，香港立法會通過二零一七年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制，合資格企業之首2,000,000港元溢利將按8.25%之稅率徵稅，而超過2,000,000港元之溢利則按16.5%之稅率徵稅。不符合兩級制利得稅率制資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。

本公司董事認為，實行利得稅兩級制後所涉及的金額對綜合財務報表而言甚微。香港利得稅乃按兩個年度估計應課稅利潤之16.5%計算。

本集團部分利潤乃由本集團根據澳門特別行政區離岸法律註冊成立之澳門附屬公司所賺取。根據澳門特別行政區離岸法律，該部分利潤毋須繳納澳門補充稅(目前按利潤之12%徵收)。此外，本公司董事認為，目前本集團該部分利潤亦毋須於本集團經營所在之任何其他司法權區內繳納稅項。

根據中國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

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### 8. INCOME TAX EXPENSE (continued)

The income tax expense for the year can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

### 8. 所得稅開支(續)

年度所得稅開支與綜合損益及其他全面收益表所示稅前利潤之對賬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before taxation	稅前利潤	41,718	171,567
Tax at Hong Kong Profits Tax rate of 16.5% (2017:16.5%)	按香港利得稅率16.5% (二零一七年:16.5%) 計算之稅項	6,883	28,309
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(109)	(1,230)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	5,155	949
Utilisation of tax losses previously not recognised	使用先前未確認之稅項虧損	—	(46)
Effect of tax different tax rate of the PRC subsidiaries	中國附屬公司稅率不同之 影響	6,226	14,987
Effect of tax exemption granted to Macau subsidiaries	澳門附屬公司獲豁免稅項之 影響	(7,509)	(14,820)
Tax effect of undistributed earnings of the PRC subsidiaries (note 21)	中國附屬公司未分派盈利之 稅務影響(附註21)	765	5,708
Others	其他	(165)	—
Income tax expense for the year	年度所得稅開支	11,246	33,857

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**9. PROFIT FOR THE YEAR****9. 年度利潤**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit for the year has been arrived at after charging (crediting):	年度利潤已扣除(計入)下列各項:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	<b>86,594</b>	77,490
Release of prepaid lease payments on land use rights	撥回土地使用權預付租賃款項	<b>574</b>	557
Total depreciation and amortisation	折舊及攤銷總額	<b>87,168</b>	78,047
Less: Amount included in cost of inventories recognised as expenses	減: 計入確認為開支之存貨成本金額	<b>(80,292)</b>	(72,033)
		<b>6,876</b>	6,014
Staff costs	員工成本		
Directors' emoluments (note 10)	董事酬金(附註10)	<b>18,193</b>	63,165
Other staff	其他員工		
— salaries and other allowances	— 薪金及其他津貼	<b>82,803</b>	112,733
— retirement benefit scheme contributions	— 退休福利計劃供款	<b>12,592</b>	11,720
— share-based payments	— 以股份支付之支出	<b>939</b>	—
		<b>114,527</b>	187,618
Less: Amount included in cost of inventories recognised as expenses	減: 計入確認為開支之存貨成本金額	<b>(56,344)</b>	(77,178)
		<b>58,183</b>	110,440
Auditor's remuneration	核數師酬金	<b>1,560</b>	1,540
Cost of inventories recognised as expenses	確認為開支之存貨成本	<b>1,222,213</b>	1,117,744
Exchange losses, net*	匯兌虧損, 淨額*	<b>6,256</b>	1,239
Impairment loss recognised on inventories (included in "cost of sales" and "cost of inventories recognised as expenses")	就存貨確認的減值虧損(計入「銷售成本」及「確認為開支之存貨成本」)	<b>1,413</b>	—
Loss on disposal of property, plant and equipment*	出售物業、廠房及設備的虧損*	<b>1,307</b>	3,816
Operating lease rental for warehouse and office premises	倉庫及辦公室物業的經營租賃租金	<b>10,742</b>	10,444

\* Amounts included in "other expenses"

\* 金額計入「其他開支」

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### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

### 10. 董事及主要行政人員酬金及僱員薪酬

#### Directors

#### 董事

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金			2018 Total 總額 HK\$'000 千港元
		Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Retirement benefit contributions 退休福利計劃供款 HK\$'000 千港元	Share-based payments 以股份支付之支出 HK\$'000 千港元	
<i>Executive directors:</i>					
Mr. Hui Sum Kwok (resigned on 15th August, 2018)	—	2,605	8	—	2,613
Mr. Hui Sum Ping	—	6,455	18	447	6,920
Mr. Hui Sum Tai	—	6,100	18	447	6,565
Ms. Hui Yuen Li	—	984	18	447	1,449
<i>Independent non-executive directors:</i>					
Mr. Chee Man Sang, Eric	178	—	—	56	234
Mr. Yip Kwok Kwan (resigned on 12th January, 2019)	178	—	—	—	178
Mr. Wong Chu Leung	178	—	—	56	234
	<b>534</b>	<b>16,144</b>	<b>62</b>	<b>1,453</b>	<b>18,193</b>

	Fees 袍金 HK\$'000 千港元	Other emoluments 其他酬金				2017 Total 總額 HK\$'000 千港元
		Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Bonus 花紅 HK\$'000 千港元	Retirement benefit contributions 退休福利計劃供款 HK\$'000 千港元	Share-based payments 以股份支付之支出 HK\$'000 千港元	
<i>Executive directors:</i>						
Mr. Hui Sum Kwok (resigned on 15th August, 2018)	—	5,611	15,000	18	—	20,629
Mr. Hui Sum Ping	—	5,611	15,000	18	—	20,629
Mr. Hui Sum Tai	—	5,294	15,000	18	—	20,312
Ms. Hui Yuen Li	—	892	175	18	—	1,085
<i>Independent non-executive directors:</i>						
Mr. Chee Man Sang, Eric	170	—	—	—	—	170
Mr. Yip Kwok Kwan (resigned on 12th January, 2019)	170	—	—	—	—	170
Mr. Wong Chu Leung	170	—	—	—	—	170
	<b>510</b>	<b>17,408</b>	<b>45,175</b>	<b>72</b>	<b>—</b>	<b>63,165</b>

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### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (continued)

#### Directors (continued)

Mr. Hui Sum Tai is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and Group and the independent non-executive directors' emoluments shown were for their services as directors of the Company. During the year, no emoluments were paid by the Group to these directors as an inducement to join or upon joining the Group or as compensation for loss of office and no director had waived any emoluments.

#### Employees

Of the five individuals with the highest emoluments in the Group, four (2017: four) were directors of the Company whose emoluments are set out above. The emoluments of the remaining individual for the year ended 31st December, 2018 amounted to HK\$1,288,000 (2017: HK\$952,000), representing salaries and other benefits of HK\$823,000 (2017: HK\$782,000), nil bonus (2017: HK\$152,000), retirement benefits scheme contributions of HK\$18,000 (2017: HK\$18,000) and share-based payments of HK\$447,000 (2017: nil), for his/her service rendered to the Group. Emoluments paid to the remaining individual fell under the band of HK\$1,000,000 to HK\$2,000,000.

Bonus to directors and employees were determined based on the financial performance of the Group for the years ended 31st December, 2018 and 31st December, 2017.

### 10. 董事及主要行政人員酬金及僱員薪酬 (續)

#### 董事 (續)

許森泰先生亦為本公司主要行政人員，於上文所披露之酬金已包括其出任主要行政人員提供服務所享有之酬金。

上文所示的執行董事酬金乃彼等就管理本公司及本集團事務的服務酬金，所示的獨立非執行董事酬金乃彼等作為本公司董事所提供服務的酬金。年內，本集團概無支付任何酬金予此等董事作為招攬其加入或作為其加入本集團之獎勵金或作為其離職補償金，亦無董事放棄任何酬金。

#### 僱員

本集團五位最高薪酬人士中，其中四位(二零一七年：四位)為本公司董事，彼等之薪酬已於上文載列。截至二零一八年十二月三十一日止年度，餘下一位人士之酬金為1,288,000港元(二零一七年：952,000港元)，包括就彼向本集團提供服務所享有之薪金及其他福利823,000港元(二零一七年：782,000港元)、零花紅(二零一七年：152,000港元)、退休福利計劃供款18,000港元(二零一七年：18,000港元)及以股份支付之支出447,000港元(二零一七年：零)。支付予餘下人士之酬金介乎1,000,000港元至2,000,000港元組別。

董事及僱員之花紅乃參考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本集團之財務表現釐定。

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### 11. DIVIDENDS

### 11. 股息

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	於年度確認為分派之本公司普通股股東之股息：		
2017 final — HK1.5 cents (2016: HK1.5 cents) per share	二零一七年末期 — 每股1.5港仙 (二零一六年：1.5港仙)	11,953	11,953
2017 special final — HK6.5 cents (2016: HK3.0 cents) per share	二零一七年特別末期 — 每股6.5港仙 (二零一六年：3.0港仙)	51,793	23,906
		<b>63,746</b>	<b>35,859</b>

The directors did not recommend the payment of a final dividend for the year ended 31st December, 2018.

董事不建議就截至二零一八年十二月三十一日止年度派付末期股息。

### 12. EARNINGS PER SHARE

### 12. 每股盈利

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

本公司擁有人應佔每股基本及攤薄盈利乃按以下數據計算：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Earnings</b>	<b>盈利</b>		
Earnings for the purposes of basic and diluted earnings per share (2017: basic earnings per share)	計算每股基本及攤薄盈利之盈利(二零一七年：每股基本盈利)	30,472	137,710
<b>Number of shares</b>	<b>股份數目</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	796,824,000	796,824,000
Effect of dilutive potential ordinary shares in respect of share options	與購股權有關之潛在攤薄普通股之影響	2,991,100	—
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	799,815,100	796,824,000

No diluted earnings per share was presented for the year ended 31st December, 2017 as the Company had no potential ordinary shares in the previous year.

由於本公司於上年度並無潛在普通股，故並未就截至二零一七年十二月三十一日止年度呈列每股攤薄盈利。

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**13. PROPERTY, PLANT AND EQUIPMENT****13. 物業、廠房及設備**

		Factory premises in the PRC	Leasehold land and buildings	Leasehold improvements	Furniture, fixtures and office equipment	Plant, machinery and equipment	Motor vehicles	Construction in progress	Total
		中國廠房	租賃土地及樓宇	租賃物業裝修	傢俬、裝置及辦公室設備	廠房、機器及設備	汽車	在建工程	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>COST</b>	<b>成本</b>								
At 1st January, 2017	二零一七年一月一日	436,664	23,025	54,814	16,585	1,412,916	12,132	10,280	1,966,416
Exchange adjustments	匯兌調整	21,926	77	1,846	431	66,295	267	544	91,386
Additions	增添	2,230	—	4,790	1,445	48,784	3,482	107,967	168,698
Reclassification	重新分類	4,041	—	2,542	334	99,376	—	(106,293)	—
Disposals	出售	—	—	—	(304)	(8,557)	(910)	—	(9,771)
At 31st December, 2017	二零一七年十二月三十一日	464,861	23,102	63,992	18,491	1,618,814	14,971	12,498	2,216,729
Exchange adjustments	匯兌調整	(17,837)	(61)	(2,160)	(426)	(63,335)	(228)	(84)	(84,131)
Additions	增添	2,605	—	9,924	533	27,034	589	100,311	140,996
Reclassification	重新分類	847	—	68	—	109,212	—	(110,127)	—
Disposals	出售	—	—	(49)	(37)	(4,187)	(697)	—	(4,970)
At 31st December, 2018	二零一八年十二月三十一日	450,476	23,041	71,775	18,561	1,687,538	14,635	2,598	2,268,624
<b>DEPRECIATION</b>	<b>折舊</b>								
At 1st January, 2017	二零一七年一月一日	165,410	1,137	47,427	13,510	478,873	9,548	—	715,905
Exchange adjustments	匯兌調整	8,270	34	1,531	324	18,411	217	—	28,787
Provided for the year	年度撥備	17,840	922	2,938	861	53,591	1,338	—	77,490
Eliminated on disposals	出售時註銷	—	—	—	(260)	(3,429)	(907)	—	(4,596)
At 31st December, 2017	二零一七年十二月三十一日	191,520	2,093	51,896	14,435	547,446	10,196	—	817,586
Exchange adjustments	匯兌調整	(7,653)	(30)	(1,417)	(300)	(17,920)	(174)	—	(27,494)
Provided for the year	年度撥備	18,572	924	3,682	910	61,051	1,455	—	86,594
Eliminated on disposals	出售時註銷	—	—	(49)	(36)	(1,819)	(689)	—	(2,593)
At 31st December, 2018	二零一八年十二月三十一日	202,439	2,987	54,112	15,009	588,758	10,788	—	874,093
<b>CARRYING VALUES</b>	<b>賬面值</b>								
At 31st December, 2018	二零一八年十二月三十一日	248,037	20,054	17,663	3,552	1,098,780	3,847	2,598	1,394,531
At 31st December, 2017	二零一七年十二月三十一日	273,341	21,009	12,096	4,056	1,071,368	4,775	12,498	1,399,143

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### 13. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Factory premises in the PRC	4% or remaining lease term of the land element, if shorter
Leasehold land and buildings	4% or remaining lease term of the land element, if shorter
Leasehold improvements	20%
Furniture, fixtures and office equipment	10%
Plant, machinery and equipment	3 $\frac{1}{3}$ % – 33 $\frac{1}{3}$ %
Motor vehicles	20%

The carrying amount of the above-mentioned factory premises in the PRC does not include any land element which is presented as “prepaid lease payments on land use rights” separately.

### 14. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

The Group's prepaid lease payments on land use rights comprise:	本集團土地使用權預付租賃款項包括：
Land use rights in the PRC	位於中國之土地使用權
Analysed for reporting purposes as:	就呈報而作分析：
Non-current assets	非流動資產
Current assets	流動資產

Included in the Group's prepaid lease payments on land use rights is HK\$1,438,000 (2017: HK\$1,560,000) prepayments under processing arrangement which represents the prepaid amount under an operating lease for land use rights.

### 13. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)以直線法按以下年率折舊：

中國廠房	4%或土地部分之餘下租期(以較短者為準)
租賃土地及樓宇	4%或土地部分之餘下租期(以較短者為準)
租賃物業裝修	20%
傢俬、裝置及辦公室設備	10%
廠房、機器及設備	3 $\frac{1}{3}$ % – 33 $\frac{1}{3}$ %
汽車	20%

上文所述中國廠房之賬面值並不包括任何土地部分，該部份已獨立呈列為「土地使用權預付租賃款項」。

### 14. 土地使用權預付租賃款項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
The Group's prepaid lease payments on land use rights comprise:	本集團土地使用權預付租賃款項包括：		
Land use rights in the PRC	位於中國之土地使用權	21,549	23,009
Analysed for reporting purposes as:	就呈報而作分析：		
Non-current assets	非流動資產	21,000	22,451
Current assets	流動資產	549	558
		21,549	23,009

本集團之土地使用權預付租賃款項中包括1,438,000港元(二零一七年：1,560,000港元)之加工安排預付款，為土地使用權經營租賃下之預付金額。

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**15. INVENTORIES****15. 存貨**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Raw materials	原材料	145,796	114,017
Work in progress	在製品	767	471
Finished goods	製成品	112,098	42,921
		258,661	157,409

**16. TRADE AND OTHER RECEIVABLES****16. 貿易及其他應收款項**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables	貿易應收款項	176,499	180,021
Less: allowance for credit losses	減：信貸虧損撥備	(2,433)	(2,533)
		174,066	177,488
Other receivables	其他應收款項	809	1,151
		174,875	178,639

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### 16. TRADE AND OTHER RECEIVABLES (continued)

The Group allows credit periods ranging from 5 to 120 days to its trade customers which may be extended to selected trade customers depending on their trade volume and history of settlement with the Group. The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice date, which approximates the respective revenue recognition dates, at the end of the reporting period:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 30 days	30日內	172,181	174,154
31-60 days	31至60日	1,480	2,701
61-90 days	61至90日	405	361
Over 90 days	超過90日	—	272
		<b>174,066</b>	177,488

Before accepting any new customer, the Group uses an external litigation search to assess the potential customer's credit quality and defines credit limits on a customer-by-customer basis. Limits and scoring attributed to customers are reviewed monthly. Trade receivables that are neither past due nor impaired relate to customers for whom there was no recent history of default.

As at 31st December, 2018, included in the Group's trade receivables balance are debtors with aggregate gross amount of HK\$30,362,000 which are past due as at the reporting date. Out of the past due balances, HK\$490,000 has been past due 90 days or more and is not considered as in default. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances.

### 16. 貿易及其他應收款項(續)

本集團給予貿易客戶5至120日信貸期，且可以根據特定貿易客戶與本集團之貿易量及過往付款記錄而予以延長該信貸期。下列為於報告期末基於發票日期(與各自之收益確認日期相近)扣除信貸虧損撥備後而呈列之貿易應收款項之賬齡分析：

在接納任何新顧客前，本集團會採用外部訴訟搜索，評估每名潛在客戶之信貸質素及為每名客戶設定信貸限額。顧客之信貸限額及評級會每月作出檢討。既未逾期又未減值之貿易應收款項與近期並無延期付款記錄之客戶有關。

於二零一八年十二月三十一日，本集團之貿易應收款項結餘中包括合計總額為30,362,000港元之應收款項，該等款項於報告日已逾期。已逾期結餘中，490,000港元已逾期90日或以上及並無被視為違約。該等款項與多名和本集團保持良好貿易及付款紀錄之獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何抵押品。

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## 綜合財務報表附註

FOR THE YEAR ENDED 31ST DECEMBER, 2018

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### 16. TRADE AND OTHER RECEIVABLES (continued)

As at 31st December, 2017, trade receivables amounting of HK\$41,351,000 were past due at the reporting date for which the Group has not provided for impairment loss. Such amount relates to a number of independent customers that have good trade and payment records with the Group. There has not been a significant change in credit quality of the relevant customers and the Group believes that the balances are still recoverable. The Group does not hold any collateral over these balances.

The average age of these receivables is 45 days (2017: 37 days) based on invoice dates.

#### Ageing of trade receivables which are past due but not impaired

	2017 HK\$'000 千港元
Overdue by 1 to 30 days	41,351

#### Movement in the allowance for doubtful debts

	2017 HK\$'000 千港元
Balance at beginning of the year	2,406
Exchange adjustments	127
Balance at end of the year	2,533

For the year ended 31st December, 2017, impairment losses were recognised based on the Group's historical experience, aged analysis and internal assessment of the recoverability of the debt.

Details of impairment assessment of trade and other receivables for the year ended 31st December, 2018 are set out in note 30.

### 16. 貿易及其他應收款項(續)

於二零一七年十二月三十一日，貿易應收款項41,351,000港元於報告日期已逾期，而本集團並無就此進行減值虧損撥備。該等款項與多名和本集團保持良好貿易及付款紀錄之獨立客戶有關。該等客戶之信貸質素並無重大改變，且本集團相信仍可收回有關結餘。本集團並無就該等結餘而持有任何抵押品。

根據發票日期，該等應收款項的平均賬齡為45日(二零一七年：37日)。

#### 已逾期但未減值之貿易應收款項之賬齡

	2017 HK\$'000 千港元
Overdue by 1 to 30 days	41,351

#### 呆賬撥備之變動

	2017 HK\$'000 千港元
Balance at beginning of the year	2,406
Exchange adjustments	127
Balance at end of the year	2,533

截至二零一七年十二月三十一日止年度，減值虧損乃根據本集團對債項之過往經驗、賬齡分析及收回機會的內部評估而確認。

有關截至二零一八年十二月三十一日止年度，貿易及其他應收款項減值評估之詳情載於附註30。

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## 綜合財務報表附註

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### 17. BANK BALANCES AND CASH

Bank balances and cash carry interest at prevailing market rates from 0.001% to 1.250% (2017: 0.001% to 1.250%).

As at 31st December, 2018, bank balances and cash including time deposits of Renminbi ("RMB") 10,000,000 (equivalent to HK\$11,299,000) carried interest at prevailing interest rate at 2.06% per annum.

Included in the carrying amount of the Group's bank balances, approximately HK\$9,057,000 (2017: HK\$3,064,000), HK\$5,889,000 (2017: HK\$19,218,000), HK\$2,276,000 (2017: HK\$7,349,000) and HK\$234,000 (2017: HK\$250,000) denominated in RMB, United States dollars ("US\$"), HK\$ and Macau Patacas ("MOP") respectively are the currencies other than the functional currencies of the relevant group entities.

### 18. TRADE, BILLS AND OTHER PAYABLES

The suppliers of the Group grant credit periods ranging from 30 to 90 days. The following is an aged analysis of trade and bills payables presented based on the invoice date at the end of the reporting period:

### 17. 銀行結餘及現金

銀行結餘及現金乃按現行市場利率0.001%至1.250% (二零一七年：0.001% 至1.250%)計息。

於二零一八年十二月三十一日，銀行結餘及現金包括按現行年利率2.06%計息之定期存款人民幣(「人民幣」)10,000,000元(相當於11,299,000港元)。

本集團以相關集團實體之功能貨幣以外之貨幣人民幣、美元、港元及澳門幣(「澳門幣」)列值之銀行結餘之賬面值分別約為9,057,000港元(二零一七年：3,064,000港元)、5,889,000港元(二零一七年：19,218,000港元)、2,276,000港元(二零一七年：7,349,000港元)及234,000港元(二零一七年：250,000港元)。

### 18. 貿易、票據及其他應付款項

本集團之供應商授出介乎30至90日的信貸期。下列為於報告期末基於發票日期而呈列之貿易及票據應付款項之賬齡分析：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Current	即期	86,254	51,186
Overdue 1 to 30 days	逾期1至30日	327	103
Overdue 31 to 60 days	逾期31至60日	270	311
Overdue for more than 60 days	逾期60日以上	1,449	1,211
Trade and bills payables	貿易及票據應付款項	88,300	52,811
Payables for the acquisition of property, plant and equipment	購置物業、廠房及設備之應付款項	19,207	24,774
PRC duties payables	應付中國稅項	30,215	40,077
Other payables and accrued charges (note)	其他應付款項及應計支出(附註)	94,308	123,524
		<b>232,030</b>	<b>241,186</b>

Note: Major items of other payables and accrued charges are accrued salaries and wages.

The average credit period on purchases of goods is 29 days (2017: 39 days). The Group has financial risk management policies in place to ensure that all payables are within the credit time frame.

附註：其他應付款項及應計支出中，主要項目為應計薪金及工資。

購買貨物之平均信貸期為29日(二零一七年：39日)。本集團訂有財務風險管理政策，以確保所有應付款項均在信貸期限內清還。

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**19. UNSECURED BANK BORROWINGS****19. 無抵押銀行借貸**

Unsecured bank borrowings comprise:

無抵押銀行借貸包括：

	Effective interest rate 實際利率	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Bank loans 銀行貸款	2.152% – 3.418% (2017: 1.424% – 3.153%)	176,055	89,237
Other bank borrowings 其他銀行借貸	3.108% – 3.148% (2017: 1.759% – 1.776%)	45,000	66,700
		<b>221,055</b>	155,937
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Carrying amount repayable*:	應償還賬面值*：		
Within one year	一年內	123,333	93,448
More than one year, but not exceeding two years	一年以上但不超過兩年	40,000	10,821
More than two years, but not exceeding five years	兩年以上但不超過五年	14,722	6,668
		<b>178,055</b>	110,937
Carrying amount of bank loans that contain a repayment on demand clause (shown under current liabilities) and repayable within one year	包含按要求償還條款(於流動負債列示)及應於一年內償還之銀行貸款之賬面值	43,000	45,000
		<b>221,055</b>	155,937
Less: Amount due within one year shown under current liabilities	減：於流動負債列示之一年內到期金額	(166,333)	(138,448)
Amounts due after one year shown as non-current liabilities	於非流動負債列示之一年後到期金額	54,722	17,489

\* The amounts due are based on scheduled repayment dates set out in the loan agreements.

\* 到期金額乃根據載於貸款協議之議定預定還款日期釐定。

As at 31st December, 2018 and 31st December, 2017, the unsecured bank borrowings carried interest at floating rates, thus exposing the Group to cash flow interest rate risk. The interest rates are linked to Hong Kong Interbank Offered Rate ("HIBOR").

於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，無抵押銀行借貸按浮動利率計息，因此本集團須承擔現金流量利率風險。該等利率與香港銀行同業拆息(「香港銀行同業拆息」)掛鈎。

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## 綜合財務報表附註

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### 20. SHARE CAPITAL

### 20. 股本

		Number of shares 股份數目 2018 & 2017	Share capital 股本 2018 & 2017 HK\$'000 千港元
Ordinary shares of HK\$0.10 each	每股面值0.10港元之 普通股股份		
Authorised:	法定股本：		
At the beginning and the end of the year	於年初及年終	1,000,000,000	100,000
Issued and fully paid:	已發行及繳足股本：		
At the beginning and the end of the year	於年初及年終	796,824,000	79,682

### 21. DEFERRED TAXATION

### 21. 遞延稅項

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The followings are the deferred tax liabilities (assets) recognised by the Group and movements thereon during the current and prior reporting years:

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債經已抵銷。以下為本集團確認之遞延稅項負債(資產)及於本報告年度及以往報告年度之變動：

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Undistributed earnings of the PRC subsidiaries 中國附屬公司之 未分派盈利 HK\$'000 千港元	Write-down of inventories 存貨撇減 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2017	於二零一七年 一月一日	36,400	15,816	(32)	52,184
Charge to profit or loss	在損益扣除	7,096	5,708	—	12,804
At 31st December, 2017	於二零一七年 十二月三十一日	43,496	21,524	(32)	64,988
Charge to profit or loss	在損益扣除	7,651	765	—	8,416
At 31st December, 2018	於二零一八年 十二月三十一日	51,147	22,289	(32)	73,404

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1st January, 2008 onwards.

根據中國企業所得稅法，預扣稅乃向中國附屬公司自二零零八年一月一日起所賺取之利潤而宣派之股息徵稅。

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## 綜合財務報表附註

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### 22. SHARE-BASED PAYMENTS

#### Equity-settled share option scheme

The Company approved and adopted a share option scheme (the "Scheme") on 3rd June, 2013 for the primary purpose of providing incentive or rewards to selected participants for their contribution to the Group.

Under the Scheme, the Board of directors of the Company may grant options to eligible employees, including executive or non-executive directors (including independent non-executive directors), of the Company, its subsidiaries, or any entity ("Invested Entity") in which any member of the Group holds any equity interest, to subscribe for shares in the Company. Additionally, the Company may, from time to time, grant share options to any supplier of goods or services to any member of the Group or any Invested Entity, any customer of the Group or any Invested Entity, and any consultants, advisers, managers, officers or entities that provides research, development or other technological support to the Group or any Invested Entity.

The total number of shares which may be issued upon exercise of all options to be granted under the Scheme must not in aggregate exceed 10% of the shares of the Company in issue as at the date of the passing of the ordinary resolution for adoption of the Scheme. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised at any time under the Scheme shall not exceed 30% of the issued share capital of the Company from time to time.

The number of shares in respect of which options may be granted to any individual in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders in accordance with the Scheme. Where any grant of options to a substantial shareholder or an independent non-executive director or any of their respective associates would result in the shares in the Company issued and to be issued upon exercise of all options to such person in the 12-month period up to and including the date of grant in excess of 0.1% of the shares of the Company in issue and with a value (based on the closing price of the shares of the Company at the offer date of each offer) in excess of HK\$5,000,000, such grant of options must be approved in advance by the Company's shareholders in accordance with the Scheme.

### 22. 以股份支付之支出

#### 股權支付交易購股權計劃

本公司已於二零一三年六月三日批准及採納購股權計劃(「該計劃」)，主要目的為對本集團作出貢獻之指定參與者作出鼓勵或獎賞。

根據該計劃，本公司董事會可向本公司、其附屬公司或本集團任何成員公司持有任何股權之任何機構(「所投資機構」)之合資格僱員(包括執行董事或非執行董事或獨立非執行董事)授出購股權，以認購本公司股份。另外，本公司有權不時授出購股權予任何向本集團之任何成員公司或任何所投資機構提供貨物或服務之任何供應商、本集團或任何所投資機構之任何客戶，以及向本集團或任何所投資機構提供研究、開發或其他技術支援服務之任何諮詢人、顧問、經理、高級職員或機構。

根據該計劃授出之購股權獲全數行使時可予發行之股份總數，合共不得超逾採納該計劃之普通決議案獲通過當日本公司已發行股份之10%。於任何時間因行使根據該計劃授出而未行使之全部購股權而可予以發行股份之數目，不得超過本公司不時已發行股本之30%。

未經本公司股東根據該計劃事先批准，向任何個人可能授出之購股權涉及之股份數目，於任何十二個月期間，均不得超過本公司於任何時間已發行股份之1%。倘向一名主要股東或獨立非執行董事或任何彼等各自之聯繫人士授出任何購股權，會導致因授予該人士之所有購股權獲行使而於截至授出日期(包括當日)止十二個月期間，已經及將予以發行之本公司股份，合共佔本公司已發行股份超過0.1%，且價值(根據本公司股份於每次授出購股權日期之收市價計算)超過5,000,000港元，則根據該計劃該項授出購股權須事先得到本公司股東批准。

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### 22. SHARE-BASED PAYMENTS (continued)

#### Equity-settled share option scheme (continued)

An option may be exercised at any time during the period to be determined and notified by the directors to the grantee and in the absence of such determination, from the date of acceptance of an offer of the grant of such option to the earlier of the date on which such option lapses and ten years from the date of offer of that option. A consideration of HK\$1 is payable upon acceptance of the offer.

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the share; the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

The following table discloses details of the Company's share options held by the directors and other employees and movements in such holdings during the year:

Option type	Date of grant	Exercise price	Outstanding at 1.1.2017 於二零一七年一月一日 尚未行使	Exercised during the year 年內行使	Outstanding at 31.12.2017 於二零一七年十二月三十一日 尚未行使	Granted during the year 年內授出	Exercised during the year 年內行使	Outstanding at 31.12.2018 於二零一八年十二月三十一日 尚未行使
購股權類別	授出日期	行使價 HK\$ 港元						
Granted under Scheme 根據該計劃授出								
Option type G G類購股權	15.10.2018	0.435	—	—	—	42,640,000	—	42,640,000

### 22. 以股份支付之支出(續)

#### 股權支付交易購股權計劃(續)

購股權可於董事釐定及知會承授人之期間內隨時行使，倘未有釐定，則由接納授出購股權日期起至該購股權失效之日或授出該購股權日期起計十年之較早日期。於接納購股權時須付1港元代價。

行使價乃由本公司董事釐定，惟不得低於股份面值、本公司股份於授出日期之收市價及股份緊接授出日期前五個營業日之平均收市價之較高者。

下表披露由董事及其他僱員持有之本公司購股權以及該等購股權於年內之變動詳情：

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截至二零一八年十二月三十一日止年度

**22. SHARE-BASED PAYMENTS (continued)****Equity-settled share option scheme (continued)**

Note:

The vesting period, which is the period from the date of grant to the exercisable date, of the share options granted is determined by directors of the Company at each time when the options are granted. Holders of share options granted under the Scheme may only exercise their options during the exercisable periods as follows:

**Option type G**  
**G類購股權**

Exercisable periods:  
 可行使期間  
 1.5.2019 – 30.4.2020  
 1.5.2020 – 30.4.2021  
 1.5.2021 – 30.4.2026

**For the year ended 31st December, 2018**

The fair values of the share options at the grant date were calculated using the Binomial model. The inputs into the model were as follows:

Share price on the date of grant	於授出日期之股價	HK\$0.420港元
Exercise price	行使價	HK\$0.435港元
Expected volatility	預期波幅	60%
Expected life from date of grant	由授出日期起計預計年期	7.5 years 年
Risk free rate	無風險利率	2.42%
Expected dividend yield	預計股息率	1.78%

Expected volatility was determined by using the historical volatility of the Company's 875-day share prices before the date of grant. The expected life used in the model has been adjusted, based on the management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised total expense of HK\$2,392,000 (2017: nil) for the year ended 31st December, 2018 in relation to share options granted by the Company.

**22. 以股份支付之支出(續)****股權支付交易購股權計劃(續)**

附註：

授出購股權之歸屬期為授出日期至可行使日期期間，乃由本公司董事於每次授出購股權時釐定。根據該計劃授出之購股權之持有人僅可於以下可行使期間行使其購股權：

**Maximum % of share options exercisable**  
**可行使購股權最高百分比**

up to 50%  
 最高可達50%  
 up to 75% (to the extent not already exercised)  
 最高可達75% (以尚未行使者為限)  
 up to 100% (to the extent not already exercised)  
 最高可達100% (以尚未行使者為限)

**截至二零一八年十二月三十一日止年度**

於授出日期之購股權的公平值乃使用二項式模式計算。該模式之輸入數據如下：

預期波幅根據本公司於授出日期前875日期間之股價於過往之波幅釐定。該模式使用之預計年期已按管理層就不可轉讓性、行使限制及行為代價之影響作出之最佳估計調整。

本集團確認截至二零一八年十二月三十一日止年度與本公司所授出之購股權有關之總支出為2,392,000港元(二零一七年：無)。

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## 綜合財務報表附註

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### 23. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating lease which fall due as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within one year	一年內	7,601	10,692
In the second to fifth years inclusive	第二年至第五年 (包括首尾兩年)	—	7,903
		7,601	18,595

Operating lease payments represent rentals payable by the Group for certain of its warehouse, ancillary office properties and car parks. Lease is negotiated for an average term of two years (2017: two years) with fixed monthly rentals over the term of the lease.

### 23. 經營租賃承擔

於報告期末，本集團根據不可取消經營租賃有未來最低租賃款項承擔，且於下列期間到期：

經營租賃款項指本集團若干用作倉庫、輔助辦公物業及停車位之應付租金。租賃之平均年期議定為兩年(二零一七年：兩年)，並於租約期間支付固額月租。

### 24. CAPITAL COMMITMENTS

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Capital expenditure in respect of the acquisition of plant, machinery and equipment contracted for but not provided in the consolidated financial statements	已訂約但未於綜合財務報表提撥之廠房、機器及設備收購資本開支	4,684	11,590

### 24. 資本承擔

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### 25. RETIREMENT BENEFIT SCHEME

#### Hong Kong

The Group has joined the MPF Scheme for its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the MPF Scheme.

The retirement benefit scheme contributions arising from the MPF Scheme charged to the consolidated statement of profit or loss and other comprehensive income represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

#### PRC

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefit scheme operated by the government of the PRC. The subsidiaries are required to contribute a certain percentage of the salaries of their employees to the state-managed retirement benefit scheme. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions under the scheme.

During the year, the retirement benefit scheme contributions amounted to approximately HK\$12,654,000 (2017: HK\$11,792,000).

### 25. 退休福利計劃

#### 香港

本集團為其香港僱員加入強積金計劃。強積金計劃根據強制性公積金計劃條例於強制性公積金計劃管理局註冊。強積金計劃之資產與本集團資產分開，並由獨立受託人控制之基金託管。根據強積金計劃規則，僱主及其僱員各自須按規則指定的比率向強積金計劃繳付供款。本集團就強積金計劃之唯一責任是向強積金計劃繳付規定的供款。

於綜合損益及其他全面收益表支銷之強積金計劃退休福利計劃供款為本集團按計劃規定之比率應付基金之供款。

#### 中國

本集團之中國附屬公司僱員為中國政府營運之國家管理退休福利計劃成員。附屬公司須將彼等僱員之薪酬某一百分比率向國家管理之退休福利計劃供款。本集團就退休福利計劃之唯一責任為向該計劃繳付規定的供款。

年內，退休福利計劃供款約為12,654,000港元（二零一七年：11,792,000港元）。

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### 26. CONTINGENT LIABILITIES

The tax audits conducted by the IRD on the Company and certain of its subsidiaries in respect of the years of assessment 2004/2005 to 2012/2013 are still on-going.

The IRD had previously issued estimated/additional assessments to the Company and certain subsidiaries of the Company in June 2006, October 2006, March 2011, March 2012, March 2013, March 2014, September 2014, March 2015, December 2015 and March 2017 amounting to HK\$60,471,000 in aggregate. The Group had lodged valid objections with the IRD against the relevant estimated/additional assessments.

Subsequent to the lodgement of the objections of the Group, tax payment of HK\$1,993,000 was made during the year ended 31st December, 2006. Also, banker's undertakings of HK\$3,828,000 were arranged by the Group and had been accepted by the IRD as security for the payment of the above-mentioned tax. Further, tax reserve certificates of HK\$7,211,000 in aggregate in respect of 2005/2006 and 2007/2008 to 2010/2011, pending the outcome of the tax audits and the objections, were purchased in December 2006, June 2014, November 2014, June 2015, March 2016 and May 2017.

As for the other assessments, the directors of the Company are of the view that the Group is more likely than not to successfully argue that the income of these subsidiaries was not sourced in Hong Kong and also these subsidiaries were not carrying on business in Hong Kong, hence, it is not probable for the Group to be required eventually to settle the taxes demanded under those assessments.

The IRD further issued estimated/additional assessments to the Company and certain subsidiaries of the Company in January, 2018 in respect of year of assessment 2011/2012 demanding for tax in dispute of HK\$12,174,000 in aggregate, including an aggregate of HK\$8,874,000 in three assessments issued with the same amount of assessable profit to the subsidiaries, in the opinion of the directors, pending for ascertaining of which of them should be taxed (if any). The Group had lodged objections with the IRD against these estimated/additional assessments in February, 2018. Further, tax certificate of HK\$2,970,000 in respect of 2011/2012, pending the outcome of the tax audits and the objections was purchased in March 2018.

### 26. 或然負債

就二零零四年／二零零五年至二零一二年／二零一三年課稅年度而言，稅務局就本公司及其若干附屬公司之稅務審核仍在進行中。

稅務局早前於二零零六年六月、二零零六年十月、二零一一年三月、二零一二年三月、二零一三年三月、二零一四年三月、二零一四年九月、二零一五年三月、二零一五年十二月及二零一七年三月向本公司及本公司之若干附屬公司發出估計／額外評稅，稅額合共為60,471,000港元。本集團已就相關估計／額外評稅向稅務局提出有效反對。

截至二零零六年十二月三十一日止年度，本集團遞交反對書後，已支付稅項1,993,000港元。再者，本集團已安排銀行承擔3,828,000港元作為支付上述稅款之抵押，而稅務局已接受該抵押。此外，於二零零六年十二月、二零一四年六月、二零一四年十一月、二零一五年六月、二零一六年三月及二零一七年五月就二零零五年／二零零六年及二零零七年／二零零八年至二零一零年／二零一一年購買儲稅券合共7,211,000港元，以待稅務審核及提出反對之結果。

就其他評稅而言，本公司董事認為本集團很大可能成功證明該等附屬公司之收入並非源自香港，及該等附屬公司並無於香港經營業務，因此，本集團最終可能毋須就該等評稅繳付稅項。

稅務局於二零一八年一月就二零一一年／二零一二年課稅年度之稅務糾紛向本公司及本公司若干附屬公司發出估計／額外評稅合共12,174,000港元，包括就附屬公司的相同款額應課稅溢利發出三份評稅合共8,874,000港元，董事認為，以待確認哪一間公司須予繳稅(如有)。本集團已於二零一八年二月就該等估計／額外評稅向稅務局遞交反對書。此外，就二零一一年／二零一二年，已於二零一八年三月購買2,970,000港元的儲稅券，以待稅務審核及反對的結果。

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### 26. CONTINGENT LIABILITIES (continued)

The IRD further issued estimated/additional assessments to the Company and certain subsidiaries of the Company in January, 2019 in respect of year of assessment 2012/2013 demanding for tax in dispute of HK\$4,260,000 in aggregate, including an aggregate of HK\$2,940,000 in three assessments issued with the same amount of assessable profit to the subsidiaries, in the opinion of the directors, pending for ascertaining of which of them should be taxed (if any). The Group had lodged objections with the IRD against these estimated/additional assessments in February, 2019.

The directors consider that whilst the tax audits are still on-going, the IRD has issued the protective assessments for the years of assessment from 2004/2005 to 2012/2013 to the Group in order not to jeopardise the assessment powers of the IRD which will be time-barred after 6 years of assessment. The directors believe the Group is more likely than not to successfully pursue the offshore claims and their tax filing position, therefore it is not probable for the Group to be required eventually to settle the potential tax liabilities. Accordingly, the directors consider that no additional provision for Hong Kong Profits Tax in respect of the tax audits for the years of assessment 2004/2005 to 2012/2013 is necessary as at 31st December, 2018. However, the ultimate outcome of the tax audits is uncertain and the potential tax liability cannot be ascertained with certainty at the present stage.

### 27. RELATED PARTY TRANSACTIONS

The remuneration of directors, who are the key management of the Group, during the year are disclosed in note 10. The remuneration of executive directors, who are also the key executives of the Group, is determined by the remuneration committee having regard to the performance of individuals and market trends.

### 26. 或然負債(續)

稅務局於二零一九年一月就二零一二年／二零一三年課稅年度之稅務糾紛向本公司及本公司若干附屬公司發出估計／額外評稅合共4,260,000港元，包括就附屬公司的相同款額應課稅溢利發出三份評稅合共2,940,000港元，董事認為，以待確認哪一間公司須予繳稅(如有)。本集團已於二零一九年二月就該等估計／額外評稅向稅務局遞交反對書。

董事認為稅務審核工作仍在進行中，稅務局向本集團發出二零零四年／二零零五年至二零一二年／二零一三年課稅年度之保護性評稅是為免影響稅務局於六個課稅年度的時效後喪失其評稅權力。董事相信本集團很大可能成功獲得離岸申索及彼等的報稅情況，因而最終可能毋須償付潛在稅務負債。因此，董事認為於二零一八年十二月三十一日無需就二零零四年／二零零五年至二零一二年／二零一三年課稅年度之稅務審核為香港利得稅作出額外撥備。然而，董事認為，無法確定稅務審核的最終結果，而於現階段未能確定潛在稅務負債。

### 27. 關連人士交易

身為本集團主要管理人員之董事於年內之酬金於附註10披露。執行董事亦身兼本集團主要行政人員，彼等之酬金由薪酬委員會視乎個人表現及市場趨勢釐定。

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### 28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

### 28. 融資活動之負債對賬

下表詳列本集團融資活動之負債變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量及未來現金流量於本集團綜合現金流量表中分類為融資活動現金流量之負債。

		<b>Dividend payable</b>	<b>Unsecured bank borrowings</b>	<b>Interest payable</b>	<b>Total</b>
		應付股息	無抵押銀行借貸	應付利息	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
			(note 19)		
			(附註19)		
At 1st January, 2017	於二零一七年一月一日	—	286,506	309	286,815
Financing cash flows (note)	融資現金流量(附註)	(35,859)	(130,569)	(2,096)	(168,524)
Dividends declared	已宣派股息	35,859	—	—	35,859
Interest accrued	應計利息	—	—	2,096	2,096
At 31st December, 2017	於二零一七年十二月三十一日	—	155,937	309	156,246
Financing cash flows (note)	融資現金流量(附註)	(63,746)	59,856	(4,832)	(8,722)
Dividends declared	已宣派股息	63,746	—	—	63,746
Interest accrued	應計利息	—	—	4,832	4,832
Foreign exchange translation	外匯換算	—	5,262	—	5,262
At 31st December, 2018	於二零一八年十二月三十一日	—	221,055	309	221,364

Note: The cash flows represent the proceeds used for dividends payment, addition/repayment of bank loans, interest paid in the consolidated statement of cash flows.

附註：現金流量指綜合現金流量表中用作支付股息的款項、增添／償還銀行貸款及已付利息。

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### 29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes the unsecured bank borrowings disclosed in note 19 and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

### 30. FINANCIAL INSTRUMENTS

#### (a) Categories of financial instruments

### 29. 資本風險管理

為確保本集團旗下各實體可繼續持續經營，本集團對其資本實行管理，並透過使債務及股本達致最佳平衡而為股東取得最大回報。本集團的整體策略自往年起維持不變。

本集團的資本架構包括債務(當中包括附註19所披露之無抵押銀行借貸)以及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事定期檢討資本架構。作為檢討的一部分，本公司董事已考慮資金成本及每類資本的相關風險。根據本公司董事的建議，本集團將透過派付股息、發行新股、購回股份以及發行新債項或贖回現有債項，藉以平衡整體資本架構。

### 30. 金融工具

#### (a) 金融工具之類別

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<i>Financial assets</i>	<i>財務資產</i>		
Financial assets at amortised cost	按攤銷成本計量之 財務資產	<b>395,516</b>	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括 現金及現金等值)	—	515,182
<i>Financial liabilities</i>	<i>財務負債</i>		
Financial liabilities at amortised cost	按攤銷成本計量之 財務負債	<b>422,870</b>	357,046

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### 30. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, bank balances and cash, trade, bills and other payables and unsecured bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### **Market risk**

##### *Foreign currency risk*

Non-derivative foreign currency monetary assets and monetary liabilities

A significant portion of the Group's sales is denominated in RMB and significant portion of the Group's purchases is denominated in RMB and US\$. The Group's manufacturing operations are located in the PRC.

Several subsidiaries of the Group have foreign currency sales and purchases, which expose the Group to foreign currency risk. Certain bank balances, trade receivables, trade, bills and other payables and unsecured bank borrowings are denominated in the foreign currencies of the relevant group entities. The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging foreign exposure should the need arises.

### 30. 金融工具(續)

#### (b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易及其他應收款項、按金、銀行結餘及現金、貿易、票據及其他應付款項以及無抵押銀行借貸。該等金融工具之詳情載於各有關附註內。該等金融工具涉及之風險包括市場風險(外幣風險及利率風險)、信貸風險及流動資金風險。下文載列降低該等風險之政策。本公司董事管理及監察該等風險，確保適時和有效地採取適當措施。

#### **市場風險**

##### *外幣風險*

非衍生外幣貨幣資產與貨幣負債

本集團大部份銷售以人民幣列值，而本集團大部份採購乃以人民幣及美元列值。本集團之製造業務位於中國。

本集團的多間附屬公司以外幣進行買賣，令本集團承受外幣風險。若干銀行結餘、貿易應收款項、貿易、票據及其他應付款項以及無抵押銀行借貸以相關集團實體之外幣列值。本集團現時並無外匯對沖政策。然而，本集團管理層會監察外匯風險及於有需要時考慮對沖外匯風險。

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**30. FINANCIAL INSTRUMENTS (continued)****(b) Financial risk management objectives and policies (continued)****Market risk (continued)***Foreign currency risk (continued)*

Non-derivative foreign currency monetary assets and monetary liabilities (continued)

At the reporting date, the carrying amounts of the Group's monetary assets and monetary liabilities denominated in currencies other than the respective functional currencies of the relevant group entities are as follows:

		Assets 資產		Liabilities 負債	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元	2017 HK\$'000 千港元
RMB	人民幣	9,268	3,510	—	—
HK\$	港元	3,677	9,537	83,000	45,187
US\$	美元	6,935	20,335	40,305	8,743
MOP	澳門幣	234	250	—	—

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currencies of the relevant group entities against the relevant foreign currencies. Sensitivity rate of 5% represents the assessment of the directors of the Company of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates.

The sensitivity analysis below shows the impact relates to monetary assets or liabilities that are denominated in RMB, HK\$, US\$ or MOP against the functional currencies of relevant group entities, HK\$ or RMB respectively.

**30. 金融工具(續)****(b) 財務風險管理目標及政策(續)****市場風險(續)***外幣風險(續)*

非衍生外幣貨幣資產與貨幣負債(續)

於報告日，本集團以有關集團實體各自功能貨幣以外之貨幣列值的貨幣資產及貨幣負債之賬面值如下：

外幣敏感度分析

下表詳列本集團對有關集團實體之功能貨幣兌相關外幣升值及貶值5%之敏感度。敏感率5%為本公司董事對匯率可能變動之合理評估。敏感度分析僅包括以外幣計算之尚未平倉貨幣項目，並於年末調整其兌換以反映匯率之5%變動。

下文之敏感度分析顯示以人民幣、港元、美元或澳門幣計值之貨幣資產或負債分別兌相關集團實體功能貨幣港元或人民幣之影響。

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### 30. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Market risk (continued)

##### Foreign currency risk (continued)

Non-derivative foreign currency monetary assets and monetary liabilities (continued)

##### Foreign currency sensitivity analysis (continued)

In relation to monetary assets, where the functional currency of the relevant group entity strengthens 5% against the currency in which the assets are denominated, there would be a decrease in post-tax profit for the year. However, in relation to monetary liabilities, where the functional currency of the relevant group entity strengthens 5% against the currency in which the liabilities are denominated, there would be an increase in post-tax profit for the year. A 5% weakening of the functional currency would have an equal but opposite impact on the post-tax profit for the year.

### 30. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 市場風險(續)

##### 外幣風險(續)

非衍生外幣貨幣資產與貨幣負債(續)

##### 外幣敏感度分析(續)

就貨幣資產而言，倘相關集團實體之功能貨幣較資產所採納計值之貨幣升值5%，則年度稅後利潤將會減少。然而，就貨幣負債而言，倘相關集團實體之功能貨幣較負債所採納計值之貨幣升值5%，則年度稅後利潤將會增加。功能貨幣貶值5%，本年度稅後利潤會受到相同數額但相反之影響。

	RMB Impact 人民幣之影響		US\$ Impact 美元之影響		HK\$ Impact 港元之影響		MOP Impact 澳門幣之影響	
	2018	2017	2018	2017	2018	2017	2018	2017
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
(Decrease) increase in post-tax profit	(387)	(147)	1,393	(484)	3,312	1,489	(10)	(11)

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表固有之外匯風險。

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**30. FINANCIAL INSTRUMENTS (continued)****(b) Financial risk management objectives and policies (continued)****Market risk (continued)***Interest rate risk*

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings (see note 19 for details of these borrowings), bank balances and deposits. The directors consider that the interest rate risk on bank balances and deposits are minimal, accordingly, no sensitivity analysis is performed.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of HIBOR arising from the Group's borrowings denominated in HK\$.

*Interest rate sensitivity analysis*

The sensitivity analysis has been determined based on the exposure to interest rates for non-derivatives instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. Increase or decrease in a 50 basis point represents the assessment of the directors of the Company of the reasonably possible change in interest rates. For the Group's exposure to interest rates on its variable-rate bank borrowings, if interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year would have decreased/increased by HK\$923,000 (2017: HK\$651,000).

In the opinion of the directors of the Company, the sensitivity analysis is unrepresentative of the interest rate risk as the year end exposure does not reflect the exposure during the year.

**30. 金融工具(續)****(b) 財務風險管理目標及政策(續)****市場風險(續)***利率風險*

本集團承受與浮息銀行借貸(該等借貸之詳情載於附註19)、銀行結餘及存款有關之現金流量利率風險。董事認為，銀行結餘及存款之利率風險極低。因此，無須進行敏感度分析。

本集團承受財務負債之利率風險詳述於本附註之流動資金風險部份內。由於本集團的借貸以港元列值，本集團的現金流量利率風險主要集中於香港銀行同業拆息之波動。

*利率敏感度分析*

敏感度分析乃根據非衍生工具所承受之利率風險而作出，此分析乃假設於報告期末未償還的金融工具乃於整個年度未償還。增加或減少50個基點為本公司董事對利率可能合理變動之評估。本集團的浮息銀行借貸面對利率風險，如利率增加/減少50個基點，而所有其他變數維持不變，則本集團之年度稅後利潤將會減少/增加923,000港元(二零一七年：651,000港元)。

本公司董事認為，由於年末風險並不能反映年內之風險，故敏感度分析並不代表利率風險。

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### 30. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### *Credit risk and impairment assessment*

As at 31st December, 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk, the directors of the Company has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model upon application of HKFRS 9 (2017: incurred cost model) on trade receivables individually or based on a provision matrix. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk of other receivables and deposits has increased significantly since initial recognition. Based on the historical default rate, repayment history and forecast of future condition on economy and debtors, the directors considered the ECL for other receivables and deposits are immaterial.

### 30. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### *信貸風險及減值評估*

於二零一八年十二月三十一日，本集團因交易夥伴未能履行責任造成本集團財務損失而面對之最高信貸風險，乃源自於綜合財務狀況表所示各自已確認財務資產之賬面值。

為盡量降低信貸風險，本公司董事已委派一組人員負責制訂信貸限額、信貸審批及其他監控程序，以確保採取跟進措施收回逾期未付之債項。此外，本集團於應用香港財務報告準則第9號(二零一七年：產生成本模型)後，根據預期信貸虧損模式，或根據撥備模式，作出減值評估。就此而言，本公司董事認為本集團之信貸風險已大幅降低。

由於交易夥伴為獲國際信貸評級機構評為高信貸評級之銀行，故流動資金之信貸風險有限。

除把流動資金存放於獲高信貸評級之數家銀行內所涉及之信貸風險集中外，本集團並無重大集中之信貸風險。貿易應收款項涉及大量客戶，並跨越不同行業以及地區。

就內部信貸風險管理而言，本集團使用過往的到期資料，評估其他應收款項及按金的信貸虧損是否已於初始確認後大幅增加。根據過往的違約比率、還款歷史及未來經濟情況及債務人的預測，董事認為其他應收款項及按金的預期信貸虧損並不重大。

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**30. FINANCIAL INSTRUMENTS** (continued)**(b) Financial risk management objectives and policies** (continued)**Credit risk and impairment assessment**  
(continued)

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the ECL on these items by using a provision matrix, grouped based on shared credit risk characteristics by reference to past default experience and current past due status of debtors.

As part of the Group's credit risk management, the Group uses debtors' past due status to assess the impairment for its customers because these customers consist of a large number of customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

During the year ended 31st December, 2018, no additional impairment allowance was recognised for trade receivables, based on the provision matrix.

**30. 金融工具** (續)**(b) 財務風險管理目標及政策** (續)**信貸風險及減值評估** (續)

就貿易應收款項而言，本集團已就香港財務報告準則第9號應用簡化方式，計量全期的預期信貸虧損的撥備。除擁有重大未償還結餘或已信貸減值的債務人外，本集團參考債務人的過往違約經驗及目前逾期情況，根據共有的信貸風險特徵分組，使用撥備模式，釐定該等項目的預期信貸虧損。

作為本集團信貸風險管理的部分，本集團使用債務人的過往逾期情況，評估其客戶的減值，因為該等客戶包括具有常見風險特徵的大量客戶，該等特徵代表客戶根據合約條款償還所有款項的能力。

估計虧損比率乃根據過往觀察到違約比率相比債務人的預期期限估計，以及就毋須付出不必要的成本或費力而取得的前瞻性資料作出調整。分組會由管理層定期檢視，確保關於債務人的相關資料已獲得更新。

於截至二零一八年十二月三十一日止年度，根據撥備模式，並無根據就貿易應收款項確認額外減值撥備。

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### 30. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As at 31st December, 2018, the Group has available undrawn borrowing facilities of approximately HK\$215,223,000 (2017: HK\$379,300,000). The Group monitors its current and expected liquidity requirements regularly and ensuring sufficient liquid cash and adequate committed lines of funding from reputable financial institutions to meet the Group's liquidity requirements in the short and long term.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

### 30. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 流動資金風險

在管理流動資金風險時，本集團監控及維持管理層認為充足之現金及現金等值水平，從而為本集團營運提供資金及減低現金流量波動之影響。管理層監控銀行借貸之動用情況，並確保符合貸款契約之規定。

本集團依賴銀行借貸作為其流動資金之主要來源。於二零一八年十二月三十一日，本集團有未提取的借貸融資約215,223,000港元(二零一七年：379,300,000港元)。本集團會定期監控其當前及預期流動資金需求，確保其維持充足之流動現金及從信譽良好之金融機構獲得足夠之承諾貸款額以應付本集團之短期及長期流動資金需求。

下表詳列本集團之財務負債之剩餘合約到期期限。該表乃按本集團可被要求付款的最早到期日的財務負債未折現現金流量列示。特別是，包含按要求償還條款之銀行借貸，不論銀行會否行使其權利，均納入最早到期期間。其他非衍生財務負債之到期日則按照議定還款日期。表中包括利息及本金現金流量。

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**30. FINANCIAL INSTRUMENTS (continued)****30. 金融工具(續)****(b) Financial risk management objectives and policies (continued)****(b) 財務風險管理目標及政策(續)****Liquidity risk (continued)****流動資金風險(續)**

Liquidity and interest risk tables

流動資金及利息風險表

		Weighted average effective interest rate	On demand or less than 1 month	1-3 month(s)	3 months to 1 year	1-2 year(s)	2-5 years	Total undiscounted cash flows	Carrying amount
		加權平均實際利率	按 要求 或 一 個月 內	一 個 月 至 三 個 月	三 個 月 至 一 年	一 年 至 兩 年	兩 年 至 五 年	未 折 現 現 金 流 量 總 額	賬 面 值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元
<b>2018</b>	<b>二零一八年</b>								
Trade, bills and other payables	貿易、票據及其他應付款項	—	201,815	—	—	—	—	201,815	201,815
Unsecured bank borrowings — variable rate	無抵押銀行借貸 — 浮息	3.4	86,334	51,313	31,864	41,201	14,943	225,655	221,055
			<b>288,149</b>	<b>51,313</b>	<b>31,864</b>	<b>41,201</b>	<b>14,943</b>	<b>427,470</b>	<b>422,870</b>
		Weighted average effective interest rate	On demand or less than 1 month	1-3 month(s)	3 months to 1 year	1-2 year(s)	2-5 years	Total undiscounted cash flows	Carrying amount
		加權平均實際利率	按 要求 或 一 個月 內	一 個 月 至 三 個 月	三 個 月 至 一 年	一 年 至 兩 年	兩 年 至 五 年	未 折 現 現 金 流 量 總 額	賬 面 值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
			千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元	千 港 元
<b>2017</b>	<b>二零一七年</b>								
Trade, bills and other payables	貿易、票據及其他應付款項	—	201,109	—	—	—	—	201,109	201,109
Unsecured bank borrowings — variable rate	無抵押銀行借貸 — 浮息	2.1	48,091	73,076	18,401	11,088	6,721	157,377	155,937
			<b>249,200</b>	<b>73,076</b>	<b>18,401</b>	<b>11,088</b>	<b>6,721</b>	<b>358,486</b>	<b>357,046</b>

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### 30. FINANCIAL INSTRUMENTS (continued)

#### (b) Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

##### Liquidity and interest risk tables (continued)

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 month" time band in the above maturity analysis. As at 31st December, 2018, the aggregate undiscounted principal amounts of these bank loans amounted to HK\$43,000,000 (2017: HK\$45,000,000). Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

For the purpose of managing liquidity risk, the management reviews the expected cash flow information of the Group's bank loans with a repayment on demand clause based on the scheduled repayment dates set out in the agreement as set out in the table below:

		Weighted average effective interest rate 加權平均實際利率 %	Within 1 year 一年內 HK\$'000 千港元	Total undiscounted cash flows 未折現現金流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
<b>2018</b>	<b>二零一八年</b>				
Bank loans with a repayment on demand clause	包含按要求償還條款之銀行貸款	2.89	43,108	43,108	43,000
<b>2017</b>	<b>二零一七年</b>				
Bank loans with a repayment on demand clause	包含按要求償還條款之銀行貸款	2.17	45,084	45,084	45,000

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### 30. 金融工具(續)

#### (b) 財務風險管理目標及政策(續)

##### 流動資金風險(續)

##### 流動資金及利息風險表(續)

包含按要求償還條款之銀行貸款均歸入上述到期日分析中的「按要求或一個月內」期間。於二零一八年十二月三十一日，該等銀行貸款的主要未折現本金額為43,000,000港元(二零一七年：45,000,000港元)。經考慮本集團財務狀況後，董事相信銀行應不會行使其可要求立即還款之酌情權利。

為管理流動資金風險，管理層根據下表所載協議內之預定還款日期對包含按要求償還條款之本集團銀行貸款的預計現金流量資料進行檢討：

倘浮動利率於報告期末之變動不同於已釐定之利率估計，則以上關於非衍生財務負債浮動利率工具的金額須作出變更。

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**30. FINANCIAL INSTRUMENTS (continued)****(c) Fair value**

The fair values of the Group's financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

**30. 金融工具(續)****(c) 公平值**

本集團財務資產及財務負債之公平值，乃根據基於貼現現金流量分析的公認定價模型釐定，最重大輸入數據為反映交易夥伴信貸風險的貼現率。

本公司董事認為綜合財務報表內以攤銷成本記錄之財務資產及財務負債之賬面值與其公平值相若。

**31. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY****31. 本公司財務狀況表摘要**

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
<b>Non-current asset</b>	<b>非流動資產</b>		
Interest in subsidiaries	於附屬公司之權益	1,998,641	2,024,120
<b>Current assets</b>	<b>流動資產</b>		
Deposits and prepayments	按金及預付款	8,646	5,643
Amounts due from subsidiaries	應收附屬公司款項	38,399	259
Bank balances and cash	銀行結餘及現金	11,235	4,372
		<b>58,280</b>	10,274
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables and accrued charges	其他應付款項及應計支出	12,552	13,192
Amounts due to subsidiaries	應付附屬公司款項	1,229,057	1,179,231
Taxation payable	應繳稅項	551	510
		<b>1,242,160</b>	1,192,933
Net current liabilities	流動負債淨值	<b>(1,183,880)</b>	(1,182,659)
Net assets	資產淨值	<b>814,761</b>	841,461
<b>Capital and reserves</b>	<b>股本及儲備</b>		
Share capital	股本	79,682	79,682
Reserves	儲備	735,079	761,779
		<b>814,761</b>	841,461

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### 31. SUMMARISED STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

### 31. 本公司財務狀況表摘要(續)

Note:

附註：

Details of the movement of reserves in the Company's are set out below:

本公司之儲備變動詳情載列如下：

		Share premium 股份溢價 HK\$'000 千港元	Share options reserves 購股權儲備 HK\$'000 千港元	Retained profits 保留利潤 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1st January, 2017	於二零一七年一月一日	481,258	—	271,116	752,374
Profit and total comprehensive income for the year	年度利潤及全面收益總額	—	—	45,264	45,264
Dividends paid	已付股息	—	—	(35,859)	(35,859)
At 31st December, 2017	於二零一七年十二月三十一日	481,258	—	280,521	761,779
Profit and total comprehensive income for the year	年度利潤及全面收益總額	—	—	34,654	34,654
Recognition of equity-settled share-based payments	確認以股權結算以股份支付之支出	—	2,392	—	2,392
Dividends paid	已付股息	—	—	(63,746)	(63,746)
At 31st December, 2018	於二零一八年十二月三十一日	481,258	2,392	251,429	735,079

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## 綜合財務報表附註

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### 32. PARTICULARS OF PRINCIPAL SUBSIDIARIES 32. 主要附屬公司資料

Particulars of the principal subsidiaries as at 31st December, 2018 and 31st December, 2017 are as follows:

於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之主要附屬公司詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立/ 營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/ 實繳股本	Proportion of nominal value of issued capital/registered capital and voting right held by the Company 本公司所持有 已發行股本/註冊資本 及投票權之面值比例		Principal activities 主要業務
			2018 %	2017 %	
Chun Yik (Macao Commercial Offshore) Limited 進益(澳門離岸商業服務)有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股100,000澳門幣	100	100	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易
Fung Kong Shing Fung Paper Ware Factory Limited 鳳崗誠豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Investment holding 投資控股
Gong Ming Hop Fung Paper Ware Factory Limited 公明合豐紙品廠有限公司	Hong Kong 香港	Ordinary shares HK\$100 普通股100港元	100	100	Provision of management service 提供管理服務
		Non-voting deferred shares HK\$3,000,000 (note) 無投票權遞延股 3,000,000港元(附註)			
Green Forest (QingXin) Paper Industrial Limited *	PRC 中國	Contributed capital US\$112,247,803 (equivalent to approximately HK\$764,494,899) 實繳股本112,247,803美元 (相當於約764,494,899港元)	100	100	Manufacturing and trading of containerboard and corrugated packaging 箱板紙及瓦楞包裝之製造及貿易
Hop Fung Consultants Limited 合豐顧問有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Provision of management service 提供管理服務
Hop Fung Group Company Limited	BVI/Hong Kong 英屬處女群島/ 香港	Ordinary shares US\$600 普通股600美元	100	100	Investment holding 投資控股
Hop Fung International Enterprise Limited 合豐國際企業有限公司	Hong Kong 香港	Ordinary shares HK\$2 普通股2港元	100	100	Provision of accounting service 提供會計服務
Man Shung (Macao Commercial Offshore) Limited 萬順(澳門離岸商業服務)有限公司	Macau 澳門	Ordinary shares MOP100,000 普通股100,000澳門幣	100	100	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易

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## 綜合財務報表附註

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截至二零一八年十二月三十一日止年度

### 32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

### 32. 主要附屬公司資料(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立/ 營業地點	Issued and fully paid share capital/ contributed capital 已發行及繳足股本/ 實繳股本	Proportion of nominal value of issued capital/registered capital and voting right held by the Company 本公司所持有 已發行股本/註冊資本 及投票權之面值比例		Principal activities 主要業務
			2018 %	2017 %	
Top Develop Limited 拓展有限公司	BVI 英屬處女群島	Ordinary shares US\$1 普通股1美元	100	100	Investment holding and trading of containerboard 投資控股及箱板紙貿易
東莞進益紙品有限公司*	PRC 中國	Contributed capital HK\$23,000,000 實繳股本23,000,000港元	100	100	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易
合豐紙品(深圳)有限公司*	PRC 中國	Contributed capital HK\$25,000,000 實繳股本25,000,000港元	100	100	Manufacturing and trading of corrugated packaging 瓦楞包裝之製造及貿易

Note: The non-voting deferred shares, which are not held by the Group, practically carry no right to dividends or to receive notice of or to attend or vote at any annual general meeting of the Company. On winding up, the holders of the deferred shares are entitled to the distribution after the distribution of HK\$100,000,000 million to holders of ordinary shares, as specified in the articles of association.

\* Green Forest (QingXin) Paper Industrial Limited, 東莞進益紙品有限公司 and 合豐紙品(深圳)有限公司 are wholly foreign owned enterprises.

Other than Hop Fung Group Company Limited, all subsidiaries are indirectly held by the Company.

None of the subsidiaries had any debt securities subsisting at 31st December, 2018 and 31st December, 2017 or at any time during the year.

The above table lists the subsidiaries of the Group which, in the opinion of directors of the Company, principally affected the results and assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附註：無投票權遞延股並非由本集團持有，且實際上並無附帶獲派股息、收取公司任何股東週年大會通知、出席或於會上投票之權利。於清盤時，根據公司組織章程細則規定，遞延股份持有人可於向普通股持有人分派100,000,000,000港元後參與分派。

\* 森葉(清新)紙業有限公司、東莞進益紙品有限公司及合豐紙品(深圳)有限公司均為全資外資企業。

除Hop Fung Group Company Limited外，其他所有附屬公司均由本公司間接持有。

於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或年內任何時間，各附屬公司均無債務證券。

上表列出本公司董事認為對本集團業績及資產有重要影響之本集團附屬公司。董事認為，將其他附屬公司詳情列出會導致篇幅過於冗長。

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### 32. PARTICULARS OF PRINCIPAL SUBSIDIARIES (continued)

### 32. 主要附屬公司資料(續)

At the end of the reporting period, the Company has other subsidiaries that are not material to the Group. These subsidiaries are operated in Hong Kong, BVI or PRC. The principal activities of these subsidiaries are summarised as follows:

於報告期末，本公司擁有對本集團而言不屬重大之其他附屬公司。該等附屬公司於香港、英屬處女群島或中國營運。該等附屬公司之主要業務概要如下：

Principal activities 主要業務	Principal place of business 主要營業地點	Number of subsidiaries 附屬公司數目	
		2018	2017
Investment holding 投資控股	BVI 英屬處女群島	1	1
Inactive 閒置	BVI 英屬處女群島	1	1
	Hong Kong 香港	2	2
	PRC 中國	1	—
		4	3
		5	4





合豐集團控股有限公司  
HOP FUNG GROUP HOLDINGS LIMITED