

2019
ANNUAL
REPORT
年報



南順(香港)有限公司
Lam Soon (Hong Kong) Limited

A Member of the Hong Leong Group
豐隆集團成員

(Stock Code 股份代號 : 411)



南順
LAM SOON CREATIVE BAKING
創意 · 烘焙

致敬 大師級烘焙

日本麵包世家
麵包大師

谷口 佳典



櫻皇精研日式麵包粉 大師級烘焙優選

高吸水率 | 醇濃麥香 | 細膩組織 | 柔軟可口

日本
製粉工藝
日本長粉路
精研工藝

100%
進口小麥
嚴格甄選
全球優質小麥



只供國內市場

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CORPORATE INFORMATION

公司資料

Board of Directors

KWEK Leng Hai (*Chairman*)
LEUNG Joseph (*Group Managing Director*)
TANG Hong Cheong
WHANG Sun Tze, Ph.D.
TAN Lim Heng
LO Kai Yiu, Anthony
AU Chee Ming
HUANG Lester Garson, SBS, J.P.

Board Audit and Risk Management Committee

LO Kai Yiu, Anthony (*Chairman*)
HUANG Lester Garson, SBS, J.P.
AU Chee Ming

Board Remuneration Committee

AU Chee Ming (*Chairman*)
KWEK Leng Hai
HUANG Lester Garson, SBS, J.P.

Board Nomination Committee

KWEK Leng Hai (*Chairman*)
LO Kai Yiu, Anthony
AU Chee Ming

Chief Financial Officer

TSANG Chin Hung, Fanny

Company Secretary

CHENG Man Ying

Principal Banker

The Hongkong and Shanghai Banking Corporation Limited

Auditors

KPMG
Certified Public Accountants

董事會

郭令海(主席)
梁玄博(集團董事總經理)
鄧漢昌
黃上哲，博士
陳林興
羅啟耀
區熾明
黃嘉純，銀紫荊星章，太平紳士

董事會審核及風險管理委員會

羅啟耀(主席)
黃嘉純，銀紫荊星章，太平紳士
區熾明

董事會薪酬委員會

區熾明(主席)
郭令海
黃嘉純，銀紫荊星章，太平紳士

董事會提名委員會

郭令海(主席)
羅啟耀
區熾明

首席財務總監

曾展紅

公司秘書

鄭文英

主要往來銀行

香港上海滙豐銀行有限公司

核數師

畢馬威會計師事務所
執業會計師

CORPORATE INFORMATION

公司資料

Place of Incorporation

Hong Kong

Registered Office

21 Dai Fu Street, Tai Po Industrial Estate,
Tai Po, New Territories, Hong Kong

Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Rooms 1712–1716, 17/F, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

Internet Websites

Lam Soon Hong Kong Group

<http://www.lamsoon.com>

Home Care Business

<http://www.axe.com.hk/hk>

Edible Oil Business

<http://www.lamsoonoil.com>
<https://www.haomama.com>

Flour Business

<http://www.hkflourmills.com>
<http://www.gsflour.com>

Hong Leong Group

<http://www.hongleong.com>

註冊成立地點

香港

註冊辦事處

香港新界大埔大埔工業邨大富街21號

股份過戶登記處

香港中央證券登記有限公司
香港灣仔皇后大道東183號合和中心17樓
1712至1716室

互聯網網站

南順香港集團

<http://www.lamsoon.com>

家居護理業務

<http://www.axe.com.hk/hk>

食用油脂業務

<http://www.lamsoonoil.com>
<https://www.haomama.com>

麵粉業務

<http://www.hkflourmills.com>
<http://www.gsflour.com>

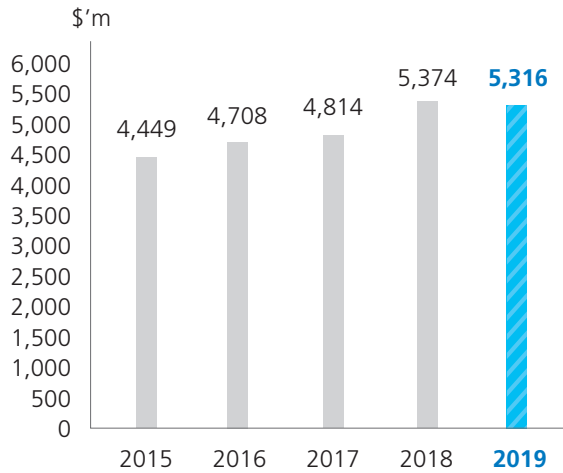
豐隆集團

<http://www.hongleong.com>

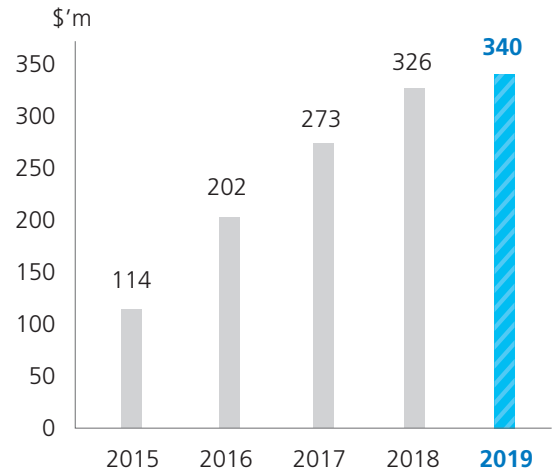
FINANCIAL HIGHLIGHTS

財務摘要

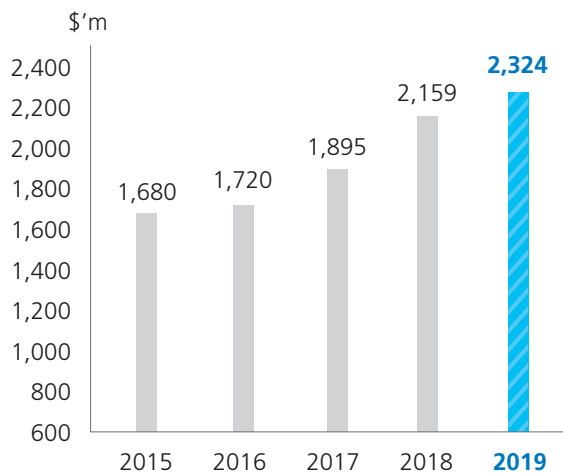
Revenue (HK\$ million)
收入(港幣百萬元)



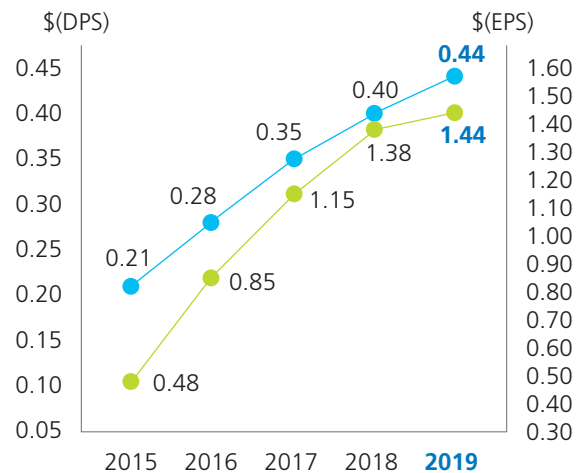
Profit Attributable to Shareholders (HK\$ million)
股東應佔溢利(港幣百萬元)



Equity Attributable to Shareholders (HK\$ million)
股東應佔權益(港幣百萬元)



Basic Earnings per Share and Dividend per Share (HK\$)
每股基本盈利及每股股息(港幣元)



● DPS 每股股息
● EPS (Basic) 每股基本盈利

FINANCIAL HIGHLIGHTS

財務摘要

Consolidated Results

綜合業績

(HK\$ million) (港幣百萬元)		Year ended 30 June 截至六月三十日止年度				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
Revenue	收入	5,316	5,374	4,814	4,708	4,449
GP%	毛利率	22%	21%	21%	20%	17%
Profit before taxation	除稅前溢利	398	391	319	266	165
Taxation	稅項	(58)	(65)	(46)	(64)	(51)
Profit for the year	本年度溢利	340	326	273	202	114
Non-controlling interests	非控制權益	-	-	-	-	-
Profit attributable to shareholders of the Company	本公司股東應佔溢利	340	326	273	202	114

Consolidated Assets and Liabilities

綜合資產及負債

(HK\$ million) (港幣百萬元)		At 30 June 於六月三十日				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
Total assets	總資產	3,062	2,871	2,561	2,317	2,558
Total liabilities	總負債	(727)	(701)	(655)	(586)	(867)
Non-controlling interests	非控制權益	(11)	(11)	(11)	(11)	(11)
Equity attributable to shareholders of the Company	本公司股東應佔權益	2,324	2,159	1,895	1,720	1,680

FINANCIAL HIGHLIGHTS

財務摘要

Key Financial Indicators

主要財務指標

		Year ended 30 June 截至六月三十日止年度				
		2019 二零一九年	2018 二零一八年	2017 二零一七年	2016 二零一六年	2015 二零一五年
Earnings per share (HK\$)	每股盈利(港幣元)					
Basic	基本	1.44	1.38	1.15	0.85	0.48
Diluted	攤薄	1.43	1.37	1.12	0.84	0.47
Dividend per share (HK\$)	每股股息(港幣元)	0.44	0.40	0.35	0.28	0.21
Equity-debt ratio*	權益債務比率*	100:0	100:0	100:0	100:0	100:0

* Equity-debt ratio is defined as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total bank loans and obligations under finance leases less cash and cash equivalents.

* 權益債務比率為本公司股東應佔總權益與淨債務的比率。淨債務包括總銀行貸款及融資租賃承擔減現金及現金等額。

CHAIRMAN'S STATEMENT 董事會主席報告書

On behalf of the Board of Directors (the "Board") of Lam Soon (Hong Kong) Limited (the "Company"), I present herewith the annual report of the Company and its subsidiaries (collectively the "Group" or "Lam Soon") for the financial year ended 30 June 2019.

The Group's net profit attributable to shareholders increased 4% to HK\$340 million while revenue was marginally lower by 1% to HK\$5,316 million this year. An almost 5% year-on-year weakening of the Renminbi moderated our revenue and profit growth. Significantly lower bran price in the second half of the financial year also dulled our profit delivery. Nevertheless, the favourable Oil and Home Care raw material costs and improved product and channel mix yielded a gross margin improvement from last year's 21.0% to 21.7%. As at 30 June 2019, the Group's cash balance of HK\$1,318 million represented a 13% improvement over last year.

The Food Segment generated a volume increase of 2.3% and its core brand focus helped to maintain profitability. The Home Care segment, with the previous strong material cost headwinds easing and execution of its remedial plan during the year, registered a 5% and 31% increase in revenue and operating profit respectively versus last year.

本人謹代表南順(香港)有限公司(「本公司」)之董事會(「董事會」)，提呈本公司及其附屬公司(合稱「本集團」或「南順」)截至二零一九年六月三十日止財政年度之年報。

本集團股東應佔淨溢利增加4%至港幣340,000,000元，而本年度收入則略微下降1%至港幣5,316,000,000元。人民幣同年比貶值將近5%，減緩我們的收入及溢利增長。本財政年度下半年麥麩價格大幅下降亦拖累我們的利潤體現。儘管如此，優惠的食用油及家居護理原材料價格，產品及渠道組合改善，使毛利率從去年的21.0%改善至21.7%。於二零一九年六月三十日，本集團的現金結餘為港幣1,318,000,000元，對比去年改善13%。

食品分部銷量增長2.3%，其專注核心品牌，有助維持盈利能力。家居護理分部，隨著過去的原材料成本的強勁阻力得到緩和及其於年內執行補救計劃，與去年相比，收入及經營溢利分別增長5%及31%。



CHAIRMAN'S STATEMENT

董事會主席報告書

The Directors are recommending a final dividend of HK\$0.30 per share at the forthcoming Annual General Meeting. In addition to the interim dividend of HK\$0.14 per share paid earlier this year (2018: interim dividend of HK\$0.13 and final dividend of HK\$0.27 per share), total dividend for the year amounts to HK\$0.44 per share, representing the fourth consecutive year of double digit percentage growth in dividend per share.

In the year under review, the Group continued with its long-term initiatives and investment in laying new foundations of growth. In addition to committing resources behind strengthened online and offline distribution across China for all of our brands, investments were also made in our production infrastructure and capability. Specifically, in Jiangsu Province, June 2019 witnessed the opening of our state-of-the-art Yixing flour factory and the signing of an investment agreement with the Jintan government to build a specialty fats facility, which is expected to be operational in FY20/21. As part of its ongoing effort to transform from an ingredient supplier into a solution provider, the Group has enlarged its product portfolio in the past few years with the inclusion of specialty fats. The distribution of specialty fats is synergistic with our flour business and leverages on its existing sales and distribution infrastructure and enhances engagement with the overlapping customer base. The new plant in Jintan signifies our commitment to manufacture high grade specialty fats bespoke to the needs of the market. These two projects position us well in meeting the Chinese customers' and consumers' rising demand for safe, quality, and premium products.

The Group will also continue to invest behind talent acquisition/retention, new product and channel development, especially in the area of e-commerce. That said, we are cognisant of the importance of striking a balance between creation of scalable new platforms/programmes and delivery of profits in the long-run. With the solid foundation built over the past several years, Lam Soon's management team is well equipped to face the challenges ahead.

On behalf of the Board, I would like to express sincere gratitude to our shareholders, bankers, customers, and employees for their unwavering support and commitment to the Group. Moving forward, by further enriching lives of consumers through high quality and safe products, the Group is poised to delivering sustainable profitable growth and creating long-term value for our shareholders.

KWEK Leng Hai
Chairman

Hong Kong, August 29, 2019

董事建議於即將舉行的股東週年常會上派發末期股息每股港幣0.30元。除於本年度較早時已付中期股息每股港幣0.14元(二零一八年：中期股息每股為港幣0.13元及末期股息每股港幣0.27元)外，本年度股息總額為每股港幣0.44元，每股股息連續第四年實現兩位數百分比增長。

於回顧年度，本集團繼續其長期方案及投資，為增長奠定新基礎。除了加強及投入資源於所有品牌在中國的線上及線下分銷外，我們亦對生產基礎設施及產能進行投資。具體而言，於二零一九年六月，我們見證在江蘇省開設最先進的宜興麵粉廠以及與金壇市政府簽署投資協議，以建立一個特種油脂設施，預計將於二零／二一財政年度投入營運。作為其從食材供應商轉變為解決方案供應商的持續努力的一部分，本集團在過去幾年通過加入特種油脂擴大其產品組合。特種油脂的分銷與我們的麵粉業務產生協同效益，並憑藉其現有銷售及分銷基礎設施，加強與重疊客戶群的聯繫。金壇的新工廠標誌著我們致力於生產滿足市場需求的高品質特種油脂。這兩個項目使我們能夠有良好定位，以滿足中國客戶及消費者對安全、高質量及優質產品不斷增長的需求。

本集團亦將繼續投資於人才招募／挽留、新產品及渠道開發，尤其是電子商務領域。換言之，我們認識到創建大型新平台／計劃與長遠利潤體現之間取得平衡的重要性。憑藉過去幾年建立的堅實基礎，南順管理團隊能夠較好應對未來挑戰。

本人謹代表董事會衷心感謝股東、銀行、客戶及僱員對本集團的堅定支持及貢獻。展望未來，本集團將以高質量及安全的產品進一步豐富客戶的生活，致力為股東帶來可持續盈利增長及創造長期價值。

郭令海
主席

香港，二零一九年八月二十九日

REVIEW OF OPERATIONS

業務回顧

FINANCIAL RESULTS

Amidst a year of volatile and uncertain political and economic environment, weakness in the Renminbi and the ongoing US-China trade dispute, the Group delivered profit growth against the previous year. Group sales volume increased by 2.6% for the year but revenue growth was dampened by a lower Renminbi exchange, by which 86% of Group revenue was denominated. 2018/19 revenue of HK\$5,316 million represents a 1% decline while net profit attributable to shareholders of HK\$340 million represents a 4% growth against last year. In the second half of the year, the continued softening of the Hong Kong and Chinese economy, coupled with rising wheat costs and a significant drop in bran price stemming from the widespread swine fever in China, adversely affected our business performance. Notably, these were mitigated by the continued improvement of our product/channel mix, cost control measures and operational efficiencies, resulting in a 0.3 percentage point year-on-year improvement of our Group net profit margin to 6.4%.

財務業績

過去一年政治及經濟環境波動不穩、人民幣疲弱及中美貿易爭議持續，本集團仍實現與去年相比的溢利增長。本集團年內銷量增加2.6%，但由於本集團收入的其中86%以人民幣計值，人民幣匯率較低導致收入增長受挫。二零一八／一九年度的收入為港幣5,316,000,000元，對比去年下降1%，而股東應佔淨溢利為港幣340,000,000元，較去年增長4%。於下半年，香港及中國經濟持續疲弱，連同小麥成本上升及豬瘟在中國擴散導致麥麩價格大幅下跌，均對我們的業務表現造成不利影響。值得注意的是，我們的產品／渠道組合、成本控制措施及經營效率得到持續改善，並緩解了上述不利情況，達致本集團淨利潤率同比改善0.3個百分點至6.4%。





江蘇南順麵粉有限公司 宜興新工廠
- 正式投產 -



匠心精研 再領卓越

DEFINING NEW EXCELLENCE



REVIEW OF OPERATIONS

業務回顧

BUSINESS REVIEW

Food Segment

Food segment recorded revenue of HK\$4,604 million, a 2% reduction versus last year (2.2% increase if excluding foreign exchange translation impact). Volume increased 2.3% and profit from operations increased marginally to HK\$394 million versus last year, mainly attributable to an overall weaker Renminbi and lower bran price in the flour business.

Oil's growth momentum is reflected in its continued volume increase seen in the year. With its profitability benefitting from the favourable oil cost trend during the year, the marketing support for the Knife brand, launch of new products and growth in its key distribution channels contributed to its sales performance and further enhanced margins. Despite an overall flat oil category in the year, Knife's market share in Hong Kong remains strong with annual volume and value market shares increasing to 32.5% and 28.5%, respectively.¹ Strong support behind corn and canola oils and the new Knife Supreme Sunflower oil, all played a key role in the volume market share increase. In the highly competitive Guangzhou market, Knife's heavier support in the past few years behind its comprehensive product portfolio continued to bear fruit. Given an otherwise mature category, Knife gained in both annual volume and value market shares to achieve 3.9% and 4.8%, respectively.² Knife expanded its business through the e-commerce channel during the year, increasing its national brand awareness and setting the stage to penetrate into areas outside of Guangdong Province.

業務回顧

食品分部

食品分部錄得收入港幣4,604,000,000元，對比去年減少2%（若不計外匯換算影響，增加2.2%）。對比去年，銷量增加2.3%及經營所得溢利輕微升至港幣394,000,000元，主要受整體較疲弱的人民幣及麵粉業務較低的麥麩價格所影響。

食用油的增長勢頭反映在今年的持續銷量增長。其盈利能力受益於年內有利的食用油成本，「刀嘜」品牌的營銷支持、新產品的推出及其主要分銷渠道的增長均促進其銷售業績並進一步提升利潤率。儘管年內市場整體食用油類別持平，「刀嘜」在香港的市場份額仍然強勁，年度銷量及價值的市場份額分別增加至32.5%及28.5%¹。粟米及芥花籽油以及新「刀嘜」金裝葵花籽油的強大支撐，均為銷量市場份額的增加發揮關鍵作用。在競爭激烈的廣州市場，「刀嘜」在過去幾年對其綜合產品組合的重點支持繼續取得成果。鑑於其為另類成熟類別，「刀嘜」於年度銷量及價值的市場份額分別上漲3.9%及4.8%²。「刀嘜」於年內通過電子商務渠道拓展業務，提升其全國品牌知名度，並滲透至廣東省以外的地區。

¹ Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Edible Oil category from July 2017 to June 2019 for Total Supermarkets & Convenience Stores in Hong Kong. (Copyright © 2019, The Nielsen Company.)

² Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Edible Oil (Consumer Pack) Category for the rolling year June 2018 (from July 2017 to June 2018) and the rolling year June 2019 (from July 2018 to June 2019), for the China Guangdong market. (Copyright © 2019, The Nielsen Company.)

¹ 南順的計算方式部分是基於尼爾森零售指數服務的食用油，從二零一七年七月至二零一九年六月自香港超級市場和便利商店渠道取得的數據。（版權所有©2019，尼爾森公司）

² 南順的計算方式部分是基於尼爾森零售指數服務的食用油（小包裝）類別，按年度滾動至二零一八年六月（即二零一七年七月至二零一八年六月）和年度滾動至二零一九年六月（即二零一八年七月至二零一九年六月）的中國廣東省市場數據。（版權所有©2019，尼爾森公司）

新 刀嘜金裝 健康葵花籽油

有助促進
心臟健康



單元不飽和脂肪酸，有助提升好膽固醇

煎炒煮炸 適用



星級註冊營養師
陳國賈

營養師之選

REVIEW OF OPERATIONS

業務回顧

BUSINESS REVIEW *(continued)*

Food Segment *(continued)*

In order to ensure that our manufacturing capacity keeps pace with business expansion and demand for higher quality products, the new Yixing flour plant will begin to produce in the new financial year the highest quality Lam Soon “Royal Sakura” flour products. This reinforces our strategy of market segmentation and premiumisation, with the primary aim to substitute currently imported premium products from Japan. On the other hand, our new growth pillar, specialty fats, will be enhanced by the plan to build a new factory adjacent to our existing Jintan flour facility in Jiangsu Province. This business will continue to leverage on the existing flour sales and distribution infrastructure and overlapping institutional customer base to tap the synergies within the Group. Flour and specialty fats (i.e. two major ingredients within the bakery industry) will help the Group to transform from an ingredient supplier to a solution provider.

Although the second half of the year was particularly challenging for our flour business due to the steep decline in bran price, we remain encouraged by the continued healthy growth of our higher margin premium core flour products in China beyond our established presence in first and second-tier cities.

As the US-China strained trade relationship has led to China's recent curtail in purchase of agricultural products from the United States, the Group will step up procurement efforts for alternative supply sourcing while enhancing its research and development and manufacturing initiatives to optimize wheat formulation and operations to achieve cost efficiencies while maintaining/improving quality. The Group will increase its procurement of high quality local wheat from the market and via the contract farming model in China.

Bran is a by-product of the milling process of wheat into flour and contributes to our revenue stream in the form of sales largely as livestock feed. The swine fever occurrence had curtailed pig rearing in the past year in China and led to reduced demand for bran. Hence its price has dropped by 27% per metric tonne in the latter part of the financial year. This situation appears to be gradually subsiding and coupled with the Group's effort to transform its crude wheat bran into other higher margin added-value edible consumables, it should help to mitigate this risk in the near future.

業務回顧 *(續)*

食品分部 *(續)*

為確保我們的生產能力與業務擴張及對更高質量產品的需求保持同步，宜興新麵粉廠將於新財政年度開始生產最高品質的南順「櫻皇」麵粉產品。這加強我們的市場分部化及優質化戰略，其主要目標是替代目前從日本進口的優質產品。另一方面，我們的新增長支柱特種油脂，將透過位於現時江蘇省金壇麵粉廠附近建設新工廠的計劃得到加強。該業務將繼續利用現有的麵粉銷售及分銷基礎設施以及重疊的機構客戶群，以獲取本集團的內部協同效應。麵粉及特種油脂（即烘焙行業中的兩種主要原料）將有助於本集團從原料供應商的角色轉變為解決方案供應商。

儘管麥麩價格急劇下降導致下半年對我們的麵粉業務尤其具挑戰性，但我們仍感到鼓舞，因我們具較高利潤率的優質核心麵粉產品於中國在一、二線城市的現有市場外維持健康增長。

由於美中貿易關係緊張導致中國近期限制從美國購買農業產品，本集團將加大採購替代供應的力度，同時加強其研發及製造計劃，以優化小麥配方及營運，在保持／提高質量的同時實現成本效益。本集團將從中國的市場及通過合約農業模式增加採購優質本地小麥。

麥麩是小麥碾磨成麵粉過程中的副產品，主要作為牲畜飼料，對我們以銷售為形式的收入來源產生貢獻。豬瘟的發生令中國過去一年減少養豬，並導致對麥麩需求的減少。因此，於本財政年度後半期，麥麩每公噸價格下降27%。該情況似乎逐漸消退，加上本集團努力將其原料麥麩轉變為其他利潤率較高的增值食用消費品，這應該有助在不久將來減輕該等風險。



REVIEW OF OPERATIONS

業務回顧

BUSINESS REVIEW *(continued)*

Home Care Segment

Revenue for Home Care grew 5% (9% revenue increase if excluding foreign exchange translation impact) to HK\$712 million this year. Operating profit of HK\$60 million, a 31% increase from last year was aided by reduced material costs, AXE and Labour price increases, and continued strong e-commerce growth during the year.

In the Hong Kong dishwashing detergent market, AXE and Labour retained their leading position with a combined annual value and volume market shares of 37.8% and 50.8% respectively.³ The Group's balanced channel mix approach in the past two years has helped to optimize profitability of this segment. Introduction of the new Triple Action dishwash detergent product in the last quarter of the financial year was well received by customers and consumers alike.

In Guangdong Province, the Group's strong presence in the dishwashing detergent market is reflected by AXE and Labour's combined annual value and volume market shares of 20.7% and 19.6% respectively. These two brands gained ground compared to a year ago, both in terms of volume and value. Specifically, AXE increased 0.4 and 0.1 percentage points in annual volume and value market share, respectively against last year. Labour, on the other hand, increased 1.0 and 0.6 percentage points in annual volume and value market share respectively versus last year.⁴

In this coming year, Home Care will introduce new products outside of the dishwashing category (e.g. laundry care), supporting our long-term strategy to transform itself from mainly a dishwashing business into a household cleaning company. As we expand our product portfolio, we will strengthen our presence in both online and offline channels. Given its high growth trend in the e-commerce channel in the past several years, Home Care will aim to achieve increased awareness for its brands and penetrate further into the national scene.

³ Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Dishwashing Detergent category from July 2017 to June 2019 for Total Supermarkets, Convenience Stores and Drug Stores in Hong Kong. (Copyright © 2019, The Nielsen Company.)

⁴ Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Dish Washing Liquid Category for the rolling year June 2019 (from July 2018 to June 2019), for the China Guangdong province total. (Copyright © 2019, The Nielsen Company.)

業務回顧 *(續)*

家居護理分部

本年度家居護理收入增長5% (若不計外匯換算影響, 增加9%) 至港幣712,000,000元。經營溢利為港幣60,000,000元, 對比去年增加31%, 乃得益於材料成本減少、「斧頭牌」及「勞工牌」價格增加及年內持續強勢的電子商務增長。

於香港碗碟洗潔精品市場, 「斧頭牌」及「勞工牌」保持其領先地位, 合併年度價值及銷量的市場份額分別為37.8%及50.8%³。於過去兩年, 本集團的均衡渠道組合方式有助於優化該分部市場的盈利能力。於本財政年度最後一個季度推出的新型三重功效洗潔精產品深受客戶及消費者的歡迎。

於廣東省, 本集團在碗碟洗潔精品市場的強勢表現反映在「斧頭牌」及「勞工牌」的合併年度價值及銷量的市場份額分別為20.7%及19.6%。與一年前相比, 這兩個品牌在銷量及價值方面都有所提升。具體而言, 「斧頭牌」的年度銷量及價值市場份額分別比去年增加0.4及0.1個百分點。另一方面, 與去年相比, 「勞工牌」的年度銷量及價值市場份額分別增加1.0及0.6個百分點⁴。

於未來一年, 家居護理將推出碗碟洗潔精類別以外的新產品 (例如洗衣護理), 以支持我們的長期戰略, 將其自身從主要碗碟清潔業務轉變為家居清潔用品公司。隨著我們擴展產品組合, 我們將加強線上及線下渠道的市場份額。鑑於過去幾年電子商務渠道的高增長趨勢, 家居護理將致力於提高品牌知名度, 並進一步滲透到全國舞台。

³ 南順的計算方式部份是基於尼爾森公司全港碗碟洗潔精品類別零售指數服務, 從二零一七年七月至二零一九年六月自香港超級市場、便利店及藥房渠道取得的數據。(版權所有©2019, 尼爾森公司)

⁴ 南順的計算方式部份是基於尼爾森對中國廣東省的碗碟洗潔精品類自二零一九年六月滾動年度 (即二零一八年七月至二零一九年六月) 的零售指數數據。(版權所有©2019, 尼爾森公司)

REVIEW OF OPERATIONS
業務回顧

The advertisement features a large circular graphic with a whisk and a fork, containing the slogan "自己心意 自己做" (Do it your own way, do it yourself). Below the slogan, it says "金像牌·蛋撻王 聯合呈獻 把傳統手藝傳承跟大家分享" (Jointly presented by Golden Statue and Egg Tart King, sharing traditional craftsmanship with everyone). The background is a green and white checkered pattern.

自己心意 自己做

金像牌·蛋撻王 聯合呈獻
把傳統手藝傳承跟大家分享

EGG TART Premix
蛋撻預拌粉

香港茶餐廳

嶄新推出

LAM SOON

REVIEW OF OPERATIONS

業務回顧

OUTLOOK

While the current market uncertainties and volatilities are expected to linger, the Group, with a strong balance sheet, remains steadfast in the execution of our long-term initiatives to build sustainable growth, strengthen its fundamentals and enhance its competitive advantages. We believe the markets that the Group serves in China and Hong Kong will grow not only in size but more importantly, demand higher quality products that the Group produces. We are well placed to serve this demand and have made appropriate investments, tangible in production facilities and intangible in brands, research and development, human resource and channel infrastructure to enhance its competitive position.

FINANCIAL REVIEW

Management has been provided with the following key performance indicators (“KPIs”) to manage its business, through evaluating, controlling and setting strategies to improve performance. Such KPIs include revenue, gross profit margin, net profit attributable to shareholders, inventory and trade receivable turnover days.

Group Results

For the year ended 30 June 2019, the Group’s sales volume increased by 2.6% for the year but revenue decreased by 1% to HK\$5,316 million. The decrease was mainly due to the depreciation of the Renminbi which 86% of Group revenue was denominated and coupled with rising wheat costs and a significant drop in bran price in the second half of the financial year which affected our business performance. Group gross profit margin of 21.7% was higher than last year’s 21.0% primarily because of the favourable Oil and Home Care raw material costs and improved product and channel mix.

Liquidity and Financial Resources

At 30 June 2019, the Group had a cash balance of HK\$1,318 million (2018: HK\$1,162 million). This was mainly attributable to the net cash generated from operating activities. About 73% of these funds were denominated in Renminbi, 24% in Hong Kong dollars and 3% in United States dollars.

Banking facilities available to Group companies and not yet drawn as at 30 June 2019 amounted to HK\$721 million (2018: HK\$728 million).

展望

雖然預期目前市場不穩及波動會持續，但本集團憑藉強勁的資產負債表，仍然堅定不移地執行我們的長期計劃，以建立可持續增長，鞏固其基礎並增強其競爭優勢。我們相信，本集團在中國及香港服務的市場不僅會增加規模，更重要的是，對本集團生產的產品有更高素質的需求。我們完全有能力滿足這一需求，並已在有形的生產設施及無形的品牌、研發、人力資源及渠道基礎設施進行適當投資，以提高其競爭地位。

財務回顧

以下的主要表現指標（「主要表現指標」），提供給管理層用作公司營運管理，包括用作評估、監控及釐訂策略以改善業務。主要表現指標包括收入、毛利率、股東應佔淨溢利、存貨及貿易應收賬款周轉天數。

集團業績

於截至二零一九年六月三十日止年度，本集團年內之銷量增加2.6%，但收入下降1%至港幣5,316,000,000元，主要由於本集團收入的其中86%以人民幣計值，人民幣匯率較低導致收入增長受挫，以及小麥成本上升及麥麩價格於下半年大幅下跌，均對我們的業務表現造成不利影響。本集團毛利率為21.7%，略高於去年的21.0%，主要原因是利好的食用油及家居護理原材料成本，產品及渠道組合改善。

流動資金及財政資源

於二零一九年六月三十日，本集團現金結餘為港幣1,318,000,000元（二零一八年：港幣1,162,000,000元）。這主要是受惠於經營活動所得現金淨額。當中約73%的資金是人民幣，24%是港幣以及3%是美元。

可供本集團使用之未提取之銀行融資於二零一九年六月三十日為港幣721,000,000元（二零一八年：港幣728,000,000元）。

定期轉換油種 食得更健康



- 🔥 食用油是人體熱量及必需脂肪酸的來源
- 🔥 含多種脂溶性維他命，有助滋養身體
- 🔥 不同油種提供不同脂肪酸，建議油種交替食用

上述優惠裝於各大百佳及惠康超市有售，貨品數量有限，部分貨品只限指定店舖提供，售完即止。實際產品價格以零售商的最終價格為準。產品圖片只供參考。

資料由註冊營養師
陳國賓
提供

REVIEW OF OPERATIONS

業務回顧

FINANCIAL REVIEW *(continued)*

Liquidity and Financial Resources *(continued)*

The Group centralises all the financing and treasury activities at corporate level. There are internal controls over the application of financial and hedging instruments which can only be employed to manage and mitigate the commodity price risk for trade purposes.

At 30 June 2019, the inventory turnover days¹ were 59 days (2018: 57 days). The trade receivable turnover days² remained at a stable level of 24 days (2018: 22 days).

In view of the strong liquidity and financial position, management believes the Group will have sufficient resources to fund its daily operations and capital expenditure commitments.

Foreign Currency Exposure

The Group has operations in Mainland China, Hong Kong and Macau. Local costs and revenue are primarily denominated in Renminbi, Hong Kong dollars, and Macau Patacas.

The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group monitors its exposure by considering factors including, but not limited to, exchange rate movement of the relevant foreign exchange currencies as well as the Group's cash flow requirements to ensure that its foreign exchange exposure is kept at an acceptable level. Details of the foreign currency exposure of the Group are set out in note 23(d) to the financial statements.

Net exchange gains for the year is set out in note 6 to the financial statements.

¹ The calculation of inventory turnover days is based on the closing balances divided by the preceding 3 months' cost of sales and multiplied by 91 days.

² The calculation of trade receivables turnover days is based on the closing balances divided by the preceding 3 months' revenue and multiplied by 91 days.

財務回顧 *(續)*

流動資金及財政資源 *(續)*

本集團於總部集中處理所有融資及財金活動，金融及衍生工具的應用受到內部規管，僅可用於處理及減輕與貿易相關的商品價格風險。

於二零一九年六月三十日，存貨周轉期¹為59日（二零一八年：57日）。貿易應收賬款周轉期²維持在24日（二零一八年：22日）的穩健水平。

鑒於本集團強健的流動比率及財務狀況，管理層相信本集團有充足資源應付日常營運及資本開支承擔項目。

外匯風險

本集團在中國大陸、香港及澳門均有業務。當地成本及收入主要以人民幣、港幣及澳門幣定價。

本集團面對的貨幣風險，主要來自因買賣而產生之應收款項、應付款項及現金結餘，該等項目乃按外幣，即交易所涉及業務之功能貨幣以外之貨幣計值。本集團考慮的因素包括（但不限於）有關外幣匯率的走勢及本集團的現金流量的需要去監察其狀況，以確保其面對的外匯風險保持在可接受的水平。集團之外匯風險詳列於財務報表附註23(d)。

本年度匯兌淨收益載於財務報表附註6。

¹ 存貨周轉天數的計算按期末結餘數除以前3個月累計的銷售成本再乘以91天。

² 貿易應收賬款周轉天數的計算按期末結餘數除以前3個月累計的收入再乘以91天。

REVIEW OF OPERATIONS

業務回顧



REVIEW OF OPERATIONS

業務回顧

FINANCIAL REVIEW *(continued)*

Capital Expenditure

During the year ended 30 June 2019, the Group invested a total sum of HK\$121 million (2018: HK\$85 million) on construction of new plant and new production lines in China and acquisition of other plant equipment.

Details of the capital expenditure commitments are set out in note 24(a) to the financial statements.

HUMAN RESOURCES

As at 30 June 2019, there were 1,681 employees in the Group. Annual increment and year-end performance bonus mechanism were incorporated in the Group's remuneration policy to retain, reward and motivate individuals for their contributions to the Group. Share options are granted to the Group Managing Director and other eligible employees to recognise their contribution and provide incentives to achieve better performance in coming years.

RELATION WITH SHAREHOLDERS AND INVESTORS

The Company encourages two-way communication with its stakeholders. Extensive information about the Group's activities is provided in the Annual and Interim Reports, which are sent to shareholders. The Group also maintains a number of websites to provide a wide range of information on the Group and its businesses.

財務回顧(續)

資本開支

截至二零一九年六月三十日止年度，本集團在中國大陸建設新廠房及新生產線，以及購買其他廠房設備共投入港幣121,000,000元(二零一八年：港幣85,000,000元)。

資本開支的承擔項目詳列於財務報表附註24(a)。

人力資源

於二零一九年六月三十日，本集團有僱員1,681人。本集團薪酬政策內設有年度薪酬遞增及年終表現獎勵機制，藉此挽留人才、獎償及激勵員工對本集團所作的貢獻，股份認購權亦發放予集團董事總經理和其他合資格之僱員，作為對彼等貢獻之認同，並提供獎賞以鼓勵於未來爭取更好的表現。

與股東及投資者的關係

本公司鼓勵與利益相關者之間的雙向溝通。本集團的年報及中期報告，載有集團活動的詳盡資料，並寄發予股東。本集團亦維持多個網站，提供本集團及其業務的廣泛資料。



CORPORATE HIGHLIGHTS

集團紀要

China International Import Expo
中國國際進口博覽會

5-10 November 2018
2018年11月5日至10日



Hong Kong Brands and Products Expo 2018
2018年度香港工展會

December 2018
2018年12月

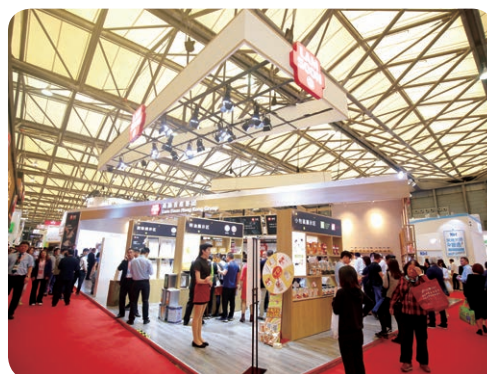


CORPORATE HIGHLIGHTS

集團紀要

Bakery China 2019
2019第二十二屆中國國際焙烤展覽會

6-9 May 2019
2019年5月6日至9日



CORPORATE HIGHLIGHTS

集團紀要

Jiangsu Lam Soon Flour Mills Company Limited
– Relocation of Yixing new plant
江蘇南順麵粉有限公司－宜興新工廠搬遷

June 2019
2019年6月



Bakery Center 烘焙中心



CORPORATE HIGHLIGHTS

集團紀要

Honour & Awards

榮譽與獎項

“Lam Soon” was awarded
“Century Food Brand Enterprise
2018” by The Hong Kong Food
Council
(「南順」獲香港食品委員會頒發
「2018百年食品品牌企業」)



“Knife” brand was awarded
Q-Mark Elite Brand Award 2018
– Soya Sauce Category
刀嘜品牌榮獲Q嘜人氣品牌大獎
2018 – 醬油類別



Lam Soon Products Supply
(Hong Kong) Company
Limited – in recognition of
the recipient’s commitment to
quality and certification under
the Hong Kong Q-Mark Product
Scheme
南順產品供應(香港)有限公司獲頒
發香港Q嘜優質產品計劃認證書



CORPORATE HIGHLIGHTS

集團紀要

Honour & Awards

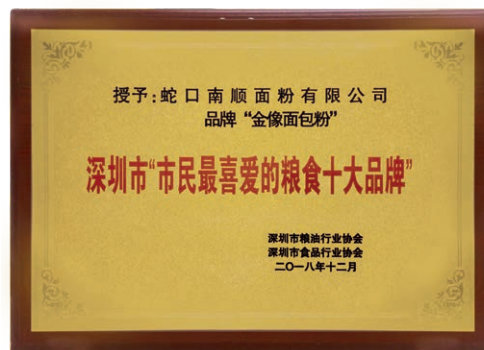
榮譽與獎項

Lam Soon (Hong Kong) Limited was awarded a “Caring Company Award” for the ten consecutive years by the Hong Kong Council of Social Service 南順(香港)有限公司連續十年獲香港社會服務聯會嘉許「商界展關懷」標誌



Shekou Lam Soon Flour Mills Company Limited 蛇口南順麵粉有限公司

“Golden Statue Flour” was awarded the “Top Ten Favourite Grocery Brands in Shenzhen” by Shenzhen Cereals and Oils Industry Association* and Food Industry Association Shenzhen 「金像麵包粉」榮獲深圳市糧油行業協會及深圳市食品行業協會頒發深圳市「市民最喜愛的糧食十大品牌」



Based on the market research conducted by the Cereals and Oils Marketing Techniques Board* under the Chinese Cereals and Oils Association*, the flour brand “Golden Statue” was awarded the “Most Competitive Brand” in flour market in 2018

經中國糧油學會糧油營銷技術分會市場調查，「金像牌」麵粉榮獲2018年度麵粉市場「最具競爭力品牌」



* For identification purpose only

CORPORATE HIGHLIGHTS

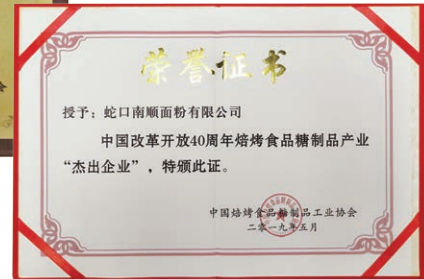
集團紀要

Honour & Awards

榮譽與獎項

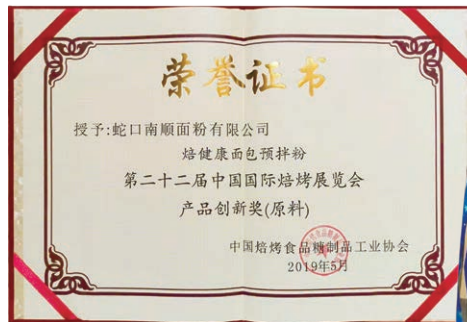
Shekou Lam Soon Flour Mills Company Limited
蛇口南順麵粉有限公司

was awarded the title of “Outstanding Enterprise” in bakery and sugar product industry in the 40th Anniversary of China’s Reform and Opening up by China Association of Bakery & Confectionery Industry 榮獲中國焙烤食品糖製品工業協會頒發中國改革開改40周年焙烤食品糖製品產業「傑出企業」稱號



Shekou Lam Soon Flour Mills Company Limited
蛇口南順麵粉有限公司

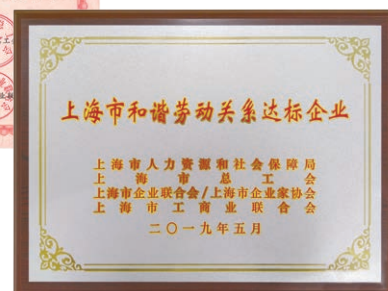
“Bran+ Bread Premix” was awarded the “Product Innovation Award (Raw material)” at the 22nd Bakery China by China Association of Bakery & Confectionery Industry 「焙健康麵包預拌粉」榮獲「第二十二屆中國國際焙烤展覽會產品創新獎(原料)」



Shekou Lam Soon Flour Mills Company Limited, Shanghai Branch
蛇口南順麵粉有限公司上海分公司

was awarded the title of “Enterprise with Harmonious Labour Relationship in Shanghai” by Shanghai Municipal Human Resources and Social Security Bureau, Shanghai General Labour Union*, Shanghai Enterprise Confederation* and Shanghai Federation of Industry and Commerce

榮獲上海市人力資源和社會保障局、上海市總工會、上海市企業聯合會／上海市企業家協會及上海市工商業聯合會頒發「上海市和諧勞動關係達標企業」稱號



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Scope and Reporting Period

This is the third Environmental, Social, and Governance (“ESG”) report of Lam Soon (Hong Kong) Limited (the “Company”, and together with its subsidiaries referred to as the “Group”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Main Board Listing Rules (“Listing Rules”) and Guidance set out by The Stock Exchange of Hong Kong Limited. The Group has complied with all the “comply or explain” provisions set out in the ESG Reporting Guide during the Reporting Period.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social aspects of its major business operations for the manufacture and distribution of food and home care products in Hong Kong and the Mainland China, which accounted for 98% of the Group’s total revenue, from 1 July 2018 to 30 June 2019 (the “Reporting Period”), unless otherwise stated. The Group has business operations included:

- (i) Hong Kong Lam Soon Building, which comprises the headquarters office and an edible oil plant;
- (ii) Shenzhen office in Shekou, Nanshan District, Shenzhen, People’s Republic of China (“PRC”);
- (iii) Five flour mill plants in Shekou (Shenzhen), Yixing, Jintan, Qionglai and Qingzhou of the PRC;
- (iv) Edible oil plant in Shekou, Nanshan District, Shenzhen, PRC; and
- (v) Home care products plant in Guangzhou, PRC.

The business operation in Macau was excluded due to its relatively small scale. Similarly, sales offices in Beijing and Shanghai were excluded due to their insignificant contribution to the environmental and social impacts. The old Yixing flour mill plant was shut down in January 2019 and new flour mill plant was in commissioning since June 2019. No other major operational changes were occurred during the Reporting Period.

範圍及報告期間

此為南順(香港)有限公司(「本公司」, 連同其附屬公司統稱為「本集團」)刊發之第三份環境、社會及管治(「環境、社會及管治」)報告, 以強調本集團於環境、社會及管治方面之表現, 有關披露乃參考香港聯合交易所有限公司主板上市規則(「上市規則」)附錄27及指引所述之環境、社會及管治報告指引。本集團已遵守於報告期間的環境、社會及管治報告指引所載的所有「不遵守就解釋」條文。

除另有說明外, 本環境、社會及管治報告涵蓋本集團於香港和中國大陸之食品及家居護理用品製造及分銷主要業務(佔本集團總收入98%)於二零一八年七月一日至二零一九年六月三十日(「報告期間」)在環境及社會方面兩大主要範疇之整體表現。本集團擁有業務營運包括:

- (i) 香港南順大廈, 包括總部辦事處及食用油廠;
- (ii) 位於中華人民共和國(「中國」)深圳南山區蛇口的深圳辦事處;
- (iii) 位於中國蛇口(深圳)、宜興、金壇、邳嶗及青州的五個麵粉廠;
- (iv) 位於中國深圳南山區蛇口的食用油廠; 及
- (v) 位於中國廣州的家居護理用品廠。

澳門之業務營運因其規模較小而並無納入在內。同樣地, 由於北京及上海的銷售辦事處對環境及社會影響較小, 亦無納入在內。舊宜興麵粉廠已於二零一九年一月關閉, 而新麵粉廠已自二零一九年六月起開始運營。於報告期間並無發生其他重大運營變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Stakeholder Engagement and Materiality

Key stakeholders including investors, shareholders and employees have been involved in regular engagement sessions to discuss and review areas of attention in order to help the Group meet its potential growth and prepare for future challenges. Through identifying areas of improvement and maintaining close communication with various stakeholders, the Group aims to consistently enhance its ESG performance and management.

Stakeholders' Feedback

The Group welcomes stakeholders' feedback on our ESG approach and performance. Please give your suggestions or share your views with us via email at webmaster@lamsoon.com.

The Group's ESG Commitment

The Board of Directors of the Group acknowledges that it has the overall responsibility for the Group's ESG strategy and reporting and for evaluating and determining the Group's ESG-related risks. The Group has dedicated its effort to ensuring its compliance with the relevant legal and regulatory requirements as described in the Listing Rules.

The Group's Sustainability Mission and Vision

Entrenching its tradition of creating values for its stakeholders and communities, the Group has taken a progressive approach in integrating sustainability into its businesses, towards a stronger, more resilient group. The Group is committed to growing its businesses responsibly, balancing environmental with economic considerations, as well as creating a positive impact for its stakeholders and contributing to its communities.

持份者參與及重要性

主要持份者(包括投資者、股東及僱員)已定期參與會議、討論及審閱注意事項,以助本集團發揮潛在增長及為未來挑戰做好準備。通過識別需要改進的領域並與各持份者保持密切溝通,本集團旨在不斷提高其環境、社會及管治表現及管理水平。

持份者意見

本集團歡迎持份者對我們的環境、社會及管治方法及表現發表意見。敬請閣下透過電郵向我們提出建議或分享意見,電郵地址為 webmaster@lamsoon.com。

本集團的環境、社會及管治承諾

本集團董事會認為,其對本集團的環境、社會及管治戰略及報告以及評估及釐定本集團之環境、社會及管治相關風險負有總體責任。本集團致力確保遵守上市規則所述之相關法律及監管規定。

本集團的可持續發展使命與願景

本集團秉承為持份者及社區創造價值的傳統,並採取進取的方針將可持續發展納入我們的業務,使集團變得更強大及強韌。本集團致力於以負責任的態度拓展我們的業務、平衡環境與經濟考慮因素,以及為持份者締造正面的影響及為社區作出貢獻。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

The Group's Sustainability Mission and Vision *(continued)*

The Group continues to embrace the following core values in all aspects:

Honour	To conduct business with honour
Human resources	To enhance the quality of human resources – as the essence of management excellence
Entrepreneurship	To pursue management vision and foster entrepreneurship
Innovation	To nurture and be committed to innovation
Quality	To consistently provide goods and services of the highest quality at competitive prices
Progress	To continuously improve existing operations and to position for expansion and new opportunities
Unity	To ensure oneness in purpose, harmony and friendship in the pursuit of prosperity for all
Social responsibility	To create wealth for the betterment of society

During the Reporting Period, the Group has put its emphasis on energy saving and energy efficiency. The Administration Department aims to implement various plans to reduce the total energy consumption in our Hong Kong building in the coming 12 months. In addition, the Group has joined the Renewable Energy Feed-in Tariff by CLP Power Hong Kong Limited (CLP) and such project will be completed by the end of 2019 for energy saving and promotion of the use of clean energy.

Challenges and Future Directions

Labour shortage remains as one of the major challenges for various businesses in the PRC. To overcome the problem of labour shortage, the Group has implemented various schemes for employees retention.

In addition, the Group will continue to deploy automation technologies to reduce its dependency on labour in the coming years. This strategy, at the same time, is in line with the development strategy of Shenzhen's Nanshan District, where enterprises are encouraged to improve production efficiency and product quality through adoption of new technologies.

With China tightening control on pollution, the Group has kept track of the latest regulations and its environmental-related parameters resulting from business operations. The Group commits to putting sufficient resources in ensuring that its environmental performances meet or exceed the statutory requirements and reducing overall energy consumption.

本集團的可持續發展使命與願景(續)

本集團在各方面繼續秉承以下核心價值：

道德	以有信譽之方式進行業務
人力資源	提升人力資源質量 – 作為卓越管理之精髓
企業精神	追求管理願景及培育企業精神
創新	扶持及致力創新
質量	持續以具競爭力的價格提供最優質的貨品及服務
進步	持續改善現有營運以及為擴展及迎接新機遇作好準備
團結	於追求成功的同時，確保目的、和諧及友好關係能夠互相協調
社會責任	創造財富以改善社會

報告期間，本集團注重節省能源及能源效率。行政部旨在實施不同計劃，以於未來12個月內將香港建築物的總能源消耗降低。此外，本集團已加入中華電力有限公司(中電)的可再生能源上網電價計劃，該計劃將於二零一九年年底完成以節約能源並促進清潔能源的使用。

挑戰及未來方向

勞動力短缺仍然為中國多項業務面臨的主要挑戰之一。為解決勞動力短缺的問題，本集團已實施各種挽留員工計劃。

此外，本集團將於未來數年繼續部署自動化技術，以減少對勞動力的依賴。此策略同時亦符合深圳南山區的發展方向，鼓勵企業通過採用新技術提升生產效率及產品質量。

隨著中國收緊對污染的控制，本集團一直密切跟踪最新法規及其企業業務營運所產生的環境相關指標。本集團承諾將投入足夠資源以確保其環境表現符合或優於法定要求並減少整體能源消耗。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental

The Group pledges to make continuous improvement in managing and monitoring its waste gas, wastewater, solid waste and noise pollution. Every year, through engaging external licensed testing laboratories, various environmental tests are conducted to evaluate the capability of existing facilities on meeting regulatory and environmental requirements and national standards based on the parameters obtained. Starting from 2013, the Group has also appointed qualified third-party institutions to verify its greenhouse gas ("GHG") emission, as part of the commitment to the government's Emission Trading Scheme. The flour mill plant in Shekou is audited annually to ensure that their GHG emission quantification and reporting meet the requirements set out in the Specification with Guidance for Quantification and Reporting of the Organisation's GHG Emissions (SZDB/Z 69-2012).

Moreover, the ISO 14001 Environmental Management System has been adopted across the Group's major operation sites. The system enables that effective and timely emergency mechanism is in place in case of severe environmental pollution incidents, as well as keeps track of the Group's energy efficiency and emission reduction targets.

A1. Emissions

The Group strictly abides by the laws, rules and regulations enforced in relation to environmental protection and pollution control, including but not limited to the following:

- Environmental Protection Law of the PRC;
- Atmospheric Pollution Prevention and Control Law of the PRC;
- Law of the PRC on Prevention and Control of Water Pollution;
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste;
- Regulations on Environmental Protection in Guangdong Province;
- Regulations on Prevention and Control of Environmental Pollution by Solid Waste in Guangdong Province;
- Measures for the Management of Hazardous Waste Transfer in Shenzhen;
- Environmental Protection Regulations of Shenzhen Special Economic Zone; and
- Measures for the Management of Municipal Domestic Waste (Decree No. 157 of the Ministry of Construction of the PRC).

A. 環境

本集團承諾持續改善對廢氣、污水、固體廢物及噪音污染的管理及監察。本集團每年委聘外部持牌測試實驗室進行針對多項環境測試，以根據所得指標評估現有設施在達至監管及環境規定及國家標準之能力。自二零一三年起，本集團亦委聘合資格第三方機構核査溫室氣體（「溫室氣體」）排放以響應政府的排放交易計劃。蛇口麵粉廠每年接受審核以確保其溫室氣體排放的量化及報告符合《組織的溫室氣體排放量化和報告規範及指南》(SZDB/Z 69-2012)。

此外，我們已於本集團主要營運場所採納ISO 14001環境管理體系。該系統是我們於發生嚴重環境污染事故時有效及適時的應急機制，並能夠掌握本集團的能源效益及減排目標動向。

A1. 排放

本集團嚴格遵守有關環境保護及污染控制的法律、法規及規章，包括但不限於以下各項：

- 《中華人民共和國環境保護法》；
- 《中華人民共和國大氣污染防治法》；
- 《中華人民共和國水污染防治法》；
- 《中華人民共和國固體廢物污染環境防治法》；
- 《廣東省環境保護條例》；
- 《廣東省固體廢物污染環境防治條例》；
- 《深圳市危險廢物轉移管理辦法》；
- 《深圳經濟特區環境保護條例》；及
- 《城市生活垃圾管理辦法》（建設部令第157號）。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A1. Emissions *(continued)*

In addition to complying with laws and regulations at national/provincial/city level, the Group also follows industry standards to monitor its environmental performances.

For air emissions, the Group is committed to strict compliance with:

- The Emission Standard of Air Pollutants for Boilers (DB44/765-2010 and GB 13271-2014); and
- The Integrated Emission Standard for Air Pollutants (GB 16297-1996).

For water pollutants, the Group ensures that its discharge meets:

- The Discharge Limits of Water Pollutants (DB44/26-2001) in Guangdong Province; and
- The national Integrated Wastewater Discharge Standard (GB 8978-1996).

For noise pollution, the Group strictly controls the noise generated from production activities by complying with:

- the Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008).

No cases of material non-compliance with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas (GHG) emissions, discharges into water and land, and generation of hazardous and non-hazardous waste was recorded during the Reporting Period.

A. 環境 *(續)*

A1. 排放 *(續)*

除遵守國家／省／市一級的法律及法規外，本集團亦遵循行業標準以監控其環境表現。

就空氣排放而言，本集團致力於嚴格遵守：

- 《鍋爐大氣污染物排放標準》(DB44/765-2010及GB 13271-2014)；及
- 《大氣污染物綜合排放標準》(GB 16297-1996)。

就水污染而言，本集團確保其排放滿足：

- 《廣東省水污染物排放限值》(DB44/26-2001)；及
- 《污水綜合排放標準》(GB 8978-1996)。

就噪聲污染而言，本集團透過遵守以下標準嚴格控制生產活動產生的噪音：

- 《工業企業廠界環境噪聲排放標準》(GB 12348-2008)。

於報告期間，並無發生任何重大違反相關法律及法規的事件對本集團造成重大影響，內容涉及報告期間大氣及溫室氣體排放、對水及土地的排放物以及產生有害及無害廢物。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A1. Emissions *(continued)*

A1.1 Air Pollutant Emissions

Liquid petroleum gas (LPG) was used for canteen operations and oil mist was generated from canteens. All air-borne emissions were strictly monitored by the Environmental Protection Agency under various standards such as the Determination of Toxic Substances in Workplace Air – Chloride (GB Z/T 160.37-2004). All sampling results were within permissible levels set by standards. Stationary fuel sources of LPG and natural gas has contributed to the emissions of 10.21 kg of nitrogen oxides (NO_x) and 0.05 kg of sulphur oxides (SO_x).

In addition to direct on-site air emissions, the Group is in the process of replacing self-owned fleet of heavy-duty vehicles and passenger cars (both petrol and diesel engines) to enable they meet the China V emission standards, which also comply with the Euro V vehicle emission standards. During the Reporting Period, NO_x, SO_x and respiratory suspended particles (“PM”) were emitted from fuel consumption of company vehicles. Vehicles were used for transportation and delivery of products, contributing to the emissions of 100.24 kg of NO_x, 0.84 kg of SO_x and 4.68 kg of PM.

A1.2 Greenhouse Gas (GHG) Emissions

There were 41,811 tonnes of carbon dioxide equivalent (“tCO₂eq”) (carbon dioxide, methane, nitrous oxide and hydrofluorocarbons) emitted in the Reporting Period, with an overall emission intensity of 0.05 tCO₂e/tonnes of production volume. The GHG reported was from the following activities and scopes:

- Direct (scope 1) GHG emissions from the fuels for stationary combustion as well as for mobile transportation;
- Energy Indirect (scope 2) GHG from purchased electricity; and
- Other Indirect (scope 3) GHG from business air travel, freshwater processing, and paper waste disposal by the Group.

A. 環境 *(續)*

A1. 排放 *(續)*

A1.1 空氣污染物排放

液化石油氣乃用於餐廳營運，而餐廳產生油霧。環境保護部門根據各種標準（例如，《工作場所空氣有毒物質測定氯化物》(GBZ/T160.37-2004)）對所有大氣傳播的排放進行嚴格監控。所有抽樣結果均在標準規定的允許水平內。液化石油氣及天然氣的固定燃料來源導致排放10.21千克氮氧化物(NO_x)及0.05千克硫氧化物(SO_x)。

除直接進行現場大氣排放外，本集團正在替換自有重型汽車及乘用車（汽油及柴油引擎發動車）車隊，以使其符合中國第五階段排放標準，亦符合歐洲第五階段汽車廢氣排放標準。於報告期間，公司汽車消耗燃料時排放出NO_x、SO_x及可吸入懸浮粒子（「PM」）。汽車乃用於運輸及交付產品，並排放100.24千克NO_x、0.84千克SO_x及4.68千克PM。

A1.2 溫室氣體 *(溫室氣體)* 排放

於報告期間排放41,811噸二氧化碳當量（「噸二氧化碳當量」）（二氧化碳、甲烷、氧化亞氮和氫氟碳化物），整體排放強度為每噸產量0.05噸二氧化碳當量。所報告之溫室氣體乃來自以下活動及範疇：

- 固定源及汽車燃料燃燒直接產生的（範疇1）溫室氣體排放；
- 購電產生的間接能源（範疇2）溫室氣體排放；及
- 來自本集團商務旅行、淡水處理及廢紙處理的其他間接（範疇3）溫室氣體排放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental (continued)

A1. Emissions (continued)

A1.2 Greenhouse Gas (GHG) Emissions (continued)

Scope of Greenhouse Gas Emissions 溫室氣體排放範疇	Emission Sources 排放來源	GHG Emission (in tCO ₂ eq) 溫室氣體排放量 (噸二氧化碳當量)
Scope 1 Direct emission 範疇1直接排放		
Combustion of fuels in stationary sources 固定源之燃料燃燒		
	Natural Gas 天然氣	132.46
	LPG 液化石油氣	4.04
	Diesel 柴油	2.11
	Biofuel 生物燃料	3.63
Combustion of fuels in mobiles sources 汽車燃料燃燒		
	Diesel 柴油	6.69
	Petrol 汽油	146.22
	LPG 液化石油氣	4.08
Refrigerant 製冷劑		
		238.92
Scope 2 Energy indirect emission 範疇2能源間接排放		
Purchased electricity 購電		40,998.53
Scope 3 Other indirect emission 範疇3其他間接排放		
Paper waste disposed of at landfills 堆填區處置的廢紙		62.78
Freshwater and sewage processing 淡水及廢水處理		95.54
Business air travel 商務航空差旅		125.63
Total GHG emission 溫室氣體排放總量		41,811

Notes:

- According to the "2019 Organizational GHG Verification Report" issued for the flour mill plant in Shekou, Shenzhen, approximately 0.15 tCO₂eq was contributed from the usage of ethyne during 2018. This was not included in the above GHG table due to its insignificant amount, and its different temporal scale measured from the one used in this ESG report.

附註：

- 根據就深圳蛇口的麵粉廠刊發的《二零一九年組織溫室氣體排放核查報告》，於二零一八年因使用乙炔而產生約0.15噸二氧化碳當量。由於該數字並不重大，且其計量所用的時間尺度有別於本環境、社會及管治報告所用者，故並無計入上述溫室氣體表格中。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A1. Emissions *(continued)*

A1.2 Greenhouse Gas (GHG) Emissions *(continued)*

Notes: *(continued)*

- EFs were made reference to Appendix 27 to the Listing Rules and their referred documentation as set out by Hong Kong Exchanges and Clearing Limited, unless stated otherwise.
- EF of 0.54 and 0.59 kg CO₂eq/kWh was adopted for purchased electricity in Guangzhou and Shenzhen, respectively. EF of 0.51 kg CO₂eq/kWh was adopted for purchased electricity in Hong Kong. For the five flour mill plants in various provinces of the PRC, their corresponding grid EF was adopted, i.e., 0.71, 0.61, and 0.65 kg CO₂eq/kWh for Shandong, Sichuan, and Jiangsu province, respectively.
- Emission factor of 0.54 tCO₂eq. per tonne of methanol was assumed for the biofuel used in the canteen, sourced from the Methanol Institute.

A1.3 Hazardous Waste

The Group generated an approximate total of 10,752kg of hazardous waste with an intensity of 0.01 kg/tonnes of production volume in the Reporting Period. Hazardous wastes generated include pesticide waste, waste with organic solvent, waste with mineral oil, waste with dye and coating, copper, selenium and mercury-containing wastes and other wastes (i.e. waste containers, capacitors and oil wipes).

A. 環境 *(續)*

A1. 排放 *(續)*

A1.2 溫室氣體 (溫室氣體) 排放 *(續)*

附註：*(續)*

- 除另有說明外，排放係數乃參考香港交易及結算有限公司上市規則附錄27及其參考文件。
- 於廣州及深圳地區購電採用的排放係數分別為每千瓦時0.54及0.59千克。就香港之購電採用的排放係數為每千瓦時0.51千克。就位於中國各省的五個麵粉廠而言，均採用其相應的輸電網排放係數，即山東、四川及江蘇省分別為每千瓦時0.71、0.61及0.65千克。
- 就餐廳所用之生物燃料 (購自甲醇研究所)，假設每噸甲醇之排放係數為每千瓦時0.54千克。

A1.3 有害廢棄物

本集團於報告期間共產生約10,752千克有害廢棄物，強度為每噸產量0.01千克。所產生的有害廢棄物包括農藥廢棄物、含有機溶劑的廢棄物、含礦物油的廢棄物、含染料及塗料的廢棄物、含硒及汞的廢棄物及其他廢棄物 (即廢棄容器、電容器及擦油布)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental (continued)

A1. Emissions (continued)

A1.3 Hazardous Waste (continued)

Hazardous Waste generated in 2018/19

Type of Waste 廢棄物類型	Waste Generated (in kg) 所產生廢棄物量 (千克)
Pesticide waste (from treatment within the factory premises) 農藥廢棄物(來自工廠場地內的處理)	5,309
Waste with organic solvent 含有機溶劑的廢棄物	630
Waste with mineral oil 含礦物油的廢棄物	543
Waste with dye and coating 含染料及塗料的廢棄物	199
Copper-containing waste 含銅廢棄物	3
Selenium-containing waste 含硒廢棄物	33
Mercury-containing waste (from waste lighting products) 含汞廢棄物(來自廢棄照明產品)	324
Other waste listed on the National Inventory of Hazardous Wastes 名列《國家危險廢物名錄》的其他廢棄物	3,711
Total 總計	10,752

A1.4 Non-hazardous Waste

The Group generated an approximate total of 667,098 kg of non-hazardous waste with an intensity of 0.76 kg/tonnes of production volume in the Reporting Period. Non-hazardous wastes generated comprised of commercial, paper, plastic, metal waste, sludge and other wastes. Other wastes included sampling and liquid wastes from manufacturing plants.

A. 環境(續)

A1. 排放(續)

A1.3 有害廢棄物(續)

於2018/19年產生的有害廢棄物

Waste Generated (in kg) 所產生廢棄物量 (千克)
5,309
630
543
199
3
33
324
3,711
10,752

A1.4 無害廢棄物

本集團於報告期間共產生約667,098千克無害廢棄物，強度為每噸產量0.76千克。所產生的無害廢棄物包括商業、紙張、塑料、金屬廢棄物、污泥及其他廢棄物。其他廢棄物包括樣品及來自生產廠的液體廢棄物。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental (continued)

A1. Emissions (continued)

A1.4 Non-hazardous Waste (continued)

Non-hazardous Waste generated in 2018/19

Type of Waste 廢棄物類型	Source of Waste 廢棄物來源	Waste Generated (in kg) 所產生廢棄物量 (千克)
Commercial waste* 商業廢棄物*	Tissue paper, food wastes and other daily office wastes 紙巾、廚餘及其他日常辦公廢棄物	279,030
Waste paper 廢紙	Packaging paper boxes, waste documents and magazines 包裝紙盒、廢棄文件及雜誌	36,150
Waste plastic 廢棄塑料	Waste woven bags and plastic bottles 廢棄編織袋及塑料瓶	90,978
Scrap metal 廢棄金屬	Waste metal containers, equipment parts and accessories 廢棄金屬容器、設備部件及配件	32,360
Sludge 污泥	Sludge from on-site discharge pre-treatment facilities 現場排放預處理設施的污泥	174,990
Others 其他	Old furniture, scraps, sampling and liquid wastes from production plants, and organic wastes such as leaves and weeds 舊傢俱、碎片、樣品及來自生產廠的液體廢棄物，以及樹葉及雜草等有機廢棄物	53,590
Total 總計		667,098

*Remarks:

In an attempt to maximize the space available for storage within our office building, the Group has taken the necessary actions to remove the extra office waste previously stored at its second floor within the Reporting Period. This was a one-off project completed in November 2018 which explains the increase in the volume of commercial waste for treatment within the Reporting Period as stated above.

*備註：

為最大程度利用辦公室之可用存儲空間，本集團已採取必要措施，以清除過往於本報告期內存儲在二樓的多餘辦公廢棄物。此乃於二零一八年十一月完成之一次性項目，其解釋上述於本報告期處理商業廢棄物的增加。

A. 環境 (續)

A1. 排放 (續)

A1.4 無害廢棄物 (續)

於2018/19年產生的無害廢棄物

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A1. Emissions *(continued)*

A1.5 Measures to Mitigate Emissions

To reduce air emissions from mobile fuel combustions, the home care products plant has upgraded all its forklift trucks to be electricity-driven. To reduce direct air emissions from production lines, a natural gas-fueled boiler with high efficiency and lower NO_x emissions was purchased for use in the edible oil plant in Shekou during this Reporting Period.

To reduce emissions from cooling systems, all new cooling systems are required to achieve a coefficient of performance (COP) of 3.6 or higher.

A1.6 Wastes Reduction and Initiatives

To prevent potential harm to human health through contamination of soil, air and water resources, the Group is committed to ensuring proper and immediate treatment of hazardous waste and waste that requires strict control, by engaging qualified companies for collection and further handling.

Centralized waste collection, storage, transfer facilities for on-site solid waste are available in accordance with national standards to maximize recycling rates. Licensed companies are engaged to collect wastes (such as PET bottles, soap and used bleach earth from the edible oil manufacturing plants) for recycling purposes and proper disposal to landfills.

To reduce paper waste, the Group encourages the staff to think before printing and to use recycled paper whenever possible. Furthermore, electronic communication is encouraged to achieve a paperless office.

A. 環境 *(續)*

A1. 排放 *(續)*

A1.5 減排措施

為減少移動源燃料燃燒產生的大氣排放，家居護理用品廠已將其所有叉車升級為電力驅動。為減少生產線的直接大氣排放，於報告期間，購入高效及NO_x排放較低的天然氣鍋爐，供蛇口的食用油廠使用。

為減少冷卻系統的排放，所有新冷卻系統都必須達到3.6或更高的性能係數(COP)。

A1.6 減廢及其措施

為避免受污染的泥土、空氣及水資源損害人體健康，本集團透過委聘合資格的公司收集及進一步處理廢物，致力確保有害廢物及需要嚴格控制的廢物得以妥善及即時處理。

根據國家標準，本集團設有集中廢物收集、儲存及轉運設施以處理現場固體廢物及盡量提升回收率。本集團委聘持牌公司收集廢物(例如聚酯瓶、肥皂及來自食用油廠的已用漂白土)以進行回收及妥善處理後堆填。

為減少紙張浪費，本集團鼓勵員工於打印之前再三思考，並儘可能使用再造紙。此外，鼓勵電子通信實現無紙化辦公。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental (continued)

A1. Emissions (continued)

A1.6 Wastes Reduction and Initiatives (continued)

During the Reporting Period, the home care products plant has specifically established the following initiatives to reduce waste generation:

- (i) The plant establishes the "Waste Management Procedure" and sets up various recycling stations, to facilitate better classification of waste for storage and disposal;
- (ii) The plant generates economic benefits from non-hazardous waste, by selling them to recognized recycling companies.

A2. Use of Resources

A2.1 Energy Consumption

The table below shows the energy consumption, energy intensity in terms of the Group's production volume (in kWh/tonne).

Energy Consumption 2018/19

Resources 資源	Direct Consumption 直接消耗	Indirect Consumption (in kWh) 間接消耗 (千瓦時)	Energy Intensity (kWh/tonnes of production volume) 能源強度 (千瓦時/噸產量)
Natural gas (stationary combustion) 天然氣(固定源燃燒)	51,882 m ³ 51,882立方米	512,702	0.58
Diesel (stationary combustion) 柴油(固定源燃燒)	806 L 806升	8,059	0.01
Petrol (stationary combustion) 汽油(汽車燃料燃燒)	188 L 188升	1,666	0.002
LPG (stationary combustion) 液化石油氣(固定源燃燒)	1,340 kg 1,340千克	18,678	0.02
Petrol (mobile combustion) 汽油(汽車燃料燃燒)	54,245 L 54,245升	480,700	0.55
Diesel (mobile combustion) 柴油(汽車燃料燃燒)	2,419 L 2,419升	24,186	0.03
LPG (mobile combustion) 液化石油氣(汽車燃料燃燒)	2,430 kg 2,430千克	33,871	0.04
Electricity 電力	63,958,998 kWh 63,958,998千瓦時	N/A 不適用	72.72

A. 環境(續)

A1. 排放(續)

A1.6 減廢及其措施(續)

於報告期間，家居護理用品廠專門制定以下舉措減少廢物產生：

- (i) 工廠建立「廢物管理程序」並設立多個回收站，以促進對廢物進行更好分類以便儲存及處置；
- (ii) 工廠通過將無害廢物出售予認可回收公司，從中獲得經濟利益。

A2. 資源使用

A2.1 能源消耗

下表列示按本集團產量(千瓦時/噸)計算的能源消耗及能源強度。

2018/19年的能源消耗

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A2. Use of Resources *(continued)*

A2.2 Water Consumption

Water consumed by its Hong Kong's operations was supplied by Hong Kong's Water Supplies Department, and was sourced from municipal water supply system in Mainland China. There was no issue identified in sourcing water that was fit for purpose. The plants have water tanks in place to store water for emergency use.

The Group consumed 153,871 m³ of freshwater, with a water intensity of 0.17 m³/tonne of production volume.

Wastewater treatment

All discharges from production and domestic activities are pre-treated on-site through regularly maintained grease trap and septic tanks before entering the sewage collection system into nearby wastewater treatment facility. The home care products plant has specifically upgraded its sewage treatment stations, and the COD (chemical oxygen demand) indicator is now strictly controlled within 90 mg/L, meeting the first-class discharge standard of Guangzhou, PRC. The treated water is directly discharged into the Pearl River Basin. The flour mill plants did not generate industrial waste water. The production of edible oil plant in Hong Kong was insignificant and generated little wastewater. The edible oil plant in Shekou performs regular wastewater testing and the sampling results of COD, pH, total suspended solids (TSS), and oil and grease were all within permissible level set by the Discharge Limits of Water Pollutants (DB44/26-2001).

A. 環境 *(續)*

A2. 資源使用 *(續)*

A2.2 耗水

香港營運用水由香港水務署提供，並採購自中國大陸的市政供水系統。在取得合適水源方面並無發現問題。生產廠亦建有水箱以儲存水作緊急用途。

本集團消耗153,871立方米淡水，用水強度為每噸產量0.17立方米。

廢水處理

生產及家庭活動中的所有排放物均通過定期維護的隔油池及化糞池進行現場預處理，然後再進入污水收集系統排進附近的廢水處理設施。家居護理用品廠專門對其污水處理站進行升級，現將COD(化學需氧量)指標嚴格控制於每升90毫克以內，達到中國廣州的一級排放標準。處理後的廢水直接排入珠江流域。麵粉廠並無產生工業廢水。香港食用油廠的產量微不足道，幾乎並無產生廢水。蛇口的食用油廠定期進行廢水測試，並且COD、pH、總懸浮固體(TSS)及油脂的採樣結果均於《水污染物排放限值》(DB44/26-2001)規定的允許水平內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A2. Use of Resources *(continued)*

A2.3 Energy Use Efficiency Initiatives

To reduce its dependency on fossil fuels and address climate change, the Group has engaged a Solar Photovoltaic (PV) contractor in May 2019, and joined the Renewable Energy Feed-in Tariff organized by CLP for installation of solar renewable energy device on its Hong Kong Lam Soon Building in Tai Po for connection to CLP electricity grid. The installation and connection works are targeted to be completed by the end of 2019. The expected generation capacity of the system will be 200 kW (Energy to Grid).

The warehouse in Hong Kong has replaced T8 lights with LED lighting during the first quarter of 2019. The total number of tubes were reduced from 704 to 272, resulting in a drastic drop in electricity consumption by 84%.

For the edible oil plant in Shekou, a new natural gas boiler, with a fully automatic condensing system for energy-saving, was purchased. Designed with an energy efficiency up to 94%, the new boiler has completed the pilot test and passed a full set of testings set by Shenzhen Institute of Special Equipment Inspection and Test.

A. 環境 *(續)*

A2. 資源使用 *(續)*

A2.3 高效使用能源措施

為減少對化石燃料的依賴並應對氣候變化，本集團於二零一九年五月委聘太陽能光伏(PV)承包商，並加入中電組織的可再生能源上網電價，以在其位於大埔的香港南順大廈安裝太陽能可再生能源設備，用以連接中電電網。安裝及連接工程目標是在二零一九年年底完成。該系統的預期發電量將為200千瓦(並網能量)。

香港倉庫於2019年第一季度已用LED照明取代T8照明燈。燈管總數從704根減少至272根，導致用電量急劇下降84%。

就蛇口的食用油廠而言，購入一種新天然氣鍋爐，該鍋爐具有節能全自動冷凝系統。新型鍋爐的能效高達94%，已經完成試運行測試，並已通過深圳市特種設備安全檢驗研究院的全套檢測。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A2. Use of Resources *(continued)*

A2.4 Water Use Efficiency Initiatives

The Group persistently reduces water loss by maintaining and upgrading its water supply pipeline system, minimizes water consumption through upgrading water-saving devices and reuses wastewater whenever possible. Some water-saving initiatives include:

- (i) Using recirculating cooling water system for cooling towers;
- (ii) Installing automatic faucets;
- (iii) Adopting reverse osmosis to purify wastewater for toilet flushing and greening of production area;
- (iv) Establishing regulations on water management to regulate water consumption practices of employees; and
- (v) Posting promotional materials and reminders to encourage water conservation practices.

The home care products plant also has formulated Regulations on Water Use Management during the Reporting Period to regulate the rational use of water and promote the conservation of water resources. In addition, the Administration Department of the Group is expediting the replacement of old water dispensers to reduce the consumption of bottled water.

A. 環境 *(續)*

A2. 資源使用 *(續)*

A2.4 高効用水措施

本集團通過維護及升級其供水管道系統持續減少水量損失，升級節水設備及在可行情況下再利用廢水，從而減少耗水。部分節水措施包括：

- (i) 冷卻塔使用循環冷卻水系統；
- (ii) 安裝自動感應水龍頭；
- (iii) 採用反滲透淨化廢水以用於沖廁及廠區綠化；
- (iv) 訂立有關用水管理的規章以規範僱員的用水習慣；及
- (v) 張貼宣傳材料及提示以鼓勵節水習慣。

於報告期間，家居護理用品廠亦制定《用水管理規定》，以規範合理用水及促進保護水源。此外，本集團行政部正加快更換舊飲水機的速度，以減少瓶裝水的消耗。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A2. Use of Resources *(continued)*

A2.5 Packaging Materials

Packaging materials consumed by the Group were mainly recyclable materials including plastic, cotton bags and paper. Packaging materials were sourced from external suppliers, with constant check on quality, particularly on their safety and hygiene performances. During the Reporting Period, a total of 16,539.32 tonnes of packaging materials have been consumed for the protection of finished products.

The Group has been proactively exploring ways to reduce the use of packaging materials and promoting products with replaceable packaging to reduce the consumption of plastic pumps. During the Reporting Period, various production lines have reduced the use of non-recyclable resources for packaging. In particular, the flour mill plants have implemented the following practices:

- Make use of recyclable materials for packaging materials;
- Reduce the consumption of packaging materials by bulk delivery;
- Re-use packaging materials to achieve zero packaging waste; and
- Evaluate packaging suppliers annually for compliance assurance.

The edible oil plant in Hong Kong has implemented the following practices:

- Light packaging has been applied for bulk transportation;
- Various reusing and recycling methods have been applied to non-food packaging materials, such as re-using as turnover box, or recycling by recognized handlers; and

A. 環境 *(續)*

A2. 資源使用 *(續)*

A2.5 包裝材料

本集團消耗的包裝材料主要為可回收材料，包括塑料、布袋及紙張。包裝材料乃購自外部供應商，但本集團定期監察質量，特別是其在安全及衛生方面的表現。於報告期間，我們為產品保護共消耗16,539.32噸包裝材料。

本集團一直積極尋求方法減少使用包裝材料及推廣可替換包裝的產品以減少消耗塑料泵。於報告期間，多條生產線減少使用不可回收資源製作包裝。尤其是，麵粉廠已實施以下措施：

- 將可回收材料用作包裝材料；
- 通過大批交付減少包裝材料的消耗；
- 再使用包裝材料，以實現零包裝浪費；及
- 每年評估包裝供應商以確保合規性。

香港的食用油廠已實施以下措施：

- 採用輕包裝作散貨運輸；
- 已對非食品包裝材料採用多種重複利用及再循環方法，例如作為周轉箱重複使用或由認可處理人員進行回收利用；及

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A2. Use of Resources *(continued)*

A2.5 Packaging Materials *(continued)*

The edible oil plant in Hong Kong has implemented the following practices: *(continued)*

- Evaluate packaging suppliers annually for compliance assurance.

In addition, the edible oil plants in both Hong Kong and Shekou replaced polyvinyl chloride (PVC) based labelling materials with those made of polyethylene terephthalate (PET).

Packaging Materials Consumption 2018/19

Type of Material 材料類型	Material 材料	Consumption (in tonnes) 消耗量 (噸)
Cotton 棉布	Cotton bags 布袋	683.46
Plastic 塑料	Plastic bags, bottles, handles, caps and pumps 塑料袋、瓶子、把手、蓋子及泵	8,060.52
Paper 紙張	Paper bags, boxes, labels and cardboards 紙袋、紙箱、標籤及紙板	6,086.72
Metal 金屬	Metal containers 金屬容器	1,699.16
Fiber and cotton 纖維及棉布	Packet lines 小包線	9.46
Total 總計		16,539.32

A. 環境 *(續)*

A2. 資源使用 *(續)*

A2.5 包裝材料 *(續)*

香港的食用油廠已實施以下措施：*(續)*

- 每年評估包裝供應商以確保合規性。

此外，香港及蛇口的食用油廠均以聚對苯二甲酸乙二酯(PET)代替以聚氯乙烯(PVC)生產的標籤材料。

2018/19年的包裝材料消耗

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

A3. The Environment and Natural Resources

A3.1 *Significant Impacts of Activities on the Environment*

The Group continuously monitors its air emission, wastewater discharge, and noise level to ensure minimal impacts on the surrounding environment and creation of a healthy environment for its workers. Regular maintenance of machines and equipment is enforced to prevent excessive noise generation. The Group did not receive any complaints from the surrounding communities regarding air pollution, odor, noise, or night light pollution.

A. 環境 *(續)*

A3. 環境及天然資源

A3.1 活動對環境的重大影響

本集團持續監察其廢氣排放、廢水排放及噪音水平，以確保對周圍環境的影響減至最小，並為其工人創造健康的環境。強制對機器及設備進行定期維護，以防止產生過多的噪音。本集團並無收到周邊社區關於空氣污染、氣味、噪音或夜燈污染的任何投訴。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social

1. Employment and Labour Practices

B1. Employment

Employees are deemed the most important resource of the Group. The Group provides competitive remuneration with various benefits to attract and retain talents. Employment package is regularly reviewed with consideration of the market trend, benchmarking the industry's salary and benefit information through salary survey reports conducted by professional consultants. Annual salary increment and year-end performance bonus mechanism have been incorporated in the Group's remuneration policy. Share options are also granted to the Group's Managing Director and other eligible employees in recognition of their contributions.

Employees in the PRC are entitled to year-end bonus, social security insurance and housing fund. Year-end bonus, life and health insurance are provided to employees in Hong Kong. Additionally, staff sale, meals and transportation are provided to employees. Fair terms on working hours, holidays, termination of contract, fringe benefits and leave entitlement are stipulated in the employment contracts signed between employees and the Group. Overtime work shall be applied through submission of application forms and approved by departmental supervisors. Any disputes will be settled according to the Group's appeal procedures in an equitable and prompt manner.

B. 社會

1. 僱傭及勞工常規

B1. 僱傭

本集團視僱員為最重要資源。本集團提供具競爭力的薪酬及多項福利以吸引及挽留人才。本集團定期檢討薪酬待遇，當中考慮市場趨勢及通過專業顧問進行的薪金調查報告對標業內薪金及福利的資料。本集團根據薪酬政策設立及實施年度加薪及年終業績花紅機制。我們亦向本集團之董事總經理及其他合資格僱員授出股份認購權，以認可彼等之貢獻。

中國業務的僱員可享有年終花紅、社會保障保險及住房公積金。我們向香港僱員提供年終花紅、人壽及健康保險。此外，我們亦向僱員提供僱員購貨優惠、用餐及交通安排。僱員與本集團簽署的僱傭合約規定的公平條款涵蓋工時、假期、終止合約情況、附加福利及年假。超時工作應透過提交申請表格申請及經部門主管批准。任何爭議均將根據本集團的申訴程序公正及迅速地解決。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

B1. Employment *(continued)*

The Group is in compliance with all applicable laws of Hong Kong and the PRC regarding labour rights and employment, included but not limited to:

- The Employment Ordinance of the Laws of Hong Kong;
- The Minimum Wage Ordinance of the Laws of Hong Kong;
- The Employees' Compensation Ordinance of the Laws of Hong Kong;
- The Labour Law of the PRC;
- The Labour Contract Law of the PRC; and
- The Social Insurance Law of the PRC.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare had been identified during the Reporting Period.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

B1. 僱傭 *(續)*

本集團遵守所有香港及中國有關勞工權利及僱傭之適用法律，包括但不限於：

- 香港法例中的《僱傭條例》；
- 香港法例中的《最低工資條例》；
- 香港法例中的《僱員補償條例》；
- 《中華人民共和國勞動法》；
- 《中華人民共和國勞動合同法》；及
- 《中華人民共和國社會保險法》。

報告期間，並無發現任何違反與薪酬及解僱、招聘及晉升、工時、休息時間、平等機會、多樣性、反歧視以及其他利益及福利之相關法律及法規的事項對本集團造成重大影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

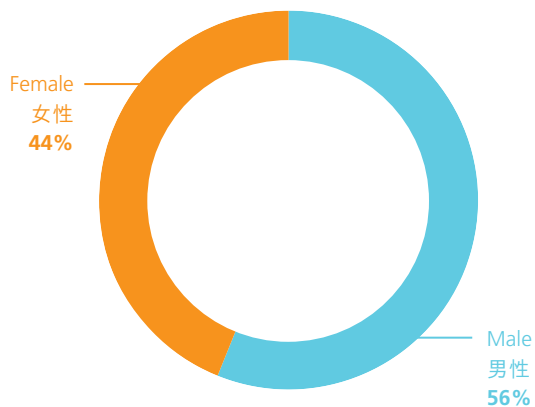
B. Social (continued)

1. Employment and Labour Practices (continued)

B1. Employment (continued)

The Group had a total of 1,681 employees, as of 30 June 2019, of which all are full-time employees. The total workforce categorized by gender, age group and geographical region are shown below.

Total Workforce (%) by Gender
按性別劃分的勞動力總數(%)



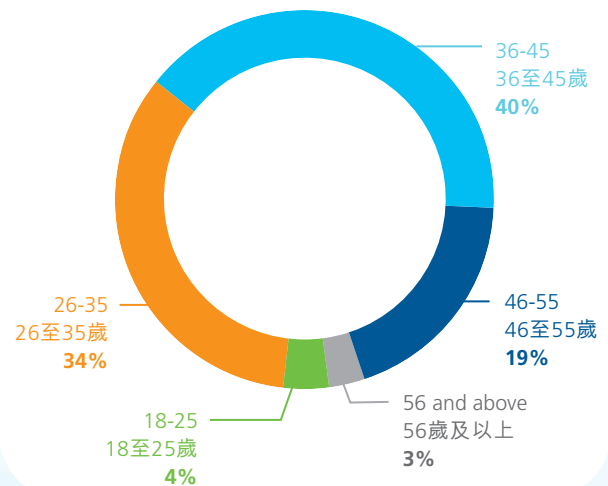
B. 社會 (續)

1. 僱傭及勞工常規 (續)

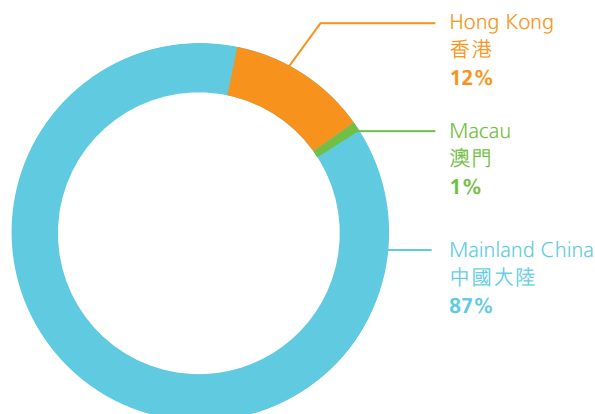
B1. 僱傭 (續)

於二零一九年六月三十日，本集團共有1,681名僱員，全部均為全職僱員。按性別、年齡組別及地區劃分的勞動力總數列示如下。

Total Workforce (%) by Age
按年齡劃分的勞動力總數(%)



Total Workforce (%) by Geographical Region
按地區劃分的勞動力總數(%)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

B1. Employment *(continued)*

Equal Opportunity

Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws of Hong Kong and the PRC.

Appraisal System

The Group has a standardized appraisal system to evaluate employees' performances, assess their capabilities and determine whether they are in line with the Group's business development. It also provides a basis for promotion, salary increase and a communication platform for employees and management to set mutually agreed and measurable performance standards, as well as career development opportunities.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

B1. 僱傭 *(續)*

平等機會

本集團在招聘、培訓及發展、晉升以及補償及福利方面為僱員提供平等機會。僱員並不會由於性別、種族背景、宗教、膚色、性取向、年齡、婚姻狀況、家庭狀況、退休、殘障、懷孕或香港及中國之適用法律所禁止的任何其他歧視因素而遭受歧視或被剝奪平等機會。

評估系統

本集團設有標準化評估系統以評估僱員表現、評核其能力及釐定彼等是否符合本集團的業務發展。系統亦提供晉升、加薪的基準及溝通平台，讓僱員及管理層可制定雙方接納及可計量的表現標準及事業發展機會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

1. Employment and Labour Practices (continued)

B1. Employment (continued)

Employee Communication

Employees are always kept informed of the Group's key projects, future directions and latest market strategies, activities and social events in the industry through notice boards, intranet, meetings, annual conferences and the internal e-newsletter, namely E Post. During the Reporting Period, the Group has organized group meetings, workshops, annual dinner, travel tours to various provinces of China and other activities to enhance employees' sense of belonging. Some activities organised during the Reporting Period include:

- Lam Soon Annual Conference (19 – 20 July 2018);
- The 4th Congress and Team-building Activity in Eastern China (24 – 25 January 2019);
- Huangshan two days tour for the flour mill plant in Jintan (16 – 17 March 2019);
- Zhu Hai Bamboo Forest Day Tour for the Labour Union of the flour mill plant in Yixing (23 March 2019);
- Shunde Day Tour for the Labour Union of Lam Soon in Shekou (13 April 2019);
- Luo Fu Shan Two Days Tour for Southern China Oil-Sales Team (13 – 14 April 2019); and
- Health Talk on Acupoints Massage in Hong Kong (14 June 2019).

B. 社會 (續)

1. 僱傭及勞工常規 (續)

B1. 僱傭 (續)

僱員溝通

僱員可通過告示板、內聯網、會議、年會及內部電子通訊(即E Post)及時了解本集團的主要項目、未來方向及業內的最新市場策略、活動及社交活動。報告期間，為加強僱員之歸屬感，本集團已舉辦集團會議、工作室、年度晚宴、至中國多個省份的旅行團及其他活動。報告期間舉辦的部分活動包括：

- 南順年會(二零一八年七月十九日至二十日)；
- 第四屆華東地區代表大會及團隊建設活動(二零一九年一月二十四日至二十五日)；
- 金壇麵粉廠的黃山兩日遊(二零一九年三月十六日至十七日)；
- 宜興麵粉廠工會的竹海一日遊(二零一九年三月二十三日)；
- 蛇口南順工會的順德一日遊(二零一九年四月十三日)；
- 華南食用油銷售團隊的羅浮山兩日遊(二零一九年四月十三日至十四日)；及
- 香港穴位按摩健康講座(二零一九年六月十四日)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

B2. Employee Health and Safety

The Group strictly complies with all applicable laws and regulations in relation to occupational health and safety (OHS), including but not limited to the Law of the PRC on the Prevention and Control of Occupational Diseases, the Hong Kong Occupational Safety & Health Ordinance, and Hong Kong Employees' Compensation Ordinance. OHS policy is in place. Pre-employment health check is required, and annual or biennial check-ups are offered to employees based on their employment categories and nature. End of term check-ups will be offered to frontline workers in the PRC to ensure that no OHS-related health issues were developed during their employment.

Employees exposing to high occupational health risks are offered with occupational health checks in accordance with the statutory requirements and appropriate personal protective equipment ("PPE") is provided to employees based on their duties performed. Offices and canteens are assessed by qualified institutions to ensure that they meet applicable national standards regarding indoor environmental pollution control. The Group also enters into contract with suppliers to ensure that they meet occupational health and safety standards while performing their works.

Noise reduction devices have been installed on equipment such as exhaust fans, air compressors and grinders in accordance with the requirements as specified in the Environmental Impact Assessment Report conducted by our appointed agencies. Acoustic meters have been installed for all working areas to further improving the monitoring processes.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

B2. 僱員健康與安全

本集團嚴格遵守有關職業健康與安全的所有適用的法律及法規，包括但不限於《中華人民共和國職業病防治法》、《香港職業安全及健康條例》以及《香港僱員補償條例》。職業健康與安全政策已準備就位。須進行入職前健康檢查，並根據僱員的工作類別及性質對僱員進行一年一次或兩年一次體檢。為中國的一線工人提供約滿體檢，以確保彼等於就業期間並無出現與職業健康與安全相關的健康問題。

根據法定要求向面臨高職業健康風險的僱員提供職業健康檢查，並根據其履行的職責提供適當個人保護設備（「個人保護設備」）。合資格機構會評估辦公室及食堂，以確保其符合有關室內環境污染控制的適用國家標準。本集團亦與供應商訂立合約，以確保其於進行工作時達至職業安全標準。

根據《環境影響評估報告》要求，我們的指定機構已於排氣扇、空氣壓縮機及磨床等設備上安裝降噪裝置。已於所有工作區域安裝聲波計，以進一步改善監控過程。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

B3. Development and Training

With human resources as one of the core values, the Group believes that strengthening the capabilities of employees can benefit both the Group and employees themselves. Training needs are identified through appraisal sessions with employees. Thus, the training provided can effectively address below objectives:

- (i) Facilitate the achievement of the Group's and/or its departmental targets;
- (ii) Increase productivity in every aspect of working processes;
- (iii) Enhance employees' satisfaction; and
- (iv) Assist employees' career development.

The training courses vary from mandatory training and skill enhancement to the more advanced supervisory skills and managerial development, targeted employees of various levels. During the Reporting Period, employees have been provided with both internal and external training on numerous areas including occupational health and safety, customer services, product knowledge, management systems, communication skills, risk management, data security and financial budgeting.

Staff are also encouraged to attend e-learning classes, seminars, team building activities and knowledge sharing events to enhance their knowledge and skills. The Group will provide subsidy or full reimbursement on the course fees for eligible staff under the training policy.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

B3. 發展與培訓

人力資源為本集團的核心價值之一，本集團相信，加強員工能力有利本集團及員工本身。於與僱員進行評估時會識別培訓需要。因此，所提供培訓可有效應對以下目標：

- (i) 促使達成本集團及／或其部門目標；
- (ii) 增加工作過程中各方面的生產力；
- (iii) 提升僱員滿意程度；及
- (iv) 協助僱員的事業發展。

培訓課程從強制性培訓及技能提升到更高級的監督技能及管理發展，針對不同的員工級別。報告期間，本公司已為員工提供內部及外部培訓，內容涉及多個領域，包括職業健康與安全、客戶服務、產品知識、管理系統、溝通技巧、風險管理、數據安全及財務預算。

本集團亦鼓勵員工出席電子學習課程、研討會、團隊建設活動及知識分享活動，以提升其知識及技能。本集團將根據培訓政策為合資格員工提供課程費用津貼或全額報銷。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

B4. Labour Standards

The Human Resources Department continues to implement comprehensive checking system during the recruitment process to ensure compliance with all the applicable laws regarding employment and labour standards, such as the Employment Ordinance of the Laws of Hong Kong and Provisions on the Prohibition of Using Child Labour of the PRC.

The Group will take appropriate disciplinary action against anyone who is in breach of any applicable laws, regulations, and ordinance. No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to preventing the use of child and forced labour had been identified during the Reporting Period.

2. Operating Practices

B5. Supply Chain Management

The Group's procurement policy has three underlying principles on procurement management:

- (i) Buy only what the business operation needs with speculative behaviour prohibited;
- (ii) Source from local suppliers to reduce transportation cost; and
- (iii) Source for high quality and competitive supplies to meet the Group's business strategy.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

B4. 勞工準則

人力資源部於招聘過程中繼續實施全面檢查制度，以確保遵守有關僱傭及勞工標準的所有適用法律，例如香港法例中的《僱傭條例》及《中華人民共和國禁止使用童工規定》。

對於任何人違反任何適用法律、法規及條例，本集團將採取適當的紀律處分。報告期間，並無發現不遵守防止使用童工及強迫勞動相關法律及法規的事項對本集團產生重大影響。

2. 營運慣例

B5. 供應鏈管理

本集團的採購政策有三個相關採購管理原則：

- (i) 僅購買業務營運所需，禁止投機行為；
- (ii) 從本地供應商採購，以降低運輸成本；及
- (iii) 向優質及具競爭力的供應商採購，以配合本集團的業務。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

B5. Supply Chain Management *(continued)*

The policy states the Group's procurement strategy and provides guidelines and procedures on procurement processes such as sourcing new suppliers, assessing existing suppliers, managing suppliers in breach of the policy, tendering, quality assurance and payment/refund arrangements. Suppliers are selected and rated based on a set of criteria, in terms of product price and quality, timeliness of delivery, payment terms, food safety, environmental and social performance, and after-sales service.

It is essential to engage employees in maintaining, monitoring and improving the Group's overall procurement management. The Group encourages employees to take proactive, comprehensive and stringent measures, in the process of procurement, to avoid unnecessary loss and to ensure utilization of its resources in accomplishing the production, supply and sales targets.

The Group considers the quality of raw materials of paramount importance to ensure the food safety of final products. The flour mill plants and the edible oil plant evaluate their raw material suppliers every six months for compliance assurance, and collect suppliers' activity logs on a regular basis for quality assurance.

B. 社會 *(續)*

2. 營運慣例 *(續)*

B5. 供應鏈管理 *(續)*

政策列出本集團的採購策略，並提供採購過程的指引及程序，例如物色新供應商、評估現有供應商、管理違反政策的供應商、招標、品質保證及付款／退款安排。供應商的挑選及評級乃基於一套準則，內容涉及產品價格及品質、交付是否合時、付款條款、食品安全、環境及社會表現及售後服務。

僱員的參與對保持、監察及改善本集團整體採購管理屬必要。本集團鼓勵僱員在採購過程中採取積極、全面及嚴格的措施以避免非必要損失及確保使用其資源以達成生產、供應及銷售目標。

本集團認為原材料的品質對確保最終產品的食品安全而言至關重要。麵粉廠及食用油廠每六個月對其原料供應商進行一次評估，以確保合規性，並定期收集供應商的活動日誌以確保質量。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B6. Product Responsibility

Product Labelling and Advertising

The Group has its own labelling control policy to ensure that both the design of labels and information shown on labels are in compliance with all the applicable standards and laws. Labels are required to be approved by its Legal Department and Quality Assurance Department with records filed. Adequate nutrition information is provided to customers through product labels. Safety information has been clearly labelled on relevant products.

The Group strives to improve public well-being by promoting healthy lifestyle. Its "Good Mother" website (<https://www.haomama.com>) and Knife Oil Facebook aim to share resources about healthy and balanced lifestyle with the public. Moreover, the Group produces and shows videos through social media platforms on which registered dietitians introduce nutritional values of its products, shares cooking recipes prepared with nutritious ingredients and organizes trainings to promote healthy diets.

For any marketing and promotional activities, the Group ensures that relevant activities are in compliance with applicable laws and regulations such as the Advertisement Law of the PRC. No false nor misleading contents shall be contained in any promotional channels. During the Reporting Period, the Group did not record any cases of material non-compliance with laws and regulations regarding health and safety, advertising, labelling and privacy matters relating to products and services provided.

B. 社會 (續)

2. 營運慣例 (續)

B6. 產品責任

產品標籤及廣告

本集團擁有自己的標籤控制政策，以確保標籤的設計及標籤上顯示的信息均符合所有適用的標準及法律。標籤必須經其法律部及質量保證部批准並存檔。通過產品標籤向客戶提供足夠的營養信息。安全信息已於相關產品上作出明確標記。

本集團致力於通過促進健康生活方式來改善公眾福祉。「好媽媽」網站 (<https://www.haomama.com>) 及刀嘜臉書專頁旨在與公眾分享有關健康及均衡生活方式的資源。此外，本集團透過社交媒體平台製作及展示視頻，其中由註冊營養師介紹其產品的營養價值，分享使用營養豐富材料的食譜及舉辦培訓班以推廣健康飲食。

對於任何營銷及促銷活動，本集團確保相關活動符合適用的法律及法規，例如《中華人民共和國廣告法》。任何促銷渠道均不得包含虛假或誤導性內容。報告期間，就所提供之產品及服務而言，本集團並無錄得任何重大違反健康與安全、廣告、標籤及私隱事宜的法律及法規的個案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B6. Product Responsibility (continued)

Food Safety and Quality

Food safety is of paramount importance to the Group. Its food safety management starts with supplier control. Background, permits, licenses and certificates of suppliers are checked by the Group to ensure suppliers have no record in breaching of any food safety standards and regulations. The Group reiterates its meticulous selection process of suppliers and every product must be tested multiple times to ensure it is of international food safety standard. The Group is in compliance with all applicable laws and standards of Hong Kong and the PRC regarding food safety and quality such as:

- Food Safety Law of the PRC;
- National Food Safety Standards for Food Additive Use; and
- Hong Kong – Part V of the Public Health and Municipal Services Ordinance (Cap. 132).

All flour mill plants (excluding the new one in Yixing which is in the process of application) and the edible oil plant are certified with ISO 9001 Quality Management System standard, ISO 22000 Food Safety Management System standard and other international accreditation standards on quality and environmental management. The Group also fulfills relevant food safety and food labelling requirements, and accomplished the standards issued by the World Health Organisation.

B. 社會 (續)

2. 營運慣例 (續)

B6. 產品責任 (續)

食品安全與質量

食品安全對本集團至關重要。食品安全管理始於供應商控制。本集團會檢查供應商的背景、許可證、牌照及認證，以確保供應商並無違反食品安全標準及法規的記錄。本集團重申，對供應商挑選過程一絲不苟，每件產品必須進行多次測試，以確保符合國際食品安全標準。本集團遵守所有香港及中國有關食品安全適用的法律及標準，例如：

- 《中華人民共和國食品安全法》；
- 《食品安全國家標準食品添加劑使用標準》；及
- 香港法例第132章《公眾衛生及市政條例》第V部。

所有麵粉廠（不包括正在申請中的宜興新廠）及食用油廠均獲ISO 9001品質管理體系標準認證、ISO 22000食品安全管理體系標準認證以及有關品質及環境管理的其他國際認可認證。本集團亦履行相關食品安全及食品標籤規定，並達至世界衛生組織發出的標準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B6. Product Responsibility (continued)

Food Safety and Quality (continued)

To ensure that food materials comply with food safety and quality standards, tests are performed against food materials or related raw materials (including packaging materials with direct contact with food) before entering production processes, semi-products during production and final products. Testing is done by the Group's Quality Assurance Department and qualified testing organizations are engaged to validate the results and to provide independent reports. The test results shall meet relevant national and industrial standards before proceeding to production or distribution. Any materials or products that fail to meet the required standards will be labelled, isolated and assessed by related departments. Reasons for defect will be analyzed and rectifying measures will be implemented by related departments. The Group also deploys standard procedures on sanitation of food plants and associated equipment to maintain a high hygiene standard throughout the production. Suppliers of packaging materials are audited against their safety and hygiene performances annually. Suppliers must carry out rectifications if non-conformities have been identified.

Any reported case regarding product quality or safety will be investigated and dealt with promptly and responsibly, putting public health, safety and benefits on top priority. Products required to be recalled after assessments will undergo a process according to the Group's product recall policy.

B. 社會 (續)

2. 營運慣例 (續)

B6. 產品責任 (續)

食品安全與質量 (續)

為確保食材符合食品安全及品質標準，我們於進入生產過程前對食品或相關原材料(包括與食品直接接觸的包裝材料)進行測試、於生產時對半成品進行測試及對製成品進行測試。測試由本集團品質保證部進行，而我們亦委聘品質保證機構驗證我們的結果及提供獨立報告。於進行生產或銷售前，測試結果應符合相關國家及行業標準。任何未達到規定標準的材料或產品將會被標籤、隔離及由相關部門評估。相關部門會分析未能達到標準的原因，並實施糾正措施。本集團亦對食品生產廠房及其相關設備採用標準衛生程序，以確保整個生產過程保持高衛生標準。我們每年對包裝材料的供應商進行安全及衛生表現方面的審核。如發現有不合格情況，供應商必須進行整改。

如接獲任何有關產品品質或安全的事故報告，本集團會迅速及負責任地處理個案，並將公眾的健康、安全及利益置於首位。本集團將會針對評估後須召回的產品進行既定產品召回政策中的程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B6. Product Responsibility (continued)

Customer Communication

The Group values any complaint or feedback from customers as it does not only allow the Group to have a better understanding of customers' concerns, but also point to the need for improvement in product and service quality. The Group also pays special attention to enquiries regarding health and safety aspects and tries its best to help customers better understand its products and to strengthen customers' confidence in its brands. The Group pledges to handle any enquiry or complaint cases according to the standard procedure established, provide prompt response and keep traceable records of the cases in its system. To ensure that all complaints are resolved to customers' satisfaction, complainants would be invited to rate their level of satisfaction and provide feedback regarding their complaint cases after the cases are resolved.

Intellectual Property ("IP") Rights

The Group strives to protect its own IP rights and respects third party IP rights according to all related applicable laws and regulations. It registers new IPs (including trademarks, designs and patents) in different parts of the world, renews existing IP rights, manages the use of IPs, and keeps track of IP infringement by other parties. The Group reserves the right to take legal actions against any alleged infringement.

The Group also ensures its service providers, suppliers or business partners undertake and warrant that all their deliverables or products are their original creation and/or do not infringe any third party's IP rights. Infringers are liable to specified appropriate consequences in the event of breach.

B. 社會 (續)

2. 營運慣例(續)

B6. 產品責任(續)

客戶溝通

本集團重視任何客戶投訴或反饋，因其不僅能令本集團更理解客戶的顧慮，亦能指出改善產品及服務之需求。本集團亦特別注意有關健康及安全方面的查詢，並盡力提升客戶對產品的理解，以加強客戶對其品牌的信心。本集團承諾，會根據制定的標準程序處理任何查詢或投訴個案，提供迅速回應及在系統內保留可追溯個案記錄。為確保所有投訴以客戶滿意的方式解決，投訴人將於個案解決後獲邀為其滿意度評分及就其投訴個案提供反饋。

知識產權(「知識產權」)

本集團致力根據所有相關之適用法律及法規保障其自有知識產權及尊重第三方知識產權。本集團於世界各地註冊新知識產權(包括商標、設計及專利)、重續現有知識產權、管理知識產權的使用及跟踪其他人士進行之知識產權侵犯。本集團保留對任何涉嫌侵權人士採取法律行動的權利。

本集團亦確保其服務供應商、供應商或業務合作夥伴承諾及保證，彼等所有可交付產品或產品為其原創及／或並無侵犯任何第三方知識產權。侵權人士須承擔侵權所致的特定適當後果。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B6. Product Responsibility (continued)

Data Protection

The Group strictly follows its policy, manual and guideline, and procedure on protecting customer data. Before collecting personal data from customers, customers are informed of the purposes of data collection and how it will be used. Its Legal Department ensures that the Group is in compliance with the Personal Data Protection Ordinance of the Laws of Hong Kong and any applicable laws in any document, publicity and marketing activity. Procedures on handling, storing, transferring and erasing customers' personal data collected are reviewed periodically.

B7. Anti-corruption

To ensure ethical business practices, the Group strictly observes applicable laws, regulations and regulatory documents related to commercial bribery, including but not limited to:

- The Criminal Law of the PRC;
- The Anti-Unfair Competition Law of the PRC;
- The Hong Kong Prevention of Bribery Ordinance;
- The Hong Kong Theft Ordinance; and
- The Hong Kong Organized and Serious Crimes Ordinance.

B. 社會 (續)

2. 營運慣例 (續)

B6. 產品責任 (續)

資料保護

本集團嚴格遵守其保障客戶資料的政策、手冊及指引以及程序。向客戶收集個人資料前，本集團會告知客戶所收集個人資料的目的及擬作用途。法律部確保本集團在任何文件、宣傳及市場推廣活動中遵守香港法例中的《個人資料(私隱)條例》及任何適用法例。我們會定期檢討所收集的客戶個人資料的處理、儲存、轉移及刪除程序。

B7. 反貪污

為確保遵守道德商業慣例，本集團嚴格遵守與商業賄賂有關的適用法律、法規及監管文件，包括但不限於：

- 《中華人民共和國刑法》；
- 《中華人民共和國反不正當競爭法》；
- 《香港防止賄賂條例》；
- 《香港盜竊罪條例》；及
- 《香港有組織及嚴重罪行條例》。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B7. Anti-corruption (continued)

The Group takes a zero-tolerance approach to bribery and is committed to operating its business in an ethical manner with high integrity. The Group has implemented policies on anti-corruption and procedures concerning offering or accepting gifts and gratuities. Suppliers and all employees are required to become acquainted with and to abide by these policies and procedures. Any fraud, corruption, irregular transactions or breach of ethics shall be reported to the Internal Audit Department. Such report, if any, shall be treated in strict confidence to protect the identity of the informer.

No non-compliance with relevant laws and regulations that have a significant impact on the Group relating to corruption, bribery, fraud and money laundering had been identified during the Reporting Period.

B8. Community Investment

While formal policies on community engagement are yet to be established, the Group continues to put resources and participate in community activities. The Group maintained its strong tradition of supporting various charitable causes during the Reporting Period.

Overall achievement

Caring Company Scheme – Food Grace

On 21 November 2018, the Group collaborated with Food Grace a workshop to teach employees to create hand-made soap, and to learn the concept of recycling by turning waste into useful products.

On 20 May 2019, the Group has been successfully nominated as Caring Company 2018/2019.

B. 社會 (續)

2. 營運慣例 (續)

B7. 反貪污 (續)

本集團對賄賂採取零容忍態度，並致力以高度誠信的道德方式進行業務。本集團已實施反貪污政策及針對收受禮物及報酬的程序。供應商及全體僱員須熟習及信守該等政策及程序。任何欺詐、貪污、異常交易或違反道德準則的情況均應向內部審核部門申報。有關報告(如有)應嚴格保密處理，以保障舉報者的身份。

報告期間，並無發現任何違反腐敗、賄賂、欺詐及洗錢相關法律及法規的事件對本集團造成重大影響。

B8. 社區投資

儘管尚未制定有關社區參與的正式政策，但本集團繼續投入資源並參與社區活動。本集團於報告期間保持支持各種慈善事業的悠久傳統。

整體成績

商界展關懷 – 食德好

於二零一八年十一月二十一日，本集團與食德好合作舉辦工作坊，教導僱員製作手工皂，並通過將廢物變成有用產品學習回收利用的概念。

於二零一九年五月二十日，本集團成功獲提名為2018/2019年商界展關懷企業。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

B8. Community Investment (continued)

Volunteer activities

Sponsorship of Sowers Action

On 21 October 2018, the Group sponsored Sowers Action Challenging 12 Hours Charity Marathon.

Share-To-Care Volunteer Campaign

During December 2018, the Group has actively engaged in the Share-To-Care Volunteer Campaign organized by the Agency for Volunteer Service, and donated food and household products.

Voluntary service at Shenzhen West Railway Station

On 26 January 2019, the Group's voluntary service team participated in the voluntary service at Shenzhen West Railway Station, assisting and guiding passengers to board trains in a safe and orderly manner during the Spring Festival.

Caring for the future generation

Visit by Lingnan University's postgraduate students at Hong Kong Lam Soon Building

On 26 October 2018, about 70 postgraduate students, majored in Human Resources Management and Organizational Behavior, from Lingnan University visited Hong Kong Lam Soon Building. The Managing Director of the Group shared with the students the overall business operation of the Group and the human resources management strategies and challenges in the business environment.

B. 社會 (續)

2. 營運慣例 (續)

B8. 社區投資 (續)

義工活動

贊助苗圃行動

於二零一八年十月二十一日，本集團贊助苗圃挑戰十二小時慈善越野馬拉松。

全城「喜」義關懷大行動

於二零一八年十二月，本集團積極參與由義務工作發展局舉辦的全城「喜」義關懷大行動，並捐贈食品及家居用品。

深圳西站的志願服務

於二零一九年一月二十六日，本集團志願服務團隊參加深圳西站的志願服務，在春節期間協助及引導乘客安全有序地登上火車。

關懷下一代

嶺南大學研究生參觀香港南順大廈

於二零一八年十月二十六日，嶺南大學約70名主修人力資源管理及組織行為學的研究生參觀香港南順大廈。本集團董事總經理與學生分享本集團的整體業務運作及人力資源管理策略以及商業環境中的挑戰。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

B8. Community Investment *(continued)*

Caring for the future generation *(continued)*

*Visit by Lingnan University's postgraduate students at Hong Kong Lam Soon Building *(continued)**

The students also visited the Lam Soon Bakery Academy. At the academy, the Group's bakery consultant introduced different types of flour and relevant research and development approaches, and taught the students to make freshly baked pineapple buns with premix flour, letting them have a fun baking experience and a taste of the food they made.

Sponsorship for underprivileged students in Northern China

Financial subsidy was provided to underprivileged students in Qingzhou, Shandong Province in January 2019.

B. 社會 *(續)*

2. 營運慣例 *(續)*

B8. 社區投資 *(續)*

關懷下一代 *(續)*

*嶺南大學研究生參觀香港南順大廈 *(續)**

學生們更參觀了南順廚藝學院。於廚藝學院，本集團的烘焙顧問不但向各位介紹了麵粉的種類、研發方式等等，更即場示範及教授使用預拌粉製作新鮮出爐的菠蘿包，讓大家一起體驗烘焙帶來的樂趣，更可品嚐親自製作的美食。

資助中國北方貧困學生

於二零一九年一月，向山東省青州市貧困學生提供經濟補助。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Sponsorship of Sowers Action Challenging 12 Hours
Charity Marathon – Official bread
贊助苗圃挑戰12小時慈善越野馬拉松 – 大會指定麵包

21 October 2018
2018年10月21日



Visit Hong Kong Lam Soon Building by
Lingnan University's undergraduate students
嶺南大學學生參觀香港南順大廈

26 October 2018
2018年10月26日



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Sponsorship for under-privileged students in Northern China
資助中國北方貧困學生

January 2019
2019年1月



Voluntary service at Shenzhen West Railway Station during Spring Festival rush
深圳西站春運義工服務

26 January 2019
2019年1月26日



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Kwek Leng Hai

Aged 66, the Chairman of the Company since October 2006 and has been a Non-executive Director of the Company since appointment to the Board in 1997. Mr. Kwek is also the Chairman of Board Nomination Committee and a member of Board Remuneration Committee of the Company.

Mr. Kwek is a director and shareholder of Hong Leong Company (Malaysia) Berhad (“HLCM”, and together with its subsidiaries, the “Hong Leong Group”), the ultimate holding company of the Company. He is the Executive Chairman of Guoco Group Limited (“GGL”), a subsidiary of HLCM listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is also a director of GGL’s key listed subsidiaries and associated companies including as the Non-executive Chairman of GL Limited (“GL”) and a Director of GuocoLand Limited (“GuocoLand”), both listed on the Main Board of Singapore Exchange Securities Trading Limited, Hong Leong Bank Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and Bank of Chengdu Co., Ltd., listed on the Shanghai Stock Exchange.

Mr. Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales and has extensive experience in various business sectors, including but not limited to finance, investment, manufacturing and real estate. He is the brother-in-law of Dr. Whang Sun Tze, a Non-executive Director of the Company.

Joseph Leung

Aged 58, Group Managing Director and Executive Director of the Company since appointment to the Board in May 2012.

Mr. Leung holds a bachelor degree in Economics and a master degree in Business Administration (Marketing) from Virginia Polytechnic Institute and State University, USA.

Mr. Leung has over 30 years of experience in the food and consumer goods sectors. Prior to joining the Company, Mr. Leung worked in several multinational Fortune 500 corporations, including Sara Lee Corporation, Heinz USA and R. J. Reynolds Tobacco Company USA. In his previous role, Mr. Leung served as the General Manager of Sara Lee International’s Household & Personal Care business in Greater China. During his 20-year tenure at Sara Lee, Mr. Leung held various leadership positions in both management and marketing / marketing research and overseeing a diverse portfolio of brands in the food, apparel, household, and personal care categories in Asia and the United States of America.

Since December 2014, Mr. Leung has been an adjunct professor of Henan University of Technology. In February 2017, he was appointed as a member of the 14th Session of Changzhou Committee of the Chinese People’s Political Consultative Conference.

郭令海

現年六十六歲，自二零零六年十月起擔任本公司主席，並自一九九七年起擔任本公司非執行董事。郭先生亦為本公司董事會提名委員會主席及董事會薪酬委員會成員。

郭先生為本公司最終控股公司 Hong Leong Company (Malaysia) Berhad (「HLCM」) 及其附屬公司統稱「豐隆集團」之董事及股東。彼為國浩集團有限公司 (「國浩」) 之執行主席，該公司為 HLCM 於香港聯合交易所有限公司主板上市之附屬公司。彼亦為國浩的主要上市附屬公司及聯營公司包括皆於新加坡交易所主板上市之 GL Limited (「GL」) 之非執行主席及國浩房地產有限公司 (「國浩房地產」) 之董事、於馬來西亞證券交易所有限公司 (「馬來西亞交易所」) 主板上市之豐隆銀行有限公司，以及於上海證券交易所上市之成都銀行股份有限公司之董事。

郭先生取得英國及威爾斯特許會計師學會之特許會計師資格，並在各行業均積累豐富經驗，包括財務、投資、製造及房地產。彼為本公司非執行董事黃上哲博士配偶之胞弟。

梁玄博

現年五十八歲，自二零一二年五月起為本公司之集團董事總經理兼執行董事。

梁先生持有美國 Virginia Polytechnic Institute and State University 經濟學學士學位及工商管理 (市場學) 碩士學位。

梁先生在食品及消費品行業擁有超過三十年之工作經驗。在加入本公司前，梁先生曾於多間《財富》500 強跨國企業公司工作，包括 Sara Lee Corporation, Heinz USA and R. J. Reynolds Tobacco Company USA。梁先生曾擔任 Sara Lee International 之家庭用品及個人護理事務大中華區總經理。在其二十年任期內，梁先生曾在管理及市場 / 市場研究方面擔任不同領導職位，對亞洲及美國品牌有豐富研究和認識，種類包括食品、衣服、家庭用品及個人護理產品。

自二零一四年十二月，梁先生為河南工業大學兼職教授。彼於二零一七年二月，獲委任為中國人民政治協商會議常州市第十四屆委員會委員。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Tang Hong Cheong

Aged 64, Non-executive Director of the Company since appointment to the Board in September 2016.

Mr. Tang is a Director and the President & CEO of GGL. He is also the Group Managing Director of GL, a Director of GuocoLand and a Non-executive Director of The Rank Group Plc, listed on the London Stock Exchange. He held various senior management positions in different companies within the Hong Leong Group. Prior to his appointment, he was the President/Finance Director of HL Management Co Sdn Bhd. He was also a Director of Southern Steel Berhad ("SSB"), and the Non-executive Chairman of GLM REIT Management Sdn Bhd, the manager of Tower Real Estate Investment Trust ("TOWER REIT"). Both SSB and TOWER REIT are listed on Bursa Malaysia.

Mr. Tang is a member of the Malaysian Institute of Accountants and has over 40 years of in-depth experience in finance, treasury, risk management, operations and strategic planning. He possesses broad-based and C-suite expertise in investment, manufacturing, financial services, property development, gaming and hospitality industry.

Wang Sun Tze Ph.D.

Aged 75, Non-executive Director of the Company since appointment to the Board in 1984.

Dr. Wang holds a Doctorate Degree in Chemical Engineering. He is the brother-in-law of Mr. Kwek Leng Hai.

Tan Lim Heng

Aged 71, Non-executive Director of the Company since appointment to the Board in 1997.

Mr. Tan was a Non-executive Director of GGL from March 2015 to December 2018. Mr. Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. He had also served in the Singapore Civil Service as a Colombo Plan Scholar from 1975 to 1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr. Tan has extensive experience in property investment, financial and investment management services.

鄧漢昌

現年六十四歲，自二零一六年九月起獲委任為本公司非執行董事。

鄧先生為國浩之董事及總裁兼行政總裁。彼亦為GL之集團董事總經理，國浩房地產之董事以及於倫敦證券交易所上市之The Rank Group Plc之非執行董事。彼曾於豐隆集團多間成員公司擔任多個高級管理職位。彼於獲委任前，為HL Management Co Sdn Bhd之總裁／財務董事。彼曾為南達鋼鐵有限公司（「南達鋼鐵」）之董事及GLM REIT Management Sdn Bhd（Tower Real Estate Investment Trust（「TOWER REIT」）之經理）之非執行主席。南達鋼鐵及TOWER REIT皆於馬來西亞交易所上市。

鄧先生為馬來西亞會計師公會之會員，於財務、庫務、風險管理、營運及策略性規劃方面具有逾四十年經驗。彼於投資、製造、金融服務、物業發展、博彩及酒店業務均有廣泛及主管級專業知識。

黃上哲 博士

現年七十五歲，自一九八四年起出任本公司非執行董事。

黃博士持有化學工程學博士學位。彼為郭令海先生胞姊之配偶。

陳林興

現年七十一歲，自一九九七年起出任本公司非執行董事。

陳先生自二零一五年三月至二零一八年十二月曾為國浩之非執行董事。陳先生持有University of Surrey一等榮譽理學士（工程）學位及Massachusetts Institute of Technology理學碩士（管理）學位。彼曾於一九七四年在日內瓦替United Nations Conference on Trade and Development工作。彼亦曾於一九七五年至一九七八年期間作為Colombo Plan Scholar服務新加坡政府，及後於香港為一金融公司和一主要美資銀行工作。陳先生在物業投資、金融及投資管理方面具廣泛之經驗。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Lo Kai Yiu, Anthony

Aged 70, Independent Non-executive Director of the Company since appointment to the Board in December 2008. He is the Chairman of Board Audit and Risk Management Committee and a member of Board Nomination Committee of the Company.

Mr. Lo is qualified as a chartered accountant with the Institute of Chartered Accountants of Ontario, Canada and a member of the HKICPA. Mr. Lo has over 30 years of experience in banking, finance and investments. He worked for a number of well-known financial institutions as managing director.

Mr. Lo also holds other directorships in a number of listed companies in Hong Kong including independent non-executive director, the audit committee chairman and members of the compensation and nomination committees of Playmates Holdings Limited; independent non-executive director, audit committee chairman and member of the remuneration committee of Tristate Holdings Limited; and independent non-executive director, audit committee chairman and member of the nomination committee of Convenience Retail Asia Limited. He retired as independent non-executive director of The Taiwan Fund, Inc., a company listed on the New York Stock Exchange, in April 2018.

Au Chee Ming

Aged 68, Independent Non-executive Director of the Company since appointment to the Board in August 2009. He is the Chairman of Board Remuneration Committee, a member of Board Audit and Risk Management Committee and Board Nomination Committee of the Company.

Mr. Au holds a Bachelor Degree in Commerce and Finance from The University of Calgary, Canada. Mr. Au has over 30 years of experience in banking and finance sectors. He worked for a number of world-wide banks and financial institutions.

羅啟耀

現年七十歲，自二零零八年十二月起出任本公司獨立非執行董事。彼為本公司董事會審核及風險管理委員會主席及董事會提名委員會成員。

羅先生取得加拿大安大略省特許會計師公會之特許會計師及香港會計師公會之會員資格。羅先生在銀行、財務及投資業務方面擁有逾三十年之經驗。彼曾於多間知名金融機構出任董事總經理職位。

羅先生亦擔任香港多間上市公司之其他董事職務，包括Playmates Holdings Limited(彩星集團有限公司)之獨立非執行董事兼審核委員會主席以及薪酬委員會及提名委員會成員；Tristate Holdings Limited之獨立非執行董事兼審核委員會主席及薪酬委員會成員；及利亞零售有限公司之獨立非執行董事兼審核委員會主席及提名委員會成員。彼於二零一八年四月退任一間於紐約證券交易所上市的公司The Taiwan Fund, Inc.之獨立非執行董事。

區熾明

現年六十八歲，自二零零九年八月起出任本公司獨立非執行董事。彼為本公司董事會薪酬委員會主席，董事會審核及風險管理委員會及董事會提名委員會成員。

區先生持有加拿大卡爾加里大學商業及金融學士學位。區先生在銀行及金融界擁有逾三十年之經驗，彼曾於多間國際銀行及金融機構工作。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Huang Lester Garson SBS, J.P.

Aged 59, was appointed as an Independent Non-executive Director of the Company in November 2013. He is a member of the Board Audit and Risk Management Committee and the Board Remuneration Committee of the Company.

Mr. Huang is a practicing solicitor and notary public, and is currently a managing partner of P. C. Woo & Co., a solicitor's firm in Hong Kong. Mr. Huang became a qualified solicitor of Hong Kong in March 1985 and has over 30 years of post qualification experience. Mr. Huang graduated with a Bachelor of Laws from the University of Hong Kong in 1982 and a Master of Education from the Chinese University of Hong Kong in 2006.

In 2002, the Government of the Hong Kong Special Administrative Region ("The Government of HKSAR") appointed Mr. Huang as a Justice of the Peace. In July 2018, The Government of HKSAR awarded him a Silver Bauhinia Star for his public service.

Mr. Huang is a non-executive director of the Securities and Futures Commission ("SFC") and the chairman of the Standing Committee on Language Education and Research. Mr. Huang was appointed by the Chief Executive as Chairman of Council of City University of Hong Kong for a term of three years with effect from 1 January 2018. He was also appointed as the Executive Committee Chairman of Investor and Financial Education Council (formerly known as "Investor Education Centre"), a subsidiary of the SFC in October 2018. Mr. Huang was appointed as a director of Faithful Servant Charitable Foundation Limited in August 2019. Mr. Huang was President of the Law Society of Hong Kong from 2007 to 2009. He also served as a member of the Hospital Authority from December 2012 to December 2018.

Mr. Huang is an independent non-executive director, the remuneration committee chairman, the audit committee member and the nomination committee member of Kidsland International Holdings Limited.

黃嘉純 銀紫荊星章，太平紳士

現年五十九歲，於二零一三年十一月獲委任為本公司之獨立非執行董事。彼為本公司董事會審核及風險管理委員會及董事會薪酬委員會之成員。

黃先生為執業律師及國際公証人，現為一間香港律師行胡百全律師事務所合夥人。黃先生於一九八五年三月成為香港合資格律師及在其專業上擁有逾三十年經驗。黃先生於一九八二年畢業於香港大學，持有法律學士學位，並於二零零六年取得香港中文大學教育碩士學位。

於二零零二年，香港特別行政區政府（「香港特區政府」）委任黃先生為太平紳士。於二零一八年七月，香港特區政府向彼授予銀紫荊星章，嘉獎其對公共服務的貢獻。

黃先生為證券及期貨事務監察委員會（「證監會」）非執行董事及語文教育及研究常務委員會主席。黃先生獲行政長官委任為香港城市大學校董會主席，任期由二零一八年一月一日起生效，為期三年。彼亦於二零一八年十月獲委任為一間證監會之附屬機構－投資者及理財教育委員會（前稱「投資者教育中心」）之管治委員會主席。黃先生於二零一九年八月獲委任為忠僕慈善基金有限公司董事。黃先生於二零零七年至二零零九年為香港律師會會長。彼亦自二零一二年十二月至二零一八年十二月為香港醫院管理局成員。

黃先生為凱知樂國際控股有限公司之獨立非執行董事、薪酬委員會主席、審核委員會成員以及提名委員會成員。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Corporate Governance Practices

The board of directors of the Company (the “Board”) has adopted a Code of Corporate Governance Practices (the “CGP Code”), which is based on the Corporate Governance Code set out in Appendix 14 (the “HKEx Code”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The CGP Code is reviewed from time to time and updated as appropriate to align with the revised provisions of the HKEx Code. Continuous efforts are made to review and enhance the Group’s risk management and internal controls and procedures in light of changes in regulations and developments in best practices.

The Board is pleased to report compliance with the HKEx Code for the year ended 30 June 2019, except where otherwise stated.

Every director is subject to retirement by rotation at least once every three years pursuant to the Articles of Association of the Company and the CGP Code.

Despite non-executive directors were not appointed for a specific term, they are subject to retirement by rotation and re-election at the annual general meetings of the Company, as stipulated by the HKEx Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

Directors’ Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct governing directors’ securities transactions.

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

企業管治常規

本公司之董事會（「董事會」）已採納一套以香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所列之企業管治守則（「港交所守則」）之原則為本之企業管治常規守則（「企業管治守則」）。企業管治守則將不時檢討及作適當的更新以與經修改後的港交所守則保持一致。為配合有關規則之改變及最佳常規之發展，本集團不斷致力檢討及優化本集團的風險管理及內部監控與程序。

董事會欣然報告截至二零一九年六月三十日止年度一直遵守港交所守則，除非另有陳述。

根據本公司組織章程細則及企業管治守則之規定，各董事須至少每三年輪值告退一次。

儘管非執行董事並無特定任期，根據港交所守則之規定，彼等須於本公司股東週年常會上輪值告退及膺選連任。因此，本公司認為該等條文足以符合港交所守則有關條文之宗旨。

董事之證券交易

本公司已採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易之操守守則。

經本公司作出具體查詢，本公司所有董事確認，彼等於本年度內一直遵守標準守則規定之標準。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board of Directors

Composition of the Board

The directors of the Company during the year and up to the date hereof are set out in the Directors' Report on page 87.

Board Meetings, General Meeting and Attendance

During the year, four board meetings and one general meeting were held. Details of individual attendance of directors at the board meetings and general meeting during the year are set out in the table below:

Name of Director	董事姓名	Board Meeting	General Meeting
		Number of Attendance/ Number of Meeting Held 董事會會議 出席次數/ 舉行會議次數	Number of Attendance/ Number of Meeting Held 股東大會 出席次數/ 舉行會議次數
Chairman:	主席：		
Mr. KWEK Leng Hai	郭令海先生	4/4	1/1
Group Managing Director:	集團董事總經理：		
Mr. Joseph LEUNG	梁玄博先生	4/4	1/1
Non-Executive Directors:	非執行董事：		
Mr. TANG Hong Cheong	鄧漢昌先生	4/4	1/1
Dr. WHANG Sun Tze	黃上哲博士	4/4	1/1
Mr. TAN Lim Heng	陳林興先生	4/4	1/1
Mr. TSANG Cho Tai	曾祖泰先生	2/2 (Note)(附註)	1/1
Independent Non-Executive Directors:	獨立非執行董事：		
Mr. LO Kai Yiu, Anthony	羅啟耀先生	4/4	1/1
Mr. AU Chee Ming	區熾明先生	4/4	1/1
Mr. HUANG Lester Garson	黃嘉純先生	4/4	1/1

Note: Mr. TSANG Cho Tai ("Mr. Tsang") retired as a Non-executive Director after the conclusion of 2018 annual general meeting held on 13 November 2018 ("2018 AGM"). Two Board meetings were held during the period from 1 July 2018 up to the conclusion of 2018 AGM (date of retirement of Mr. Tsang.)

董事會

董事會組成

於本年度內及直到本報告書日期，本公司之董事會成員已載於第87頁董事會報告書內。

董事會會議、股東大會及出席率

於本年度內，共舉行四次董事會會議及一次股東大會。個別董事於本年度內出席董事會會議及股東大會之詳情載於下表：

附註：曾祖泰先生（「曾先生」）於二零一八年十一月十三日舉行的二零一八年股東週年常會（「二零一八年股東週年常會」）結束後退任非執行董事。由二零一八年七月一日至二零一八年股東週年常會結束日（即曾先生退任之日期）共舉行兩次董事會會議。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board of Directors *(continued)*

Operations of the Board

The Board determines the corporate mission and broad strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategic objectives. Decisions involving financial statements, dividend policy, material contracts and major investments and divestments are reviewed and subject to approval by the Board. Other main roles of the Board are to review the Company's policies and practices on corporate governance and to ensure that adequate risk management and internal control systems and management information systems are in place, including being in compliance with every aspect of the provisions of applicable laws, regulations, rules, directives and guidelines to create value for its shareholders and to ensure that the Company has adequate management to achieve the Company's strategic objectives.

The Board has delegated the day-to-day management and operation of the Group's businesses to management of the Company and its subsidiaries.

Where appropriate, decisions are also taken by way of circulated resolutions.

Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues and business performance of the Group as well as management proposals which require the approval of the Board.

All directors have access to the advice and services of the company secretary and internal auditors, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

Independence of the Independent Non-Executive Directors

The Company received confirmation of independence from each of the independent non-executive directors ("INEDs") for the year pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company considers that the INEDs continue to be independent.

Relationship among the Members of the Board

The family relationships among the members of the Board are disclosed under "Board of Directors and Senior Management" on pages 65 to 68 of this annual report.

董事會 *(續)*

董事會之運作

董事會制定公司使命及整體策略，監察和監控營運及財務表現以及訂立適當之政策管理風險，以達成集團之策略目標。有關財務報表，股息政策，重要合同及重大投資及撤資之決定，均由董事會審閱及審批。董事會其他主要角色包括審閱本公司有關企業管治之政策及守則，以及確保備有合乎需要之風險管理及內部監控系統及管理資訊系統，其中包括遵守適用之法例、條例、規則、指令及指引之每項條文，以為股東創造財富及確保本公司有足夠管理人員達成本公司之策略目標。

董事會已授權本公司及其附屬公司之管理層負責本集團業務之日常管理及營運。

於適當時，董事會亦會以傳閱決議案之方式作決定。

於董事會會議召開前，董事會文件會適時傳閱，其中包括，財務及公司資料、重要營運及公司事宜、本集團業務表現及須獲董事會批准之管理層建議。

所有董事均可獲得公司秘書及內部核數師之意見及服務，以及在合理要求下，可於適當情況下尋求獨立專業意見，費用(如有)概由本公司負責。

獨立非執行董事之獨立性

於本年度內，本公司接獲各獨立非執行董事(「獨立非執行董事」)根據上市規則第3.13條發出之獨立性確認書。直至及截至本報告書日期，本公司認同獨立非執行董事之獨立性。

董事會成員間之關係

董事會成員間之親屬關係已載於本年報第65至68頁「董事會及高層管理人員」內。

Board of Directors *(continued)*

Directors' Continuous Training and Development Programme

Pursuant to the HKEx Code which took effect on 1 April 2012, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

The Company has put in place a training and development programme for directors which includes (i) induction/familiarisation programme for newly appointed directors; and (ii) on-going training and professional development programme for directors.

During the year ended 30 June 2019, all directors of the Company namely, Messrs. KWEK Leng Hai, Joseph LEUNG, TANG Hong Cheong, WHANG Sun Tze, TAN Lim Heng, TSANG Cho Tai (retired on 13 November 2018), LO Kai Yiu, Anthony, AU Chee Ming and HUANG Lester Garson, received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations, environmental, social and governance matters applicable to the Group were provided to the directors. They also attended regulatory update sessions and seminars on relevant topics. All directors are requested to provide the Company with their respective training record pursuant to the CGP Code.

Chairman and Group Managing Director

The roles of Chairman and Group Managing Director ("GMD") are segregated and are not held by the same person. Currently Mr. KWEK Leng Hai is the Chairman and Mr. Joseph LEUNG is the GMD of the Company.

The Chairman leads the Board and ensures its smooth and effective functioning. The GMD is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress.

董事會 *(續)*

董事持續培訓及發展課程

根據二零一二年四月一日生效之港交所守則，全體董事須參與持續專業發展，以發展及更新其知識及技能。此舉可確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

本公司已為董事提供培訓及發展課程，包括(i)為新委任之董事提供就職／熟悉課程；及(ii)為董事提供持續培訓及專業發展課程。

截至二零一九年六月三十日止年度內本公司全體董事(即郭令海先生、梁玄博先生、鄧漢昌先生、黃上哲博士、陳林興先生、曾祖泰先生(於二零一八年十一月十三日退休)、羅啟耀先生、區熾明先生及黃嘉純先生)已接獲有關本集團業務、營運、風險管理及企業管治事宜之定期簡報及更新。董事亦獲提供適用於本集團之重要法律法規、環境、社會及管治之有關新修訂或變更資料。彼等亦出席有關最新監管議題的課程及研討會。根據企業管治守則，所有董事須向本公司提供彼等各自之培訓記錄。

主席及集團董事總經理

主席及集團董事總經理(「集團董事總經理」)之角色獨立分開，並由不同人士擔任。本公司現時之主席為郭令海先生，集團董事總經理為梁玄博先生。

主席領導董事會並確保其順利和有效地運作。集團董事總經理則負責本集團的願景和策略方向、執行政策及董事會的決定、提出經營建議及企業策略從而創造競爭優勢並提高股東的財富，定立營運公司的基準與目標，監察日常的運作及遵從法規及緊貼業務發展。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Non-Executive Directors

The non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting pursuant to the articles of association of the Company and the CGP Code.

Board Committees

During the year, three board committees, namely, the Board Remuneration Committee, the Board Audit and Risk Management Committee and the Board Nomination Committee were in place for overseeing particular aspects of the Company's affairs pursuant to the Listing Rules and the CGP Code.

The three board committees of the Company are established with defined written terms of reference, approved by the Board, which set out the Committees' major duties. The terms of reference now being posted on the websites of the Stock Exchange and the Company, are available to shareholders.

The majority of the members of each board committee are INEDs. The list of the chairman and members of each board committee is set out in the following board committee section.

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

Board Remuneration Committee ("BRC")

The Company established the BRC on 1 July 2005 with specific written terms of reference in accordance with the requirements of the Stock Exchange which deal clearly with its authority and duties.

The principal role and functions of the BRC are to make recommendations to the Board on its policy and structure for the remuneration of directors and senior management, as well as to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. Detailed terms of reference of the BRC are accessible on the Company's website.

非執行董事

非執行董事並無特定任期。然而，根據本公司組織章程細則及企業管治守則，彼等須於股東週年常會上輪值告退及膺選連任。

董事委員會

於本年度內，三個董事委員會，即董事會薪酬委員會、董事會審核及風險管理委員會及董事會提名委員會，均已根據上市規則及企業管治守則監察本公司之特定事宜。

本公司所成立之三個董事委員會均設有董事會批准之特定書面職權範圍，當中載有委員會之主要職責。職權範圍現時於聯交所及本公司網站登載，以供股東查閱。

各董事委員會之大部分成員均為獨立非執行董事，而主席及成員名單於下文董事委員會一節內載列。

董事委員會獲提供充足資源，以履行彼等之職責，並在有合理要求時，能夠於適當情況下尋求獨立專業意見，有關費用概由本公司負責。

董事會薪酬委員會(「董事會酬委會」)

本公司於二零零五年七月一日成立董事會酬委會，並設有符合聯交所規定之具體書面職權範圍，當中訂明其權力及職責。

董事會酬委會之主要角色及職能是就有關各董事及高級行政人員之薪酬政策及架構向董事會作出建議，以及釐定全體執行董事及高級管理人員之具體酬金待遇，包括非金錢利益、退休金權利及賠償金額(設有喪失或終止職務或委任之賠償)。董事會酬委會職權範圍之詳情於本公司網站可供查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Remuneration Committee ("BRC") *(continued)*

The BRC has adopted the approach under code provision B.1.2(c)(i) of the HKEx Code to determine, with delegated responsibility and authorisation by the Board, the remuneration packages of individual executive directors and senior management.

For the year, the BRC comprised Messrs. AU Chee Ming (Chairman of the BRC), KWEK Leng Hai and HUANG Lester Garson. Mr. AU Chee Ming and Mr. HUANG Lester Garson are INEDs of the Company whilst Mr. KWEK Leng Hai is the Chairman of the Company.

During the year, two BRC meetings were held. The individual attendance of each member was as follows:

董事委員會 *(續)*

董事會薪酬委員會(「董事會酬委會」)*(續)*

董事會酬委會已獲董事會授予職責及權力，採納港交所守則第B.1.2(c)(i)條守則條文訂明之方法，以釐定個別執行董事及高級管理人員之薪酬待遇。

於本年度內，董事會酬委會由區熾明先生(董事會酬委會主席)，郭令海先生及黃嘉純先生組成。區熾明先生及黃嘉純先生均為本公司獨立非執行董事，而郭令海先生則為本公司主席。

於本年度內，共舉行兩次董事會酬委會會議。個別成員出席之情況載列如下：

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. AU Chee Ming (Chairman)	區熾明先生(主席)	2/2
Mr. KWEK Leng Hai	郭令海先生	2/2
Mr. HUANG Lester Garson	黃嘉純先生	2/2

Work done for the financial year 2018/2019

於2018/2019年度完成之工作

- | | |
|---|---|
| <ul style="list-style-type: none"> - reviewed and recommended directors' fees for non-executive directors for the financial year 2017/2018; - approved the discretionary bonuses for executive directors and senior management for the financial year 2017/2018; - reviewed the remuneration packages of executive directors and senior management; - reviewed the Employee's Share Option Scheme; - reviewed its terms of reference and remuneration policy for directors and senior management; and - deliberated the statement relating to the BRC for inclusion in the Corporate Governance Report. | <ul style="list-style-type: none"> - 就二零一七／二零一八年度之非執行董事之袍金向董事會作出建議及檢討，以供股東批准； - 批准截至二零一七／二零一八年度之執行董事及高層管理人員之花紅； - 檢討執行董事及高層管理人員之酬金待遇； - 檢討僱員之股份認購權計劃； - 檢討其職權範圍以及董事和高層管理人員之薪酬政策；及 - 批准於企業管治報告中有關酬委會的陳述。 |
|---|---|

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Remuneration Committee ("BRC") *(continued)*

Level and Make-up of Remuneration

The Group's remuneration scheme for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meeting.

Details of the remuneration of the directors for the year ended 30 June 2019 are provided in note 9 to the Financial Statements in this annual report.

Board Nomination Committee ("BNC")

The Company established the BNC on 1 April 2012 with specific written terms of reference in accordance with the requirement of the Stock Exchange which deal clearly with its authority and duties.

The principal role of the BNC is to make recommendations to the Board on the structure, size and composition of the Board, to review the independence of INEDs, the suitability of directors who will stand for re-election and directors' continuous training and development programme, to formulate, review and implement a policy for the nomination of directors (including nomination procedures) and to formulate a policy concerning board diversity, monitor the implementation of such policy and to review the same, as appropriate. Detailed terms of reference of the BNC is accessible on the Company's website and HKEx's website.

The BNC comprised Messrs. KWEK Leng Hai (Chairman of the BNC), LO Kai Yiu, Anthony and AU Chee Ming. Mr. LO Kai Yiu, Anthony and Mr. AU Chee Ming are INEDs of the Company whilst Mr. KWEK Leng Hai is the Chairman of the Company.

董事委員會 *(續)*

董事會薪酬委員會(「董事會酬委會」)*(續)*

薪酬水平及釐定

本集團對執行董事及高層管理人員之薪酬計劃按表現、服務年資、經驗及職權範圍釐定，並根據本集團人力資源手冊內之條文，並不時按照市場／行業慣例，作出檢討。

非執行董事之薪酬水平反映其責任水平。

董事(包括非執行董事)之袍金由董事會建議及認可，以供股東於本公司股東週年常會上批准。

就截至二零一九年六月三十日止年度之董事酬金詳情載於本年報之財務報表附註9。

董事會提名委員會(「提名委員會」)

本公司於二零一二年四月一日設立提名委員會。提名委員會設有符合聯交所規定之具體書面職權範圍，當中訂明其權力及職責。

提名委員會的主要職能是就董事會之架構、規模及組成向董事會作出建議，以及審閱獨立非執行董事之獨立性、董事是否合適獲提名重選及董事之持續培訓及發展項目、制定、檢討及實施有關董事提名政策(包括提名程序)，以及制定有關董事會多元化之政策，監督該政策之實施及檢討該政策(如適用)。提名委員會職權範圍之詳情於本公司及港交所網站可供查閱。

提名委員會由郭令海先生(提名委員會主席)、羅啟耀先生及區熾明先生組成。羅啟耀先生及區熾明先生均為本公司獨立非執行董事，而郭令海先生則為本公司主席。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Nomination Committee (“BNC”) *(continued)*

During the year, one BNC meeting was held. The BNC had also met after the financial year end to discuss/review the Company’s matters for the year ended 30 June 2019. The individual attendance of each member is as follows:

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. KWEK Leng Hai (<i>Chairman</i>)	郭令海先生 (<i>主席</i>)	1/1
Mr. LO Kai Yiu, Anthony	羅啟耀先生	1/1
Mr. AU Chee Ming	區熾明先生	1/1

Work done during the year

- reviewed the structure, size, composition and diversity and gender of the Board (including the mix of skills, knowledge, experience, competences of directors, and the balance between executive directors, non-executive directors and independent non-executive directors) annually;
- reviewed and assessed the independence of independent non-executive directors of the Company;
- reviewed the profile of and participation in the Company’s affairs of the directors who stood for re-election at annual general meeting;
- reviewed the continuous training and development programmes undertaken by directors to ensure that an appropriate program is in place;
- reviewed the Board Diversity Policy and reviewed and updated the terms of reference of the BNC;
- formulated, reviewed and implemented a nomination policy (the “Nomination Policy”); and
- deliberated the statement relating to BNC for inclusion in the Corporate Governance Report.

董事委員會 *(續)*

董事會提名委員會(「提名委員會」)*(續)*

於本年度內，共舉行一次提名委員會會議，提名委員會並於本財政年度完結後舉行會議並討論／審閱本公司截至二零一九年六月三十日止年度之事宜。個別成員出席之情況載列如下：

- 每年檢討董事會之架構、規模、組成及多元化及性別(包括董事不同之技能、知識、經驗、能力以及執行董事、非執行董事及獨立非執行董事之平衡)；
- 審閱及評核本公司獨立非執行董事之獨立性；
- 審閱於股東週年常會上參與重選之董事之履歷及對本公司事務之參與程度；
- 檢討董事負責之持續培訓及發展項目，並確認已具備適合之項目；
- 檢討本公司之董事會多元化政策及審閱及更新提名委員會之職權範圍；
- 制定、檢討及實施提名政策(「提名政策」)；及
- 批准於企業管治報告中有關提名委員會的陳述。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Nomination Committee (“BNC”) *(continued)*

Board Diversity Policy

The Company has adopted the Board Diversity Policy pursuant to which the Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Company maintains that selection of candidates for Board appointments will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The BNC reviews annually the Board Diversity Policy to ensure its effectiveness and application.

Nomination Policy

During the year, the Board resolved to adopt the Nomination Policy which serves as a guiding mechanism and framework for the BNC on the process for new appointments and re-appointments of directors, Group Managing Director and board committee members and their annual assessment.

The BNC will review annually the Nomination Policy to ensure its effectiveness and application and will update, amend and modify as appropriate to ensure it continues to be relevant to needs of the Company and is consistent with regulatory and corporate governance requirements.

The Nomination Policy is accessible on the Company’s website.

董事委員會 *(續)*

董事會提名委員會(「提名委員會」)*(續)*

董事會多元化

本公司已採納董事會多元化政策，據此本公司認同及接納董事會多元化在提升其表現質素方面的裨益。本公司於選擇董事會候選人時將考慮一系列多元化範疇，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及年資，而最終決定將基於該候選人將為董事會帶來之功績及貢獻。

提名委員會每年檢討董事會多元化政策以確保其有效性及得以實施。

提名政策

於本年度內，董事會決定採納提名政策，其為提名委員會定下指導機制及框架，以處理新委任及重新委任董事、集團董事總經理及董事委員會成員及其年度評估事宜。

提名委員會將每年檢討提名政策以確保其有效性及得以實施，並將進行適當更新、修訂及修改，以確保其繼續切合本公司需要並符合監管及企業管治規定。

提名政策可於本公司網站查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Audit and Risk Management Committee ("BARMC")

The Company established the Board Audit Committee on 29 December 1998 with specific written terms of reference in accordance with the requirements of the Stock Exchange which deal clearly with its authority and duties. On 17 February 2016, the Board has resolved to rename the Committee as Board Audit and Risk Management Committee ("BARMC").

The BARMC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's system of risk management and internal control. The BARMC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of risk management and internal control. It also reviews directors' interests in contracts and connected transactions. The BARMC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board. Detailed terms of reference of the BARMC are accessible on the Company's website.

For the year, the BARMC comprised Messrs. LO Kai Yiu, Anthony (Chairman of the BARMC), TSANG Cho Tai (retired after the conclusion of 2018 AGM), AU Chee Ming (appointed as member of the BARMC with effect from the conclusion of 2018 AGM) and HUANG Lester Garson. Mr. LO Kai Yiu, Anthony, Mr. AU Chee Ming and Mr. HUANG Lester Garson are INEDs of the Company whilst Mr. TSANG Cho Tai was the non-executive director of the Company.

During the year, five BARMC meetings were held. The individual attendance of each member was as follows:

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. LO Kai Yiu, Anthony (<i>Chairman</i>)	羅啟耀先生 (主席)	5/5
Mr. AU Chee Ming	區熾明先生	3/3
Mr. HUANG Lester Garson	黃嘉純先生	5/5
Mr. TSANG Cho Tai	曾祖泰先生	2/2

董事委員會 (續)

董事會審核及風險管理委員會 (「審核及風險管理委員會」)

本公司於一九九八年十二月二十九日設立董事會審核委員會，並設有符合聯交所規定之具體書面職權範圍，當中訂明其權力及職責。於二零一六年二月十七日，董事會決議把委員會之名稱重新命名為董事會審核及風險管理委員會 (「審核及風險管理委員會」)。

審核及風險管理委員會監察財務報告程序以及評估本公司風險管理及內部監控系統是否合乎需要及有效。審核及風險管理委員會會見本公司之外聘核數師及內部核數師，以審閱彼等之審核方案、內部審核項目、彼等審核之結果以及彼等對風險管理及內部監控系統之評價。審核及風險管理委員會亦審閱董事於合同及關連交易之利益關係。審核及風險管理委員會審閱本集團及本公司之財務報表以及相關之核數師報告書，並向董事會提交意見。審核及風險管理委員會職權範圍之詳情於本公司網站可供查閱。

於本年度內，審核及風險管理委員會由羅啟耀先生 (審核及風險管理委員會主席)，曾祖泰先生 (於二零一八年股東週年常會結束後退任)、區熾明先生 (於二零一八年股東週年常會結束後獲委任為審核及風險管理委員會成員) 及黃嘉純先生組成。羅啟耀先生、區熾明先生及黃嘉純先生均為本公司獨立非執行董事，而曾祖泰先生則為本公司非執行董事。

於本年度內，共舉行五次審核及風險管理委員會會議。個別成員出席之情況載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Audit and Risk Management Committee ("BARMC") *(continued)*

The following is a summary of the work performed by the BARMC during the year:

- reviewed the adequacy and effectiveness of the Group's systems of internal control and enterprise risk management;
- reviewed the consolidated financial statements and results of the Group;
- reviewed the external auditors' report thereon;
- reviewed the appropriateness of the Group's accounting policies;
- reviewed at various times the potential impact of the generally accepted accounting principles in Hong Kong on the Company's accounts;
- reviewed the nature and scope of external audit and approved the external audit fee;
- reviewed adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes; and
- reviewed connected transactions entered into by the Group or subsisting during the year.

Directors' Responsibilities for Preparing the Financial Statements

The directors of the Company have acknowledged their responsibility for preparing the financial statements for the year. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditors' Report on pages 103 to 109 of this annual report.

Auditors' Remuneration

Auditors' remuneration for the year is set out in note 7 to the financial statements on page 168.

董事委員會 *(續)*

董事會審核及風險管理委員會(「審核及風險管理委員會」) *(續)*

下列為審核及風險管理委員會於本年度之工作摘要：

- 檢討本集團內部監控及企業風險管理系統是否合乎需要及有效；
- 審閱本集團之綜合財務報表及業績；
- 審閱附載其內之外聘核數師報告書；
- 檢討本集團會計政策是否合適；
- 不時審閱香港普遍採納之會計準則對本公司賬目之潛在影響；
- 審閱外部核數之性質及範圍及批准外部核數費用；
- 檢討本公司在會計及財務匯報職能方面之資源、員工資歷及經驗之完善性，以及員工之培訓課程之足夠性；及
- 審閱於本年度由本集團訂立或仍存續之關連交易。

董事有關編製財務報表之責任

本公司董事均已承認彼等對編製本年度財務報表之責任。目前概無涉及可對本公司持續經營能力構成重大疑慮之事件或情況之重大不明朗因素。

本公司外聘核數師就其對財務報表申報責任發出之聲明載於本年報第103至109頁之獨立核數師報告內。

核數師酬金

本年度之核數師酬金已載於本年報第168頁之附註7內。

Risk Management and Internal Control

The risk management and internal control system is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorised use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations. It provides reasonable, but not absolute, assurance against material misstatement or loss and manages rather than eliminates risks associated with its business activities.

The Board, recognising its responsibilities in ensuring sound risk management and internal controls, has developed a set of Enterprise Risk Management framework ("ERM framework") for the Group and set forth in its policy and procedures to assist in:

- identifying the enterprise risks faced by the Group in the operating environment as well as evaluating the impact of such risks identified;
- developing the necessary measures for managing these risks; and
- monitoring and reviewing the effectiveness and adequacy of such measures.

The ERM framework consists of interactive processes for each of our business units to constantly identify and access risks in terms of their potential impact and probability of occurrence, as well as to establish and implement relevant procedures and internal controls for risk mitigation, ongoing monitoring and periodic reporting by management to ensure that residual risks after taking into account risk mitigating measures fall within the risk appetite and tolerance set by the Board.

The Board has entrusted the BARMC with the responsibility to oversee the implementation of the ERM framework of the Group. In discharging this responsibility, the BARMC, assisted by the Group Internal Audit Department ("GIAD"):

- ensures that new and emerging enterprise risks are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks;
- monitors the implementation of the action plans and the effectiveness and adequacy of the control systems; and
- ensures the Group's risk register is up-to-date and risk profile reports are furnished by management to the BARMC review.

風險管理及內部監控

風險管理及內部監控系統旨在提升營運之成效及效率、保護資產以免在未經授權下被挪用及處理、確保有保存恰當之會計記錄以及財務報表之真實性及公平性，並確保遵守相關法規及條例。內部監控可作為不會出現重大錯誤陳述或損失的合理(而非絕對)保證，亦可管理(而非消除)與其商業活動有關之風險。

董事會確認其有責任確保穩健妥善的風險管理及內部監控，並已建立一套企業風險管理架構(「企業風險管理架構」)並闡述於本集團的政策及程序內以協助本集團：

- 找出本集團在營運環境內之重大風險，同時評估該等風險之影響；
- 制定管理該等風險所需的措施；及
- 監察並檢討該等措施是否有效及合乎需要。

企業風險管理架構是我們每個業務分部，就風險之潛在影響及發生概率而言，去持續辨認及評估，以及至風險緩解的制定、實行相關程序和內部監控之間的互動過程，管理人員持續監察及定期報告，以確保執行風險緩解措施後，所剩餘的風險已被考慮及被董事會所釐定的可承受力範圍之內。

董事會已將監察本集團企業風險管理架構之責任委託予審核及風險管理委員會。於履行有關責任時，審核及風險管理委員會在本集團內部審核部門(「內審部」)協助下：

- 確保管理層可立即得知與本集團有關之新企業風險；
- 評估為管理有關風險而制訂之行動計劃及監控制度是否合乎需要；
- 監察行動計劃之執行及監控制度之成效及是否合乎需要；及
- 確保本集團之風險管控表是最新及由管理人員提交的風險概況報告已由審核及風險管理委員會檢閱。

Risk Management and Internal Control *(continued)*

These on-going processes have been in place, and reviewed periodically by the BARMC to ensure their effectiveness, supplemented by the other reports from GIAD on the Group's internal control and risk management findings.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board, through the BARMC, has conducted an annual review on the Group's risk management and internal control system and considers that it is adequate and effective covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. The Board is satisfied that the Group has fully complied with the provisions on risk management and internal controls as set out in the CGP Code.

Handling and Dissemination of Inside Information

The Company has established and implemented relevant procedures and internal controls for the handling and dissemination of inside information, including restricting employee access to inside information on a need-to-know basis and ensuring that those who need to know understand the obligation of keeping the information confidential. All inside information is disclosed to the public pursuant to the requirements under the Securities and Futures Ordinance and the Listing Rules and kept strictly confidential before disclosure.

風險管理及內部監控 *(續)*

此等持續程序已設立，並由審核及風險管理委員會定期檢討，以確保其有效性，並輔以由內審部提供的其他內部監控報告及風險管理調查結果。

風險管理架構內之監控措施旨在管理(而非期望消除)無法達到業務目標之所有風險。此等監控措施可作為管理及財務資料不會出現重大失實聲明或不會出現財務損失及欺詐的合理(而非絕對)保證。

董事會已透過審核及風險管理委員會，就本集團之風險管理及內部監控系統進行年度檢討，並認為是足夠及有效覆蓋所有重要的監控，包括財務、營運及規管控制，以確保員工資歷和經驗、培訓計劃及本集團之財務預算、內部審核及財務匯報職能方面資源充足。董事會信納本集團已全面遵守企業管治守則所載之風險管理及內部監控條文。

處理及發放內幕消息

本公司制定及實施處理及發放內幕消息之相關程序及內部監控，包括限制員工按須知基準查閱內幕消息，確保須知消息之人員了解確保消息機密之義務。所有內幕信息均按照證券及期貨條例及上市規則項下要求向公眾披露，並於披露前嚴格保密。

Shareholders' Rights

The Company has only one class of shares, all shares have the same voting rights and are entitled to the dividends declared.

(a) Rights and procedures for shareholders to convene extraordinary general meetings ("EGM")

Subject to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("Hong Kong Companies Ordinance"), the Directors shall on the requisition of shareholders of the Company (the "Shareholder(s)") representing at least 5% of the total voting rights of all the shareholder(s) having a right to vote at general meetings of the Company, forthwith proceed duly to convene an EGM of the Company.

The requests must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is/are intended to be moved at the meeting. The request must be signed by the requisitionists and deposited at the registered office of the Company for the attention of the Company Secretary in hard copy form.

(b) Rights and procedures for shareholders to make proposals at general meetings

(i) Rights and procedures for a shareholder to propose a person for election as a director are as follows:

Pursuant to Article 86 of the Company's Articles of Association, shareholder(s) may send a notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his willingness to be elected shall have been delivered to the Company's registered office provided that the minimum length of the period during which such notices are given, shall be at least seven days and that the period for lodgement of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

股東權利

本公司僅有一個類別的股份，所有股份具有相同投票權，並有權收取所宣派之股息。

(a) 股東召開股東特別大會（「股東特別大會」）之權利及程序

按香港《公司條例》（香港法例第622章）（「香港公司條例」），董事須應本公司股東（「股東」）佔全體有權在股東大會上投票表決的總表決權最少5%的股東之要求，隨即辦理召開本公司股東特別大會之程序。

有關要求均必須述明有待於會上處理的事務的一般性質及可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。有關要求必須由要求者簽署並以紙本形式送交至本公司之註冊辦事處給予公司秘書。

(b) 股東於股東大會上提出建議之權利及程序

(i) 股東提名候選董事之權利及程序如下：

根據本公司之組織章程細則第86條，股東可發出書面通知表明有意提名一名人士參選董事，而該名人士表明願意接受推選之書面通知須送達本公司註冊辦事處，惟提交有關通告予本公司的期間最短不少於七日，且提交通知之期間最早由寄發為選舉董事而召開的大會之通知翌日起至不遲於該大會舉行日期前七日止。

Shareholders' Rights *(continued)*

(b) Rights and procedures for shareholders to make proposals at general meetings *(continued)*

- (ii) Rights and procedures for proposing resolution to be put forward at a general meeting are as follows:

Shareholder(s) can submit a written requisition to move a resolution at an annual general meeting ("AGM") if they:

- represent at least 2.5% of the total voting rights of all shareholders who have a right to vote on the resolution at the AGM; or
- at least 50 shareholders who have a right to vote on the resolution at the AGM.

Dividend Policy

The Board has adopted the Dividend Policy which sets out the guiding principles with aims to create long term value for its shareholders through maintaining a balance between dividend distribution, preserving adequate liquidity and reserve to meet its working capital requirements, and capturing future growth opportunities.

Pursuant to this, the Board may propose/declare the payment of dividend(s) after taking into account the current financial performance of the Company, the future financial requirements of the Company and any other factors the Board may deem relevant.

The Board may also decide on the frequency of dividend payment and further declare/recommend any special distributions. Dividend(s) may be in the form of cash, shares, distribution in specie or any other form as the Board may determine.

股東權利 *(續)*

(b) 股東於股東大會上提出建議之權利及程序 *(續)*

- (ii) 於股東大會上提呈決議案之權利及程序如下：

股東於符合下列條件之情況下，可提出書面請求於股東週年常會（「股東週年常會」）上動議決議案：

- 佔全體有權在股東週年常會上投票表決的股東的總表決權最少2.5%；或
- 最少五十名持有可於股東週年常會有投票表決權利之股東。

股息政策

董事會已採納載有指導原則的股息政策，旨在透過在股息分派、保留足夠流動資金和儲備以滿足其營運資金需求及把握未來增長機會之間取得平衡，為股東創造長遠價值。

據此，董事會經考慮本公司目前財務表現、本公司未來財務需求及董事會可能認為相關的任何其他因素後，可提議／宣派派付股息。

董事會亦可決定股息派付的次數以及進一步宣派/建議任何特別分派。股息的形式可為現金、股份、實物分派或董事會可能釐定的其他任何形式。

Communication with Shareholders

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, interim report, various notices, announcements and circulars.

The Company shall communicate other information to Shareholders on a need basis by way of announcement which will be posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company. Other than AGM, EGM shall be held pursuant to relevant rules and regulations if required. Shareholders shall receive explanatory circulars and proxy forms relating to the EGMs. Proxy arrangements for the general meetings are in place for shareholders who are unable to attend the meetings in person.

Shareholders and the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company, which are available on the Company website, in order to enable them to make any query in respect of the Company or to make a request for the Company's information to the extent such information is publicly available.

Shareholders' questions about their shareholdings should be directed to the Company's Share Registrar, Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Investor Relations

In order to enhance communication between the Company and investors/analysts, senior management members will hold meetings with investors/analysts upon request as and when the need arises.

Investors are welcome to send email directly to the Company Secretary's email at comsec@lamsoon.com or browse the Company's website for the latest release and financial information.

A dedicated Investor Relations section is available on the Company website (<http://www.lamsoon.com>). Information on the Company website is updated on a regular basis.

與股東之溝通

本公司採用多種通訊工具，以確保股東可獲得有關主要業務事宜的充份資料，包括股東週年常會、年報、中期報告、各類通告、公佈及通函。

本公司須於必要時以公佈之方式向股東傳達其他資料，有關公佈將於香港交易及結算所有限公司及本公司之網站登載。除股東週年常會外，如要求召開股東特別大會，則須根據相關法律及法規進行。股東應收取有關股東特別大會之說明通函及代表委任表格。本公司已為無法親身出席股東大會之股東作出有關會議之受委代表安排。

本公司須向股東及投資人士提供本公司之指定聯絡人、電郵地址及查詢熱線(有關資料於本公司之網站可供查閱)，以便他們作出任何有關本公司之查詢或索取本公司可公開之資料。

股東如對名下持有股份有任何問題，應向本公司之股份過戶登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712至1716室)提出。

投資者關係

為加強本公司與投資者／分析員之間的溝通，高級管理人員會應要求或於必要時與投資者／分析員召開會議。

本公司歡迎投資者直接向公司秘書寄送電子郵件(comsec@lamsoon.com)或瀏覽本公司網站，以獲取最新消息及財務資料。

本公司網站(<http://www.lamsoon.com>)專設「投資者關係」欄目。本公司網站登載之資料會定期更新。

DIRECTORS' REPORT

董事會報告書

The directors submit their annual report together with the audited financial statements of the Company and its subsidiaries (collectively, the "Group") for the year ended 30 June 2019.

Principal Activities

The Company is an investment holding company and the principal activities of the principal subsidiaries are set out on pages 225 to 227.

Principal Subsidiaries

Details of the Company's principal subsidiaries are set out on pages 225 to 227.

Business Review

The business review of the Group for the year ended 30 June 2019 are provided in the Chairman's Statement, Review of Operations and Environmental, Social and Governance Report of this annual report.

Financial Statements

The profit of the Group for the year, the state of affairs of the Company and of the Group as at 30 June 2019 and the Group's cash flows and statement of changes in equity for the year ended are set out in the financial statements on pages 110 to 224.

Dividends

The Directors are recommending to the shareholders for approval at the forthcoming annual general meeting to be held on Wednesday, 13 November 2019 a final dividend of HK\$0.30 per share totaling approximately HK\$73,006,000. This, together with the interim dividend of HK\$0.14 per share paid on Wednesday, 27 March 2019, will amount to a total dividend of HK\$0.44 per share for the year (2018: interim dividend of HK\$0.13 and final dividend of HK\$0.27 per share). Subject to shareholders' approval, the final dividend will be payable on Wednesday, 4 December 2019 to the shareholders whose names appear on the register of members on Friday, 22 November 2019.

董事謹提呈其截至二零一九年六月三十日止年度本公司及其附屬公司(以下統稱「集團」)的週年報告及經審核財務報表。

主要業務

本公司為一間投資控股公司，其主要附屬公司的主要業務詳列於第225頁至第227頁。

主要附屬公司

本公司之主要附屬公司的資料詳列於第225頁至第227頁。

業務回顧

本集團於截至二零一九年六月三十日止年度之業務回顧載於本年報之董事會主席報告書、業務回顧及環境、社會及管治報告書內。

財務報表

本集團於本年度的溢利、本公司及本集團於二零一九年六月三十日的財務狀況，以及截至該日止年度本集團的現金流量及權益變動表，均載列於第110頁至第224頁的財務報表內。

股息

董事會將於二零一九年十一月十三日星期三之股東週年常會上向股東建議，批准派發末期股息每股港幣0.30元，合共約港幣73,006,000元。此項股息連同於二零一九年三月二十七日星期三支付之中期股息每股港幣0.14元，本年度合共派發股息每股港幣0.44元(二零一八年：中期股息每股港幣0.13元及末期股息每股港幣0.27元)。待股東批准後，末期股息將於二零一九年十二月四日星期三支付予於二零一九年十一月二十二日星期五名列股東名冊之股東。

DIRECTORS' REPORT

董事會報告書

Closure of Register of Members

For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting:

Closure dates of Register of Members (both days inclusive)	8 November 2019 (Friday) to 13 November 2019 (Wednesday)
Latest time to lodge transfers	4:30 p.m. on 7 November 2019 (Thursday)
Record date	13 November 2019 (Wednesday)
Annual General Meeting	13 November 2019 (Wednesday)

For ascertaining shareholders' entitlement to the proposed final dividend*:

Closure dates of Register of Members (both days inclusive)	21 November 2019 (Thursday) to 22 November 2019 (Friday)
Latest time to lodge transfers	4:30 p.m. on 20 November 2019 (Wednesday)
Record date	22 November 2019 (Friday)
Proposed final dividend payment date	4 December 2019 (Wednesday)

(*subject to shareholders' approval at the annual general meeting)

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office – Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before the relevant latest time to lodge transfers.

Share Capital

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

Equity-Linked Agreements

Other than the Executive Share Option Scheme 2013 of the Company as disclosed in this Directors' Report, no equity-linked agreement was entered into by the Company subsisted at the end of the year or at any time during the year ended 30 June 2019.

暫停辦理股份過戶登記手續

以確定股東有權出席股東週年常會並於會上投票：

暫停辦理股份過戶登記日期 (包括首尾兩天)	二零一九年十一月八日 (星期五)至二零一九年 十一月十三日(星期三)
截止辦理股份過戶時間	二零一九年十一月七日 (星期四)下午四時三十分
記錄日期	二零一九年十一月十三日 (星期三)
股東週年常會	二零一九年十一月十三日 (星期三)

以確定股東享有擬派發之末期股息*：

暫停辦理股份過戶登記日期 (包括首尾兩天)	二零一九年 十一月二十一日(星期四) 至二零一九年 十一月二十二日(星期五)
截止辦理股份過戶時間	二零一九年十一月二十日 (星期三)下午四時三十分
記錄日期	二零一九年十一月二十二日 (星期五)
末期股息擬派發日期	二零一九年十二月四日 (星期三)

(*有待股東於股東週年常會批准)

在暫停辦理股份過戶登記期間，本公司將暫停辦理股份過戶登記手續。所有股份過戶文件連同有關之股票必須在有關之截止辦理股份過戶時間前送交本公司之股份過戶登記處—香港中央證券登記有限公司辦理登記手續，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716室。

股本

本集團本年度股本的變動詳列於財務報表附註20。

股票掛鈎協議

除本董事會報告披露的2013行政人員股份認購權計劃，於截至二零一九年六月三十日止年度末或在本年度任何時間內，本公司並無訂立任何股票掛鈎協議。

DIRECTORS' REPORT

董事會報告書

Directors

The directors during the year and up to the date of this report are:

KWEK Leng Hai, *Chairman**
LEUNG Joseph, *Group Managing Director***
TANG Hong Cheong*
WHANG Sun Tze, Ph. D.*
TAN Lim Heng*
TSANG Cho Tai*
– retired as *Non-executive Director after the conclusion of 2018 annual general meeting held on 13 November 2018 (the "2018 AGM")*

LO Kai Yiu, Anthony#
AU Chee Ming#
HUANG Lester Garson, SBS, J.P.#

* *Non-executive director*
** *Executive director*
Independent non-executive director

In accordance with Article 84 of the Company's articles of association and Code A.4.2 of the Code of Corporate Governance Practices of the Company, Messrs. KWEK Leng Hai, TANG Hong Cheong and AU Chee Ming will retire from office by rotation at the forthcoming annual general meeting (the "AGM"). Messrs. KWEK Leng Hai and TANG Hong Cheong, being eligible, will offer themselves for re-election at the AGM. Mr. AU Chee Ming has indicated his intention not to offer himself for re-election at the AGM as he would like to devote more time to pursue his personal interests.

Directors of Subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Company during the financial year ended 30 June 2019 or during the period from 1 July 2019 up to the date of this report is available on the Company's website (<http://www.lamsoon.com>).

Directors' Service Contracts

No director proposed for re-election at the AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries, within one year without payment of compensation (other than statutory compensation).

董事

本年度及直至本報告書日期之董事如下：

郭令海，主席*
梁玄博，集團董事總經理**
鄧漢昌*
黃上哲，博士*
陳林興*
曾祖泰*
– (於二零一八年十一月十三日舉行的二零一八年股東週年常會(「二零一八年股東週年常會」)結束後退任非執行董事。)

羅啟耀#
區熾明#
黃嘉純，銀紫荊星章，太平紳士#

* *非執行董事*
** *執行董事*
獨立非執行董事

根據本公司組織章程細則第84條及本公司企業管治常規守則第A.4.2條，郭令海先生、鄧漢昌先生及區熾明先生將於即將舉行之股東週年常會(「股東週年常會」)上輪值告退。郭令海先生及鄧漢昌先生均符合資格，並願意於股東週年常會上膺選連任。區熾明先生已表示希望投放更多時間於其個人興趣，因此將不會於股東週年常會上膺選連任。

附屬公司董事

截至二零一九年六月三十日止之財政年度內或由二零一九年七月一日起至本報告書日期期間，所有本公司各附屬公司董事會的董事姓名已登載於本公司的網站(<http://www.lamsoon.com>)。

董事的服務合約

擬於股東週年常會重選之董事，概無與本公司或其任何附屬公司訂立不可由本公司或其任何附屬公司於一年內終止而毋須作賠償(法定賠償除外)之服務合約。

Directors' Interests in Transactions, Arrangement or Contracts

No transaction, arrangement or contract of significance to which the Company or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company or an entity connected with a director had a material interest, subsisted at the end of the year or at any time during the year.

Permitted Indemnity

Pursuant to the Company's Articles of Association, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto. The Company maintains directors and officers liability insurance, which gives appropriate cover for any legal action brought against its directors. The level of the coverage is reviewed annually.

Connected Transactions

Master Services Agreements

1. The following master services agreements (collectively, the "Master Services Agreements") were entered into by the Company (together with its subsidiaries, the "Group") with certain subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company, for the provision by the latter of management services including, among other things, overview and/or oversight of businesses and operations, investment management and financial management disciplines, treasury and risk management, key managerial recruitment and retention as well as other operating practices and procedures, accounting, corporate advisory, legal, company secretarial and other services (the "Services"):
 - (i) the master services agreement entered into by the Company with GuoLine Group Management Co. Limited ("GGMC") dated 7 July 2017 for provision of the Services by GGMC to the Company's subsidiaries excluding, at any time, the subsidiaries incorporated, resident or with operation in Hong Kong ("Hong Kong Subsidiaries");
 - (ii) the master services agreement entered into by the Company with GOMC Limited ("GOMC") dated 7 July 2017 for provision of the Services by GOMC to the Company and the Hong Kong Subsidiaries; and

董事在交易、安排或合約的權益

在本年度末或在本年度任何時間內，本公司或其任何控股公司、附屬公司或同系附屬公司概無簽訂任何涉及本集團之業務而本公司之董事在其中擁有重大權益之交易、安排或合約。

獲准許的彌償保證

根據本公司組織章程細則，本公司各董事有權就履行其職務或在其他有關方面蒙受或產生之所有損失或責任自本公司之資產中獲得賠償。本公司已就本公司董事及高級人員投購責任保險，就針對董事的任何法律訴訟提供適當保障，保障範圍每年檢討一次。

關連交易

服務主協議

1. 本公司(連同其附屬公司，「本集團」)與本公司之最終控股公司，Hong Leong Company (Malaysia) Berhad (豐隆(馬來西亞)有限公司)(「HLCM」)之若干附屬公司訂立以下服務主協議(統稱「該等服務主協議」)，藉以經由後者提供管理服務包括(除其他事項)監察及或監管業務及營運、投資管理及財務管理紀律、財資及風險管理、主要管理人員職位招聘及挽留以及其他營運常規和程序、會計、企業諮詢、法律、公司秘書及其他服務(「該等服務」):
 - (i) 本公司與GuoLine Group Management Co. Limited (「GGMC」)於二零一七年七月七日訂立之服務主協議，藉以由GGMC向本公司之附屬公司(於任何時間在香港成立，常駐或營運之附屬公司「香港附屬公司」除外)提供該等服務；
 - (ii) 本公司與GOMC Limited (「GOMC」)於二零一七年七月七日訂立之服務主協議，藉以由GOMC向本公司及香港附屬公司提供該等服務；及

DIRECTORS' REPORT

董事會報告書

Connected Transactions (continued)

Master Services Agreements (continued)

- (iii) An agreement for services dated 11 June 2019 entered into by the Company with Guoco Management Company Limited ("GMCL"), a subsidiary of Guoco Group Limited ("GGL") as a service provider pursuant to clause 3.2 of the Master Services Agreements for provision of services by GMCL to the Group including overseeing and supervising the Group's three functions, namely (a) human resources management; (b) legal services; and (c) secretarial services.

The Master Services Agreements are for a term of three financial years from 1 July 2017 to 30 June 2020.

The fees payable under the Master Services Agreements comprise a monthly fee (the "Monthly Fee") of HK\$100,000 (or such amount as agreed from time to time between the Company or such service recipient and the relevant service provider) and an annual fee (the "Annual Fee") equal to 3 percent of the annual profits before tax of the Company and the subsidiaries as shown in the audited profit and loss accounts for the relevant financial year, subject to appropriate adjustments. The total fee, being the sum of the Monthly Fee, the Annual Fee and the total amount of any fees paid or payable by the Group to any Hong Leong Group Company for services of a similar nature as the Services are subject to an annual cap of HK\$25 million (the "Annual Cap") for each of the three financial years ending 30 June 2020.

GGMC, GOMC and GGL are indirect wholly-owned subsidiaries of HLCM and thus they are associates of a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). HLCM is deemed to be invested in shareholding in the Company. The transactions under the Master Services Agreements constitute continuing connected transactions for the Company under the Listing Rules.

The independent non-executive directors of the Company had reviewed the transactions under the Master Services Agreement during the year and confirmed that:

- (1) the transactions under the Master Services Agreements for the year were entered into:
- in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the agreement governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

關連交易(續)

服務主協議(續)

- (iii) 本公司與國浩管理有限公司(「國浩管理」)於二零一九年六月十一日訂立服務協議。國浩管理為國浩集團有限公司(「國浩集團」)的附屬公司，並作為服務供應商，根據該等服務主協議第3.2條，內容有關國浩管理向本集團提供服務，包括監察及監督本集團的三個職能，即(a)人力資源管理；(b)法律服務；及(c)秘書服務。

該等服務主協議合約期由二零一七年七月一日至二零二零年六月三十日，為期三個財政年度。

按該等服務主協議應付之費用包括月費港幣100,000元(「月費」)或由本公司或服務使用者及有關服務提供者不時協定之款額及相等於本公司及其附屬公司在有關財政年度的經審核損益表中除稅前溢利之3%的年費(「年費」)，惟須作適當的調整。總費用(即月費、年費及任何由本集團就該服務性質相近的服務已付或應付予豐隆集團之總額的總和)於截至二零二零年六月三十日止三個財政年度各年之年度上限為港幣25,000,000元(「年度上限」)。

由於GGMC、GOMC和國浩集團乃持有本公司股權權益的控股股東HLCM之間接全資附屬公司，根據香港聯合交易所有限公司證券上市規則(「上市規則」)彼等屬本公司之關連人士。HLCM被視為持有本公司之權益。根據上市規則，該等服務主協議涉及之交易構成本公司之持續關連交易。

本公司獨立非執行董事已於本年度內檢討該等服務主協議下之交易，並確認：

- (1) 於年內該等服務主協議內之交易：
- 屬本集團日常及一般業務；
 - 按一般商務條款或更佳條款；及
 - 根據有關交易的協議條款進行，而交易條款屬公平合理，並符合本公司股東整體利益。

DIRECTORS' REPORT

董事會報告書

Connected Transactions *(continued)*

Master Services Agreements *(continued)*

- (2) the aggregate service fees paid and payable by the Group under the Master Services Agreements for the year amounted to approximately HK\$12,844,000 which did not exceed the Annual Cap of HK\$25 million as disclosed in the announcement of the Company dated 7 July 2017.

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditors were engaged to report on the Group's continuing connected transactions regarding the master services agreements mentioned above in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditors have issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, there are no other transactions of the Company which require disclosure in the annual report in accordance with the Listing Rules.

Management Contracts

Except for the Master Services Agreements disclosed in the section of "Connected Transactions" above, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or subsisted during the year.

Directors' Interests in Competing Business

None of the directors is interested in any business apart from the Group's business, which is likely to compete, either directly or indirectly, with the business of the Group.

關連交易 *(續)*

服務主協議 *(續)*

- (2) 本公司根據該等服務主協議，於年內已支付及應付之服務費用約為港幣12,844,000元，並無超過本公司於二零一七年七月七日之公佈內所披露的年度上限港幣25,000,000元。

根據上市規則第14A.56條，本公司之核數師獲委聘根據香港核證委聘準則第3000號「對過往財務資料進行審核或審閱以外的核證委聘」及參考香港會計師公會發出之「實務說明」第740號「關於香港上市規則所述持續關連交易的核數師函件」對本集團在上文提及有關該等服務主協議及資金提供予信託之持續關連交易進行報告。本公司之核數師已根據上市規則第14A.56條就本集團於上文披露之持續關連交易發出彼等之無保留函件，當中載有彼等之調查結果及結論。本公司已向聯交所提供核數師函件之副本。

除本文所披露者外，本公司並無其他交易須根據上市條例於年報內披露。

管理合約

除上文「關連交易」一節所披露之該等服務主協議外，於本年度內概無訂立或存在任何有關本集團整體業務或任何重要業務之管理及行政工作的合約。

董事於競爭業務之權益

概無董事於與本集團業務有直接或間接競爭關係的非本集團業務中擁有任何權益。

DIRECTORS' REPORT

董事會報告書

Directors' Interests in Shares, Underlying Shares and Debentures

As at 30 June 2019, the directors of the Company have the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules:

(A) The Company

Long positions in shares/underlying shares

Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份/ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of the Company in issue 佔本公司已發行普通股總數之概約百分比
KWEK Leng Hai 郭令海	Personal 個人	2,300,000		2,300,000	0.95%
Joseph LEUNG 梁玄博	Personal 個人	1,850,000	(a)	1,850,000	0.76%
TANG Hong Cheong 鄧漢昌	Personal 個人	700,000		700,000	0.29%
WHANG Sun Tze 黃上哲	Personal 個人	27,523,743			
	Corporate 公司	19,326	(b)	27,543,069	11.32%
TAN Lim Heng 陳林興	Personal 個人	274,000		274,000	0.11%
LO Kai Yiu, Anthony 羅啟耀	Personal 個人	200,000		200,000	0.08%
HUANG Lester Garson 黃嘉純	Family 家族	150,000		150,000	0.06%

董事於股份、相關股份及債券之權益

於二零一九年六月三十日，各董事於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)擁有須根據證券及期貨條例第352條規定而設之登記名冊中所載之股份或有關股本中之淡倉股份、相關股份及債券之權益及根據上市規則之上市公司董事進行證券交易的標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益如下：

(A) 本公司

股份／相關股份之好倉

DIRECTORS' REPORT

董事會報告書

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

(A) The Company (continued)

Long positions in shares/underlying shares (continued)

Notes:

- (a) The total interests of 1,850,000 shares/underlying shares comprised 1,400,000 ordinary shares of the Company and an option in respect of 450,000 underlying shares of the Company pursuant to the Executive Share Option Scheme 2013 of the Company.
- (b) The interests disclosed represent the corporate interests of Dr. WHANG Sun Tze in 18,457 ordinary shares and 869 ordinary shares in the Company held by SGR Investment Company, Limited ("SGR") and T.C. Whang & Company (Private) Limited ("T.C. & Co.") respectively. Dr. WHANG Sun Tze holds 95.41% and 59.52% interests in SGR and T.C. & Co. respectively.

(B) Associated corporations

Long positions in shares/underlying shares

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份/ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
Hong Leong Company (Malaysia) Berhad	KWEK Leng Hai 郭令海	Personal 個人	420,500		420,500	2.61%
Guoco Group Limited ("GGL") 國浩集團有限公司 (「國浩集團」)	KWEK Leng Hai 郭令海	Personal 個人	3,800,775		3,800,775	1.16%
	TANG Hong Cheong 鄧漢昌	Personal 個人	130,000	(a)	130,000	0.04%
	TAN Lim Heng 陳林興	Personal 個人	566,230		566,230	0.17%

董事於股份、相關股份及債券之權益(續)

(A) 本公司(續)

股份／相關股份之好倉(續)

附註：

- (a) 1,850,000股股份／相關股份之權益總額包括1,400,000股本公司普通股及根據本公司2013行政人員股份認購權計劃所授予450,000股本公司相關股份之認購權。
- (b) 所披露之權益代表黃上哲博士透過SGR Investment Company, Limited (「SGR」)及T.C. Whang & Company (Private) Limited(「T.C. & Co.」)分別持有本公司18,457股普通股及869股普通股之公司權益。黃上哲博士在SGR及T.C. & Co.分別持有95.41%及59.52%之股份權益。

(B) 相聯法團

股份／相關股份之好倉

DIRECTORS' REPORT

董事會報告書

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)

(B) Associated corporations (continued)

(B) 相聯法團(續)

Long positions in shares/underlying shares (continued)

股份／相關股份之好倉(續)

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
GuocoLand Limited ("GLL") 國浩房地產有限公司 (「國浩房地產」)	KWEK Leng Hai 郭令海	Personal 個人	35,290,914		35,290,914	2.98%
	TANG Hong Cheong 鄧漢昌	Personal 個人	865,000	(b)	865,000	0.07%
	WHANG Sun Tze 黃上哲	Family 家族	66,600		66,600	0.01%
	TAN Lim Heng 陳林興	Personal 個人	1,337,777		1,337,777	0.11%
Hong Leong Bank Berhad	KWEK Leng Hai 郭令海	Personal 個人	5,510,000		5,510,000	0.26%
	WHANG Sun Tze 黃上哲	Family 家族	129,000		129,000	0.01%
Hong Leong Financial Group Berhad	KWEK Leng Hai 郭令海	Personal 個人	2,526,000		2,526,000	0.22%
	TANG Hong Cheong 鄧漢昌	Personal 個人	174,146		174,146	0.02%
	WHANG Sun Tze 黃上哲	Family 家族	534,092		534,092	0.05%
	TAN Lim Heng 陳林興	Personal 個人	267,813		267,813	0.02%

DIRECTORS' REPORT

董事會報告書

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)

(B) Associated corporations (continued)

(B) 相聯法團(續)

Long positions in shares/underlying shares (continued)

股份／相關股份之好倉(續)

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
Hong Leong Industries Berhad	KWEK Leng Hai 郭令海	Personal 個人	190,000		190,000	0.06%
	TANG Hong Cheong 鄧漢昌	Personal 個人	300,000			
		Family 家族	15,000		315,000	0.10%
GuocoLand (Malaysia) Berhad ("GLM")	WHANG Sun Tze 黃上哲	Family 家族	105,600		105,600	0.05%
	KWEK Leng Hai 郭令海	Personal 個人	226,800		226,800	0.03%
	TANG Hong Cheong 鄧漢昌	Personal 個人	195,000		195,000	0.03%
Hume Industries (Malaysia) Sdn Bhd	TAN Lim Heng 陳林興	Personal 個人	326,010		326,010	0.05%
	WHANG Sun Tze 黃上哲	Family 家族	12,667		12,667	0.01%
GL Limited ("GL")	KWEK Leng Hai 郭令海	Personal 個人	300,000		300,000	0.02%
	TANG Hong Cheong 鄧漢昌	Personal 個人	2,500,000		2,500,000	0.18%
	TAN Lim Heng 陳林興	Personal 個人	1,100,000		1,100,000	0.08%

DIRECTORS' REPORT

董事會報告書

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)

(B) Associated corporations (continued)

(B) 相聯法團(續)

Long positions in shares/underlying shares (continued)

股份／相關股份之好倉(續)

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
Malaysian Pacific Industries Berhad	KWEK Leng Hai 郭令海	Personal 個人	71,250		71,250	0.04%
The Rank Group Plc ("Rank")	KWEK Leng Hai 郭令海	Personal 個人	1,026,209		1,026,209	0.26%
	TANG Hong Cheong 鄧漢昌	Personal 個人	70,000		70,000	0.02%
	TAN Lim Heng 陳林興	Personal 個人	152,882		152,882	0.04%
Hume Industries Berhad ("HIB")	KWEK Leng Hai 郭令海	Personal 個人	310,771	(c) & (d) (c)及(d)	310,771	0.06%
	TANG Hong Cheong 鄧漢昌	Personal 個人	3,776,670	(c) & (e) (c)及(e)	3,802,869	0.77%
		Family 家族	26,199			
Southern Steel Berhad ("SSB")	TANG Hong Cheong 鄧漢昌	Personal 個人	131,000	(f)	131,000	0.03%

DIRECTORS' REPORT

董事會報告書

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)

(B) Associated corporations (continued)

Long positions in debentures

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Amount of debentures held 債權證的數額 MYR 馬來西亞元	Note 附註	Total 總計 MYR 馬來西亞元
HIB	KWEK Leng Hai 郭令海	Personal 個人	73,900	(c)	73,900
	TANG Hong Cheong 鄧漢昌	Personal 個人 Family 家族	930,000 7,000	(c)	937,000

Notes:

- (a) The total interests of 130,000 shares/underlying shares comprised 94,000 ordinary shares of GGL and an option in respect of 36,000 underlying shares of GGL pursuant to an executive option scheme of a Hong Leong Group Company.
- (b) The total interests of 865,000 shares/underlying shares comprised 65,000 ordinary shares of GLL and an option in respect of 800,000 underlying shares of GLL pursuant to an executive option scheme of a Hong Leong Group Company.
- (c) Interests in 5-year 5% redeemable convertible unsecured loan stocks ("RCULS") issued by HIB. The RCULS are convertible into ordinary shares of HIB at the conversion price of MYR0.7 RCULS for 1 share.
- (d) The total interests of 310,771 shares/underlying shares comprised 205,200 ordinary shares of HIB and a derivative interest of 105,571 underlying shares of HIB through the conversion right under the RCULS.
- (e) The personal interests of 3,776,670 shares/underlying shares comprised 2,448,100 ordinary shares of HIB and a derivative interest of 1,328,570 underlying shares of HIB through the conversion right under the RCULS. The family interests of 26,199 shares/underlying shares comprised 16,200 ordinary shares and a derivate interest of 9,999 underlying shares of HIB through the conversion right under the RCULS.

(B) 相聯法團(續)

債券之好倉

附註：

- (a) 130,000股股份／相關股份之權益總額包括94,000股國浩集團普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予36,000股國浩集團相關股份之認購權。
- (b) 865,000股股份／相關股份之權益總額包括65,000股國浩房地產普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予800,000股國浩房地產相關股份之認購權。
- (c) HIB發行的5年期5厘息可贖回可換股無擔保債權股(「RCULS」)的利息。RCULS可按每股0.7馬來西亞元的轉換價轉換為HIB的普通股。
- (d) 310,771股股份／相關股份之權益總額包括205,200股HIB普通股及通過RCULS下的換股權獲得的105,571股HIB相關股份的衍生權益。
- (e) 3,776,670股股份／相關股份之個人權益總額包括2,448,100股HIB普通股及通過RCULS下的換股權獲得的1,328,570股HIB相關股份的衍生權益。26,199股股份／相關股份之家族權益總額包括16,200股HIB普通股及通過RCULS下的換股權獲得的9,999股HIB相關股份的衍生權益。

DIRECTORS' REPORT

董事會報告書

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

(B) Associated corporations (continued)

- (f) The total interests of 131,000 shares/underlying shares comprised 71,000 ordinary shares of SSB and an option in respect of 60,000 underlying shares of SSB pursuant to an executive option scheme of a Hong Leong Group Company.

Save as disclosed herein, none of the directors of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Share Options

Executive Share Option Scheme 2013 ("ESOS 2013")

ESOS 2013 was approved by the shareholders of the Company at the extraordinary general meeting held on 23 April 2013 and took effect on 25 April 2013 ("Adoption Date"). Summary of details of the ESOS 2013 is set out below:

The purpose of the ESOS 2013 is as follows:

- (i) to align the long term interests of any executive or director of the Group, who is eligible to participate in the ESOS 2013 ("Eligible Executives") with those of the Shareholders and encourage Eligible Executives to assume greater responsibility for the performance of the business that they manage;
- (ii) to motivate Eligible Executives towards strategic business objectives;
- (iii) to reward Eligible Executives with an equity stake in the success of the Group; and
- (iv) to make the total compensation package more competitive in order to attract, retain and motivate high caliber executives.

董事於股份、相關股份及債券之權益(續)

(B) 相聯法團(續)

- (f) 131,000股股份／相關股份之權益總額包括71,000股SSB普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予60,000股SSB相關股份之認購權。

除本文所披露者外，概無任何本公司董事於本公司或其任何相聯法團(根據證券及期貨條例第XV部之定義)擁有須根據證券及期貨條例第352條規定而設之登記名冊中所載之股份或有關股本中之淡倉股份、相關股份及債券及根據標準守則須知會本公司及聯交所之權益。

股份認購權

2013行政人員股份認購權計劃(「2013股份認購權計劃」)

2013股份認購權計劃於二零一三年四月二十三日於股東特別大會上獲股東批准，並於二零一三年四月二十五日(「採納日期」)生效。2013股份認購權計劃之詳情如下：

2013股份認購權計劃的目的如下：

- (i) 使集團內符合資格參與2013股份認購權計劃之行政人員或董事(「合資格行政人員」)的長遠利益與股東一致，並鼓勵合資格行政人員對彼等所管理之業務的表現承擔更大責任；
- (ii) 推動合資格行政人員實踐策略業務目標；
- (iii) 以股本權益獎勵對集團的成功作出貢獻之合資格行政人員；及
- (iv) 使整體薪酬待遇更吸引，以招攬、挽留及推動高質素的行政人員。

Share Options *(continued)*

Executive Share Option Scheme 2013 ("ESOS 2013") *(continued)*

To be eligible for participation in the ESOS 2013, a person must be at least eighteen (18) years of age and:

- (i) be an executive of a member of the Group and has been confirmed in service; or
- (ii) be a director of member of the Group.

The Board may at its absolute discretion select and identify suitable Eligible Executives to be offered options.

The total number of shares which may be issued and/or transferred by the Trust upon exercise of all options to be granted under the ESOS 2013 and any other share option scheme shall not in aggregate exceed 10% of the Company's total number of shares in issue at the Adoption Date of the ESOS 2013.

The maximum entitlement for any eligible executive in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period does not exceed 1% of the Company's total number of shares in issue.

The Board may at its discretion determine the exercise price of an option under the ESOS 2013 provided that the exercise price so fixed shall not be less than greatest of (a) the average closing price of a share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such option; (b) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the day of offer of such option, which must be a business day; and (c) the nominal value of a share (Note).

A nominal consideration of HK\$1 is payable on acceptance of the share option within 30 days (or such longer period of time as may be permitted by the Board at its discretion) from the date of making such offer.

The ESOS 2013 will remain in force for a period of 10 years commencing on 25 April 2013.

Note: The concept of par value of a share was abolished with effect from 3 March 2014 pursuant to the Hong Kong Companies Ordinance.

股份認購權 *(續)*

2013行政人員股份認購權計劃(「2013股份認購權計劃」)*(續)*

符合資格參與2013股份認購權計劃之人士必須年滿十八(18)歲及：

- (i) 為集團成員公司之行政人員並已被確認於集團服務；或
- (ii) 為集團成員公司之董事。

董事會可按其絕對酌情權挑選及確認適合之合資格行政人員授予認購權。

根據2013股份認購權計劃或其他股份認購權計劃可予授出之所有認購權獲行使時，可發行及／或透過由信託轉讓之股份總數，合共不得超過本公司於採納日已發行股份總數之10%。

於任何十二個月期間，任何合資格行政人員就行使已授出及將授出之認購權時已發行及將發行股份總數，最多不得超過已發行股份總數之1%。

董事會可按其酌情權決定每股於2013股份認購權計劃下授出之認購權之行使價，惟就此既定的行使價須至少為下列的較高者：(a)緊接授出該認購權之前五個營業日聯交所之每日報價表所顯示之每股股份平均收市價；(b)授出該認購權當日(必須為營業日)聯交所之每日報價表所顯示之每股股份收市價；及(c)每股面值(附註)。

於授出日期起計的三十日內(或經董事會按其酌情權允許的一個較長期間)，接納認購權須支付代價港幣1元。

2013股份認購權計劃之有效期限由二零一三年四月二十五日起計十年。

附註： 根據香港公司條例，股份面值的概念已被廢除，由二零一四年三月三日起生效。

DIRECTORS' REPORT

董事會報告書

Share Options (continued)

Executive Share Option Scheme 2013 ("ESOS 2013")

(continued)

As at 1 July 2018, there were 3,105,000 outstanding options pursuant to the ESOS 2013.

During the year, no share options were vested to the grantees under the ESOS 2013. No share options granted to the grantees were lapsed or cancelled and 2,070,000 share options were exercised by the grantees. Details of the share options as at 30 June 2019 are as follows:

Date of grant 授出日期	Grantees 獲授人	Number of share options 股份認購權數目				As at 30 June 2019 於二零一九年 六月三十日	Exercise price per share 每股行使價	Weighted average closing price for exercise of options (Note 4) 行使認購權之 加權平均 收市價 (附註4)	Notes 附註
		As at 1 July 2018 於二零一八年 七月一日	Granted during the year 於期內授出	Lapsed during the year 於期內失效	Exercised during the year 於期內行使				
28 Jun 2013 二零一三年六月二十八日	LEUNG Joseph (Group Managing Director) 梁玄博先生，集團董事總經理	1,350,000	-	-	900,000	450,000	4.62	14.80	183
28 Jun 2013 二零一三年六月二十八日	Eligible Executives 合資格行政人員	1,512,000	-	-	1,008,000	504,000	4.62	14.05	183
26 Nov 2014 二零一四年十一月二十六日	Eligible Executive 合資格行政人員	243,000	-	-	162,000	81,000	6.80	14.92	283
Total 總計：		3,105,000	-	-	2,070,000	1,035,000			

Notes:

- Following the end of the performance period from 1 July 2012 to 30 June 2017, the Board Remuneration Committee of the Company ("BRC") has exercised its discretion to vest options in respect of 2,250,000 shares of the Company to Mr. LEUNG Joseph and 2,520,000 shares of the Company to Eligible Executives ("Earned Option").
- Following the end of the performance period from 1 July 2014 to 30 June 2017, the BRC has exercised its discretion to vest options in respect of 405,000 shares of the Company to an Eligible Executive ("Earned Option").

股份認購權 (續)

2013行政人員股份認購權計劃(「2013股份認購權計劃」)(續)

於二零一八年七月一日，根據2013股份認購權計劃，尚未行使之認購權數目為3,105,000。

於期內，根據2013股份認購權計劃，並沒有向獲授人授予認購權。沒有授予獲授人之認購權失效或取消，以及獲授人行使共2,070,000股認購權。於二零一九年六月三十日，股份認購權之詳情如下：

附註：

- 於二零一二年七月一日至二零一七年六月三十日之表現期結束後，本公司董事會薪酬委員會(「薪酬委員會」)已行使酌情權向梁玄博先生授予2,250,000股本公司股份之認購權及向合資格行政人員授予2,520,000股本公司股份之認購權(「所得認購權」)。
- 於二零一四年七月一日至二零一七年六月三十日之表現期結束後，薪酬委員會已行使酌情權向合資格行政人員授予405,000股本公司股份之認購權(「所得認購權」)。

Share Options *(continued)*

Executive Share Option Scheme 2013 ("ESOS 2013")

(continued)

Notes: *(continued)*

3. The Earned Option shall be exercisable as follows:
 - (a) 40% of the Earned Option is exercisable from the date of notification of entitlement for the Earned Option ("Vesting Date") up to 6 months from the Vesting Date, i.e. from 23 November 2017 to 22 May 2018;
 - (b) another 40% of the Earned Option is exercisable from the 13th month up to the 18th month from the Vesting Date, i.e. from 23 November 2018 to 22 May 2019; and
 - (c) the remaining 20% of the Earned Option is exercisable from the 25th month up to the 30th month from the Vesting Date, i.e. from 23 November 2019 to 22 May 2020.
4. Being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were exercised.

Save as disclosed herein, no other options were vested, exercised, lapsed or cancelled under the ESOS 2013 during the year. Accordingly, the number of outstanding options was 1,035,000 at 30 June 2019.

Save for above, certain other subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company, maintain share option schemes or plans or arrangements which subsisted at the end of the year or at any time during the year, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned. Mr. TANG Hong Cheong, a director of the Company, had acquired and held shares of certain subsidiaries of HLCM in pursuance of a share option scheme maintained by a subsidiary of HLCM during the year.

Apart from above, at no time during the year was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

股份認購權 *(續)*

2013行政人員股份認購權計劃(「2013股份認購權計劃」)*(續)*

附註：*(續)*

3. 所得認購權將按以下方式行使：
 - (a) 所得認購權的百分之四十可自經知會所得認購權日期(「歸屬日期」)起至歸屬日期後六個月內行使，即由二零一七年十一月二十三日至二零一八年五月二十二日；
 - (b) 所得認購權的另外百分之四十可於歸屬日期起第十三個月至第十八個月期間行使，即由二零一八年十一月二十三日至二零一九年五月二十二日；及
 - (c) 所得認購權的剩餘百分之二十可於歸屬日期起第二十五個月至第三十個月期間行使，即由二零一九年十一月二十三日至二零二零年五月二十二日。
4. 即本公司普通股在緊接認購權行使日期之前的加權平均收市價。

除本文所披露者外，於本年度內，在2013股份認購權計劃下，並無其他認購權獲確認歸屬、行使、失效或取消。因此，於二零一九年六月三十日，尚未行使之認購權數目為1,035,000。

除上文所述者外，本公司之最終控股公司，Hong Leong Company (Malaysia) Berhad (「HLCM」)之若干其他附屬公司於結算日或年度內任何時間已設立的股份認購權計劃或方案，據此，本公司合資格董事可獲授認購有關公司股份之股份認購權。於本年度內，本公司董事鄧漢昌先生根據HLCM之附屬公司所設立的股份認購權計劃，已收購及持有HLCM之若干附屬公司之股份。

除上文所述者外，於本年度內，本公司、其控股公司、附屬公司或同系附屬公司在任何時候概無成為任何安排之訂約方，以致本公司董事可藉收購本公司或任何其他法團之股份或債券獲得利益。

DIRECTORS' REPORT

董事會報告書

Substantial Shareholders' Interests

As at 30 June 2019, the following shareholders (other than directors of the Company whose interests or short positions in the shares and underlying shares of the Company as disclosed above) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

	Number of shares held 持有之股份數目	Approximate percentage of interest 權益之概約百分比
Hong Leong Company (Malaysia) Berhad ("HLCM")	155,530,659	63.91%
QUEK Leng Chan 郭令燦	155,530,659	63.91%
HL Holdings Sdn Bhd ("HLH")	155,530,659	63.91%
Hong Leong Investment Holdings Pte Limited ("HLIH")	155,530,659	63.91%
Davos Investment Holdings Private Limited ("Davos")	155,530,659	63.91%
KWEK Leng Kee	155,530,659	63.91%

Note:

The interests comprised (i) 140,008,659 ordinary shares in the Company held by GuoLine International Limited ("GIL"); (ii) 6,197,000 ordinary shares in the Company held by Richly Choice Development (PTC) Limited, a wholly-owned subsidiary of the Company; and (iii) 9,325,000 underlying shares of the Company of other unlisted derivatives held by Oceanease Limited.

GIL was a wholly-owned subsidiary of GuoLine Capital Assets Limited ("GCA") which in turn was a wholly-owned subsidiary of HLCM. Oceanease Limited was a wholly-owned subsidiary of GuocoEquity Assets Limited which in turn was a wholly-owned subsidiary of Guoco Group Limited ("GGL"). GGL was 71.88% owned by GuoLine Overseas Limited ("GOL") which in turn was a wholly-owned subsidiary of GCA. By virtue of Section 316(2) of the SFO, HLCM was 49.11% owned by Mr. QUEK Leng Chan as to 2.43% under his personal name, 46.68% via HLH which was wholly-owned by him. HLIH held 34.49% interest in HLCM. Mr. KWEK Leng Kee held 41.92% interest in Davos which in turn held 33.59% interest in HLIH.

All the interests disclosed under this section were long positions in the ordinary shares of the Company.

Save as disclosed herein, no other person (other than directors of the Company) has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

主要股東之持股權益

於二零一九年六月三十日，根據證券及期貨條例第336條規定而設之登記名冊中所載，下列股東(除上文所述本公司董事所持有本公司之股份或有關股本中之淡倉股份及相關股份之權益)持有本公司股份或有關股本中之淡倉股份及相關股份之權益：

	Number of shares held 持有之股份數目	Approximate percentage of interest 權益之概約百分比
Hong Leong Company (Malaysia) Berhad ("HLCM")	155,530,659	63.91%
QUEK Leng Chan 郭令燦	155,530,659	63.91%
HL Holdings Sdn Bhd ("HLH")	155,530,659	63.91%
Hong Leong Investment Holdings Pte Limited ("HLIH")	155,530,659	63.91%
Davos Investment Holdings Private Limited ("Davos")	155,530,659	63.91%
KWEK Leng Kee	155,530,659	63.91%

附註：

該權益包括(i) GuoLine International Limited(「GIL」)持有於本公司140,008,659股普通股之權益；(ii)本公司之全資附屬公司Richly Choice Development (PTC) Limited持有於本公司6,197,000股普通股之權益；及(iii) Oceanease Limited透過其他非上市衍生工具持有本公司9,325,000股相關股份之權益。

GIL 為 GuoLine Capital Assets Limited (「GCA」) 之全資附屬公司，後者為 HLCM 之全資附屬公司。Oceanease Limited 為國浩股本資產有限公司之全資附屬公司，後者為國浩集團有限公司(「國浩集團」)之全資附屬公司，國浩集團之71.88%權益由 GuoLine Overseas Limited(「GOL」) 擁有。GOL 為 GCA 之全資附屬公司。根據證券及期貨條例第316(2)條規定，HLCM 之49.11%權益為郭令燦先生以私人名義持有2.43%、經他全資擁有之HLH持有46.68%。HLIH 持有HLCM 34.49%之權益。KWEK Leng Kee 先生持有 Davos 41.92% 之股權而 Davos 則持有 HLIH 33.59% 之股權。

此部份披露之所有權益皆為持有本公司好倉普通股股份。

除本文所披露者外，根據證券及期貨條例第336條規定而設之登記冊所記錄，並無其他人士(本公司董事除外)持有本公司股份或有關股本中之淡倉股份及相關股份之權益。

DIRECTORS' REPORT

董事會報告書

Purchase, Sale or Redemption of the Company's Listed Shares

During the year, a wholly-owned subsidiary of the Company, as the trustee for a trust set up for the purpose of acquiring shares of the Company to satisfy the exercise of options which may be granted pursuant to the Executive Share Option Scheme adopted on 23 April 2013, purchased 1,488,000 shares of the Company on The Stock Exchange of Hong Kong Limited at a total consideration of HK\$21,326,000.

Save as disclosed above, during the year, the Company did not redeem any of its listed shares. Neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed shares.

Major Customers and Suppliers

Total sales to the Group's five largest customers accounted for less than 30% of the Group's revenue for the year.

Total purchases from the Group's five largest suppliers accounted for less than 30% of the Group's purchases for the year.

Sufficiency of Public Float

At all times during the year and up to 29 August 2019, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board
KWEK Leng Hai
Chairman

Hong Kong, 29 August 2019

購買、出售或贖回本公司之上市證券

於本年度內，本公司之全資附屬公司(作為一項信託之受託人，該信託乃為收購本公司之股份而設立，籍以履行根據本公司於二零一三年四月二十三日採納之行政人員股份認購權計劃可能授出之股份認購權之行使)在香港聯合交易所有限公司購買1,488,000股本公司股份，總代價為港幣21,326,000元。

除上文所披露外，於本年度內，本公司概無贖回其任何上市證券，而本公司或其他任何附屬公司均無購買或出售任何本公司之上市證券。

主要客戶及供應商

本集團售予最大的首五位客戶的收入共佔本集團本年度銷售額少於30%。

本集團購自最大的首五位供應商的購貨額佔本集團本年度購貨總額少於30%。

足夠之公眾持股量

基於公開於本公司查閱之資料及據董事所知悉，在本年度內及直至二零一九年八月二十九日，本公司一直維持上市規則所訂明之公眾持股量。

核數師

畢馬威會計師事務所退任及符合資格續聘。在即將召開之股東週年常會，將提呈決議案，建議續聘畢馬威會計師事務所為本公司的核數師。

承董事會命
主席
郭令海

香港，二零一九年八月二十九日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



**Independent auditor's report
to the members of Lam Soon (Hong Kong) Limited**
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Lam Soon (Hong Kong) Limited ("the Company") and its subsidiaries ("the Group") set out on pages 110 to 224, which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

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

獨立核數師報告
致南順(香港)有限公司成員
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第110至224頁的南順(香港)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一九年六月三十日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一九年六月三十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,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matters

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

Revenue recognition

Refer to note 5 to the consolidated financial statements and the accounting policies on pages 154 to 156

The Key Audit Matter	How the matter was addressed in our audit
<p>Sales of flour, edible oil and home care products are recognised as revenue when the control of the products are transferred to the Group's customers according to the terms of the sales and purchase agreements entered into between the Group and its customers.</p> <p>Generally, management considers the control of the products are transferred to the Group's customers when the goods are delivered to the customers' premises.</p> <p>The Group trades mainly with distributors and supermarkets and has a large volume of individual transactions which increases the risk of error in recognising revenue.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group which could create an incentive for management to record revenue inappropriately to meet targets or expectations and because the large transaction volume increases the possibility of errors in recognising revenue.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none">gaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy and timing of revenue recognition;challenging the revenue recognition policies adopted by the Group by making inquiries of management and inspecting a sample of sales and purchase agreements to understand the terms of the transactions with reference to the requirements of the prevailing accounting standards;assessing the existence and identity of a sample of new customers of the Group during the year by performing background searches on these customers;comparing sales records for a sample of sales transactions recorded during the year with relevant underlying documentation, which included sales invoices and goods delivery notes with evidence of the customers' receipt of the goods and the date of receipt of the goods by the customers;identifying significant sales returns from the sales ledger after the year end and inspecting the underlying documentation in relation to these sales returns to assess if the related adjustments to revenue had been accounted for in the appropriate accounting period;

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matters (continued)

Revenue recognition (continued)

Refer to note 5 to the consolidated financial statements and the accounting policies on pages 154 to 156 (continued)

The Key Audit Matter (continued)

How the matter was addressed in our audit (continued)

Our audit procedures to assess the recognition of revenue included the following: (continued)

- assessing, on a sample basis, whether specific revenue transactions around the financial year end had been recognised in the appropriate financial period in accordance with the terms of sale as set out in the sales and purchase agreements by comparing details of these transactions with sales invoices and goods delivery notes with evidence of the customers' receipt of the goods and the date of receipt of the goods by the customers; and
- selecting a sample of journal entries affecting revenue recognised during the year, adopting specific risk-based criteria, and comparing the details of these adjustments with the related underlying documentation.

收入確認

請參閱綜合財務報表附註5及第154頁至156頁的會計政策

關鍵審計事項

麵粉、食用油及家居護理產品的銷售於產品之控制權根據貴集團與其客戶訂立的買賣協議條款轉移至貴集團客戶時確認為收入。

一般而言，當貨物送達客戶的場地時，管理層認為已售產品控制權的相關風險及回報已轉移至貴集團客戶。

貴集團主要與分銷商及超市進行交易，並有大量個別交易，從而令確認收入時出錯的風險增加。

我們視收入確認為一項關鍵審計事項，乃由於收入為貴集團其中一項關鍵績效指標，故可能誘使管理層對收入作出不適當記錄以達致目標或期望，另外龐大的交易量亦增加確認收入時出錯的可能性。

我們的審計如何處理該事項

我們評估收入確認所進行的審計程序包括以下：

- 了解及評估有關收入確認的完整性、存在性及準確性以及時間的關鍵內部監控的設計、實施及運行有效性；
- 通過向管理層作出查詢及抽查買賣協議以了解交易條款，並參考現行會計政策的要求，以對貴集團採納的收入確認政策作出質疑；
- 對貴集團年內的新客戶進行抽樣背景調查，從而評估該等客戶是否存在及其身份；
- 抽樣將年內錄得的銷售交易的銷售記錄與相關支持文件（包括證明客戶收到貨物及收貨日期的銷售發票及貨物送貨單）進行對比；
- 識別年末之後的銷售賬目當中的大額銷售退回並檢查該等銷售退回的相關支持文件以評估對收入的相關調整是否已於適當會計期間入賬；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

關鍵審計事項(續)

收入確認(續)

請參閱綜合財務報表附註5及第154頁至156頁的會計政策(續)

關鍵審計事項(續)

我們的審計如何處理該事項(續)

我們評估收入確認所進行的審計程序包括以下：(續)

- 抽樣將財政年度末前後的特定收入交易的詳情與證明客戶收到貨物及收貨日期的銷售發票及貨物送貨單進行比較，以評估該等交易是否已根據買賣協議所載的銷售條款於適當的財政期間確認；及
- 抽樣選取影響年內收入的會計分錄，並採取特定風險標準對比該等調整的詳情及相關支持文件。

Information other than the consolidated financial statements and auditor's report thereon

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

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

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

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

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Responsibilities of the directors for the consolidated financial statements

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

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

The directors are assisted by the Board Audit and Risk Management Committee in discharging their responsibilities 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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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.

董事就綜合財務報表須承擔的責任

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》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

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

審核及風險管理委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

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

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

核數師就審計綜合財務報表承擔的責任 *(續)*

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

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *(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 the Board Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Guen Kin Shing.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

29 August 2019

核數師就審計綜合財務報表承擔的責任 *(續)*

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

- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核及風險管理委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部監控的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是姜健成。

畢馬威會計師事務所
執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一九年八月二十九日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

		Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Revenue	收入	5	5,316,205	5,374,273
Cost of sales	銷售成本		(4,161,761)	(4,243,311)
Gross profit	毛利		1,154,444	1,130,962
Other income	其他收入	6	43,702	36,424
Selling and distribution expenses	銷售及分銷費用		(614,519)	(602,767)
Administrative expenses	行政費用		(185,499)	(173,557)
Profit before taxation	除稅前溢利	7	398,128	391,062
Taxation	稅項	8(a)	(58,052)	(64,683)
Profit for the year	本年度溢利		340,076	326,379
Attributable to:	應佔：			
Equity shareholders of the Company	本公司股東		340,076	326,379
Non-controlling interests	非控制權益		–	–
Profit for the year	本年度溢利		340,076	326,379
Earnings per share	每股盈利			
Basic	基本	11(a)	HK\$港幣1.44元	HK\$港幣1.38元
Diluted	攤薄	11(b)	HK\$港幣1.43元	HK\$港幣1.37元

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 July 2018. Under the transition methods chosen, comparative information is not restated. See note 2(c).

附註：本集團於二零一八年七月一日初始採用香港財務報告準則第十五號及香港財務報告準則第九號。根據已選取的過渡方法，並不會重列比較資料。詳見附註2(c)。

The notes on pages 118 to 224 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 10.

列於第118至224頁之各項附註為本財務報表之一部份。應付予本公司股東應佔本年度溢利股息之詳情載列於附註10。

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 30 June 2019 截至二零一九年六月三十日止年度

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Profit for the year	本年度溢利	340,076	326,379
Other comprehensive income for the year (after tax and reclassification adjustments)	本年度其他全面收益(扣除稅項及重新分類調整後)		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益賬之項目：		
Transfer to profit or loss on disposal of an available-for-sale financial asset	出售可供出售金融資產而轉撥至損益賬	-	7
Exchange differences on translation of financial statements of subsidiaries outside Hong Kong	換算香港以外附屬公司財務報表所產生之匯兌差額	(61,555)	38,878
Other comprehensive income for the year, net of tax	本年度其他全面收益，除稅後淨額	(61,555)	38,885
Total comprehensive income for the year	本年度全面收益總額	278,521	365,264
Attributable to:	應佔：		
Equity shareholders of the Company	本公司股東	278,521	365,264
Non-controlling interests	非控制權益	-	-
Total comprehensive income for the year	本年度全面收益總額	278,521	365,264

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 July 2018. Under the transition methods chosen, comparative information is not restated. See note 2(c).

附註：本集團於二零一八年七月一日初始採用香港財務報告準則第十五號及香港財務報告準則第九號。根據已選取的過渡方法，並不會重列比較資料。詳見附註2(c)。

The notes on pages 118 to 224 form part of these financial statements.

列於第118至224頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2019 於二零一九年六月三十日

		Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Leasehold land and property, plant and equipment	租賃土地及物業、廠房及設備	12	703,570	663,409
Intangible assets and goodwill	無形資產及商譽	13	9,597	14,196
Deferred tax assets	遞延稅項資產	19	–	6
Available-for-sale financial assets	可供出售金融資產	14	–	177
Other non-current assets	其他非流動資產	14	11,498	6,268
			724,665	684,056
Current assets	流動資產			
Inventories	存貨	15(a)	625,843	640,109
Trade and other receivables	貿易及其他應收賬款	16	393,284	385,101
Cash and cash equivalents	現金及現金等額	17	1,317,927	1,162,146
			2,337,054	2,187,356
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	18(a)	673,063	680,930
Contract liabilities	合同負債	18(b)	28,232	–
Tax payables	應付稅款	8(c)	13,636	14,886
Obligations under finance leases	融資租賃承擔		160	312
			715,091	696,128
Net current assets	淨流動資產		1,621,963	1,491,228
Total assets less current liabilities	總資產減流動負債		2,346,628	2,175,284
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	19	11,731	4,742
Obligations under finance leases	融資租賃承擔		354	357
			12,085	5,099
NET ASSETS	淨資產		2,334,543	2,170,185

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2019 於二零一九年六月三十日

		Note	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
		附註		
Capital and reserves	資金及儲備			
Share capital	股本	20(a)	672,777	672,777
Reserves	儲備		1,651,053	1,486,695
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益		2,323,830	2,159,472
Non-controlling interests	非控制權益		10,713	10,713
TOTAL EQUITY	總權益		2,334,543	2,170,185

Approved and authorised for issue by the Board of Directors on 29 August 2019.

經由董事會於二零一九年八月二十九日批准及授權刊發。

LEUNG Joseph
DIRECTOR

梁玄博
董事

WHANG Sun Tze
DIRECTOR

黃上哲
董事

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 July 2018. Under the transition methods chosen, comparative information is not restated. See note 2(c).

附註：本集團於二零一八年七月一日初始採用香港財務報告準則第十五號及香港財務報告準則第九號。根據已選取的過渡方法，並不會重列比較資料。詳見附註2(c)。

The notes on pages 118 to 224 form part of these financial statements.

列於第118至224頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

Note 附註		Attributable to equity shareholders of the Company 本公司股東應佔											
		Share capital	Surplus reserves	Investment revaluation reserve	ESOP reserve	Share option reserve	Exchange reserve	General reserve	Revenue reserve	Total	Non-controlling interests	Total equity	
		股本	盈餘儲備	重估儲備	方案儲備	認購權儲備	匯兌儲備	一般儲備	收益儲備	合計	非控制權益	權益合計	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
	At 30 June 2018	於二零一八年六月三十日	672,777	151,588	-	(47,397)	2,870	28,051	-	1,351,583	2,159,472	10,713	2,170,185
	Impact on initial application of HKFRS 9	初始採用香港財務報告準則第九號的影響	-	-	-	-	-	-	890	890	-	890	
	Adjusted balance at 1 July 2018	於二零一八年七月一日已調整結餘	672,777	151,588	-	(47,397)	2,870	28,051	-	1,352,473	2,160,362	10,713	2,171,075
	Profit for the year	本年度溢利	-	-	-	-	-	-	340,076	340,076	-	340,076	
	Total other comprehensive income for the year	本年度其他全面收益總額	-	-	-	-	(61,555)	-	-	(61,555)	-	(61,555)	
	Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(61,555)	-	340,076	278,521	-	278,521	
	Exercise of share options	行使之股份認購權	-	-	-	15,745	(2,160)	-	-	(3,669)	9,916	-	9,916
	Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	-	-	362	-	-	-	362	-	362
	Purchase of ordinary shares of the Company for share option scheme	就股份認購權計劃購買本公司之普通股	-	-	-	(21,326)	-	-	-	-	(21,326)	-	(21,326)
	Transfer between reserves	儲備間之轉撥	-	11,862	-	-	-	-	-	(11,862)	-	-	-
	Utilisation of discretionary surplus reserve	使用酌情盈餘儲備	-	(7,051)	-	-	-	-	-	(7,051)	-	(7,051)	
	Final dividend paid in respect of prior year	就往年度已付末期股息	-	-	-	-	-	-	-	(63,731)	(63,731)	-	(63,731)
	Interim dividend paid in respect of current year	就本年度已付中期股息	-	-	-	-	-	-	-	(33,223)	(33,223)	-	(33,223)
			-	4,811	-	(5,581)	(1,798)	-	-	(112,485)	(115,053)	-	(115,053)
	At 30 June 2019	於二零一九年六月三十日	672,777	156,399	-	(52,978)	1,072	(33,504)	-	1,580,064	2,323,830	10,713	2,334,543

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

Attributable to equity shareholders of the Company
本公司股東應佔

	Note 附註	Share capital	Surplus reserves	Investment revaluation reserve	ESOP reserve	Share option reserve	Exchange reserve	General reserve	Revenue reserve	Total	Non-controlling interests	Total equity
		股本	盈餘儲備	重估儲備	行政人員 投資 股份認購權 方案儲備	股份 認購權儲備	匯兌儲備	一般儲備	收益儲備	合計	非控制權益	權益合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 July 2017	於二零一七年七月一日	672,777	116,314	(7)	(40,679)	10,161	(10,361)	50,000	1,096,584	1,894,789	10,713	1,905,502
Profit for the year	本年度溢利	-	-	-	-	-	-	-	326,379	326,379	-	326,379
Total other comprehensive income for the year	本年度其他全面 收益總額	-	-	7	-	-	38,878	-	-	38,885	-	38,885
Total comprehensive income for the year	本年度全面收益總額	-	-	7	-	-	38,878	-	326,379	365,264	-	365,264
Exercise of share options	行使之股份認購權	-	-	-	13,190	(1,650)	-	-	(1,624)	9,916	-	9,916
Equity settled share-based transactions	按權益結算之以股份為 基礎交易	-	-	-	-	(5,641)	-	-	-	(5,641)	-	(5,641)
Purchase of ordinary shares of the Company for share option scheme	就股份認購權計劃購買 本公司之普通股	20(a)	-	-	(19,908)	-	-	-	-	(19,908)	-	(19,908)
Transfer between reserves	儲備間之轉撥	-	35,274	-	-	-	(466)	(50,000)	15,192	-	-	-
Final dividend paid in respect of prior year	就往年度已付末期股息	10(b)	-	-	-	-	-	-	(54,149)	(54,149)	-	(54,149)
Interim dividend paid in respect of current year	就本年度已付中期股息	10(a)	-	-	-	-	-	-	(30,799)	(30,799)	-	(30,799)
		-	35,274	-	(6,718)	(7,291)	(466)	(50,000)	(71,380)	(100,581)	-	(100,581)
At 30 June 2018	於二零一八年六月三十日	672,777	151,588	-	(47,397)	2,870	28,051	-	1,351,583	2,159,472	10,713	2,170,185

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 July 2018. Under the transition methods chosen, comparative information is not restated. See note 2(c).

附註：本集團於二零一八年七月一日初始採用香港財務報告準則第十五號及香港財務報告準則第九號。根據已選取的過渡方法，並不會重列比較資料。詳見附註2(c)。

The notes on pages 118 to 224 form part of these financial statements.

列於第118至224頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

			2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
	Note 附註			
Operating activities		經營活動		
Profit before taxation		除稅前溢利	398,128	391,062
<i>Adjustments for:</i>		<i>調整：</i>		
Depreciation and amortisation	7	折舊及攤銷	61,786	61,950
Write-down of inventories	15(b)	存貨減值	3,763	3,199
Loss allowance recognised/(reversed) for trade receivables	7	貿易應收賬款之虧損撥備確認/(回撥)	228	(293)
Impairment losses recognised for property, plant and equipment	7	物業、廠房及設備之減值虧損確認	-	1,606
Interest income on financial assets measured at amortised cost	6	按攤銷成本計量金融資產之利息收入	(27,250)	(24,601)
Net unrealised loss on club membership	6	會籍之未變現淨虧損	152	-
Net loss on disposal of an available-for-sale financial asset	6	出售可供出售金融資產之淨虧損	-	7
Net losses on disposal of property, plant and equipment	6	出售物業、廠房及設備之淨虧損	66	497
Net gain on liquidation of a joint venture	6	合營企業清盤之淨收益	-	(206)
Government grants income	6	政府補貼收入	(7,766)	-
Share-based payment expenses/(forfeiture), net	7	股權支付淨費用/(撥回)	362	(5,641)
Net unrealised exchange losses/(gains)		未變現匯兌淨虧損/(收益)	936	(5,399)
<i>Changes in working capital:</i>		<i>營運資金的變動：</i>		
(Increase)/decrease in inventories		存貨之(增加)/減少	(11,211)	22,739
(Increase)/decrease in trade and other receivables		貿易及其他應收賬款之(增加)/減少	(17,185)	14,324
Increase in trade and other payables		貿易及其他應付賬款之增加	38,463	49,577
Increase in contract liabilities		合同負債之增加	445	-
Cash generated from operations		經營業務所得的現金	440,917	508,821
Taxation:		稅項：		
Hong Kong Profits Tax paid		已付香港利得稅	(6,229)	(4,314)
Tax paid outside Hong Kong		已付香港以外稅項	(45,641)	(60,865)
Net cash generated from operating activities		經營活動所得現金淨額	389,047	443,642

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

	Note 附註	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Investing activities	投資活動		
Interest received	已收利息	27,250	24,601
Decrease in fixed deposit held at bank with original maturity over three months	所持有原到期日為三個月以上的銀行定期存款之減少	50,000	19,859
Purchase of leasehold land and property, plant and equipment and intangible assets	購買租賃土地及物業、廠房及設備以及無形資產	(120,733)	(85,097)
Net proceeds from disposal of an available-for-sale financial asset	出售可供出售金融資產所得款項淨額	-	8
Net proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項淨額	1,485	2,977
Cash compensation received related to relocation of a flour mill plant	收到有關搬遷一間麵粉廠房所得現金補償	-	21,419
Net cash used in investing activities	投資活動所用現金淨額	(41,998)	(16,233)
Financing activities	融資活動		
Purchase of ordinary shares of the Company for share option scheme	就股份認購權計劃購買本公司之普通股	20(a) (21,326)	(19,908)
Proceeds from exercise of share options	行使之股份認購權所得款項	9,916	9,916
Decrease/(increase) in restricted bank balances	有限制之銀行結餘之減少/(增加)	17(a) 2,924	(2,924)
Net decrease in obligations under finance leases	融資租賃承擔之淨減少	17(b) (346)	(282)
Dividends paid to equity shareholders of the Company	付予本公司股東之股息	(96,954)	(84,948)
Net cash used in financing activities	融資活動所用現金淨額	(105,786)	(98,146)
Net increase in cash and cash equivalents	現金及現金等額淨額增加	241,263	329,263
Cash and cash equivalents at 1 July	於七月一日之現金及現金等額	1,109,222	753,018
Effect of foreign exchange rate changes	匯率變動之影響	(32,558)	26,941
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等額	1,317,927	1,109,222

Note: The Group has initially applied HKFRS 15 and HKFRS 9 at 1 July 2018. Under the transition methods chosen, comparative information is not restated. See note 2(c).

附註：本集團於二零一八年七月一日初始採用香港財務報告準則第十五號及香港財務報告準則第九號。根據已選取的過渡方法，並不會重列比較資料。詳見附註2(c)。

The notes on pages 118 to 224 form part of these financial statements.

列於第118至224頁之各項附註為本財務報表之一部份。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

1. General Information

Lam Soon (Hong Kong) Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The registered office and the principal place of business of the Company is located at 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong.

The Company is a holding company and its principal activity is investment holding. The principal activities of the Company’s subsidiaries include manufacturing, trading and processing of edible oil, flour products and home care products in Hong Kong, the People’s Republic of China (“PRC”) and Macau.

2. Significant Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Significant accounting policies adopted by the Company and its subsidiaries (together referred to as the “Group”) are disclosed.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1. 一般資料

南順(香港)有限公司(「本公司」)為一間於香港註冊成立的有限公司。本公司的註冊辦事處及主要營業地點位於香港新界大埔大埔工業村大富街二十一號。

本公司為一間控股公司，主要業務為投資控股。本公司之附屬公司之主要業務是於香港、中華人民共和國(「中國」)及澳門提供食用油、麵粉產品及家居護理產品的生產、貿易及處理。

2. 重要會計政策

(a) 遵守聲明

此財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈之所有適用《香港財務報告準則》(「香港財務報告準則」)，此統稱包括所有適用之個別《香港財務報告準則》、《香港會計準則》(「香港會計準則」)及詮釋、香港普遍公認會計原則及香港《公司條例》之披露規定而編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露條文規定。下文列載本公司及其附屬公司(合稱「本集團」)採納之主要會計政策概要。

香港會計師公會已頒佈若干於本集團本會計期間首次生效或可供提早採納的新訂及經修訂之香港財務報告準則。附註2(c)提供有關本集團當前和以往會計期間之財務報表因初次執行此等頒佈而改變的會計政策。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2019 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- club membership; and
- derivative financial instruments (see note 2(g)).

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

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2. 重要會計政策(續)

(b) 財務報表編製基準

截至二零一九年六月三十日止年度之綜合財務報表包括本公司及其附屬公司。

編製此財務報表所採用之計算基準為歷史成本法，惟以下以其公平價值計算之資產及負債(於下文載列的會計政策闡釋)除外：

- 會籍；及
- 衍生金融工具(見附註2(g))。

為編製符合香港財務報告準則之財務報表，管理層須對影響政策之應用、資產、負債、收入及開支列報作出判斷、估計及假設。有關估計及相關之假設乃根據過往經驗，以及多項在當時情況下相信屬合理之其他因素而作出，有關結果構成在未能依循其他途徑即時確切得知資產與負債賬面值時所作出判斷的基礎。實際結果可能與此等估計或有不同。

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

管理層在應用香港財務報告準則時所作出對財務報表有重大影響的判斷及估計不確定性的主要原因於附註3論述。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies

The HKICPA has issued a number of new HKFRSs, amendments to HKFRSs and interpretation that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's consolidated financial statements:

- HKFRS 9, *Financial instruments*
- HKFRS 15, *Revenue from contracts with customers*
- HK(IFRIC) 22, *Foreign currency transactions and advance consideration*

The Group has not applied any new standard, amendments or interpretation that is not yet effective for the current accounting period.

(i) **HKFRS 9, *Financial instruments***

HKFRS 9 replaces HKAS 39, *Financial instruments: recognition and measurement*. It sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The Group has applied HKFRS 9 retrospectively to items that existed at 1 July 2018 in accordance with the transition requirements. The Group has recognised the cumulative effect of initial application as an adjustment to the opening equity at 1 July 2018. Therefore, comparative information continues to be reported under HKAS 39.

2. 重要會計政策(續)

(c) 會計政策的變動

香港會計師公會頒佈了多項於本集團當前會計期間首次生效之新訂香港財務報告準則、香港財務報告準則修訂本及詮釋。其中，以下發展與本集團綜合財務報表有關：

- 香港財務報告準則第九號，「金融工具」
- 香港財務報告準則第十五號，「源自客戶合同的收入」
- 香港(國際財務報告詮釋委員會)第二十二號，「外幣交易及預付代價」

本集團並未於本會計期間應用尚未生效之新訂準則、修訂本或詮釋。

(i) **香港財務報告準則第九號，「金融工具」**

香港財務報告準則第九號取代香港會計準則第三十九號「金融工具：確認及計量」。此準則載列確認及計量金融資產、金融負債及若干有關買賣非金融項目合同的要求。

本集團已根據過渡要求對於二零一八年七月一日存在的項目追溯採用香港財務報告準則第九號。本集團已確認初始採用的累計影響為對二零一八年七月一日期初權益的調整。因此，比較資料將繼續按照香港會計準則第三十九號進行匯報。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, Financial instruments (continued)

The following table summarises the impact of transition to HKFRS 9 on revenue reserve at 1 July 2018.

		HK\$'000 港幣千元
Revenue reserve	收益儲備	
Recognition of fair value gains of available-for-sale financial asset now measured at fair value through profit or loss ("FVPL")	可供出售金融資產(現按公平價值計入損益計量)之公平價值收益之確認	890
Net increase in revenue reserve at 1 July 2018	二零一八年七月一日收益儲備增加淨額	890

Further details of the nature and effect of the changes to previous accounting policies and the transition approach are set out below:

a. Classification of financial assets and financial liabilities

HKFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income ("FVOCI") and at FVPL. These supersede HKAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under HKFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第九號「金融工具」(續)

下表概述過渡至香港財務報告準則第九號對於二零一八年七月一日收益儲備的影響。

過往會計政策變動的性質及影響以及過渡方法的進一步詳情載列如下：

a. 金融資產和金融負債的分類

香港財務報告準則第九號將金融資產分為三個主要類別：按攤銷成本計量，按公平價值計入其他全面收益計量及按公平價值計入損益計量。這取代了香港會計準則第三十九號的類別，即持有至到期投資、貸款及應收賬款、可供出售金融資產及按公平價值計入損益計量的金融資產。香港財務報告準則第九號之金融資產分類乃根據管理金融資產的業務模式及其合約現金流量特徵釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, Financial instruments (continued)

a. Classification of financial assets and financial liabilities (continued)

The following table shows the original measurement categories for each class of the Group's financial assets under HKAS 39 and reconciles the carrying amounts of those financial assets determined in accordance with HKAS 39 to those determined in accordance with HKFRS 9.

	HKAS 39 carrying amount at 30 June 2018 香港會計準則 第三十九號 於二零一八年 六月三十日賬面值 HK\$'000 港幣千元	Reclassification 重新分類 HK\$'000 港幣千元	Remeasurement 重新計量 HK\$'000 港幣千元	HKFRS 9 carrying amount at 1 July 2018 香港財務報告 準則第九號 於二零一八年 七月一日賬面值 HK\$'000 港幣千元
Financial assets carried at FVPL 金融資產按公平價值計入損益計量				
Club membership (note) 會籍(附註)	-	177	890	1,067
Financial assets classified as available-for-sale under HKAS 39 (note) 按香港會計準則第三十九號分類為可供出售金融資產(附註)	177	(177)	-	-

Note: Under HKAS 39, club membership was classified as an available-for-sale financial asset measured at cost less impairment losses. It is classified as a financial asset carried at FVPL within "Other non-current assets" under HKFRS 9.

附註：根據香港會計準則第三十九號，會籍乃分類為按成本減去減值虧損計量之可供出售金融資產。根據香港財務報告準則第九號，其分類為金融資產按公平價值計入損益並已計入於「其他非流動資產」。

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第九號「金融工具」(續)

a. 金融資產和金融負債的分類(續)

下表列示根據香港會計準則第三十九號本集團各類金融資產的最初計量類別，及對根據香港會計準則第三十九號釐定的該等金融資產賬面值與根據香港財務報告準則第九號釐定者進行對賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, Financial instruments (continued)

a. Classification of financial assets and financial liabilities (continued)

For an explanation of how the Group classifies and measures financial assets and recognises related gains and losses under HKFRS 9, see respective accounting policy notes in notes 2(f), (g), (k)(i), (n) and (o).

The measurement categories for all financial liabilities remain the same. The carrying amounts for all financial liabilities at 1 July 2018 have not been impacted by the initial application of HKFRS 9.

The Group did not designate or de-designate any financial asset or financial liability at FVPL at 1 July 2018.

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第九號「金融工具」(續)

a. 金融資產和金融負債的分類(續)

本集團對金融資產的分類及計量，以及其相關收益或虧損確認乃根據香港財務報告準則第九號，分別於會計政策附註2(f), (g), (k)(i), (n)及(o)呈列。

所有金融負債之計量類別保持不變。於二零一八年七月一日，所有金融負債的賬面值並無受初始採用香港財務報告準則第九號的影響。

於二零一八年七月一日，本集團並無指定或不再指定任何金融資產或金融負債為按公平價值計入損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(i) HKFRS 9, Financial instruments (continued)

b. Credit losses

HKFRS 9 replaces the “incurred loss” model in HKAS 39 with the expected credit losses (“ECL”) model. The ECL model requires an ongoing measurement of credit risk associated with a financial asset and therefore recognises ECLs earlier than under the “incurred loss” accounting model in HKAS 39.

The Group applies the ECL model to financial assets measured at amortised cost (including other non-current assets, trade and other receivables, deposits and prepayments and cash and cash equivalents).

For further details on the Group’s accounting policy for accounting for credit losses, see note 2(k)(i) and (ii).

The adoption of the ECL model has no significant financial impact to the financial assets of the Group.

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(i) 香港財務報告準則第九號「金融工具」(續)

b. 信貸虧損

香港財務報告準則第九號以預期信貸虧損模式取代香港會計準則第三十九號的「已產生虧損」模式。預期信貸虧損模式要求持續計量與金融資產有關的信貸風險，因此會較香港會計準則第三十九號的「已產生虧損」會計模式更早確認預期信貸虧損。

本集團將預期信貸虧損模式應用於按攤銷成本計量之金融資產(包括其他非流動資產、貿易及其他應收賬項、按金、預付款項及現金及現金等額)。

有關本集團信貸虧損會計處理之會計政策，見附註2(k)(i)及(ii)。

採用預期信貸虧損模式對本集團的金融資產並無重大財務影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue and some costs from contracts with customers. HKFRS 15 replaces HKAS 18, *Revenue*, which covered revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specified the accounting for construction contracts.

HKFRS 15 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has elected to use the cumulative effect transition method. Comparative information has not been restated and continues to be reported under HKAS 11 and HKAS 18. As allowed by HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 July 2018.

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第十五號，「源自客戶合同的收入」

香港財務報告準則第十五號建立確認源自客戶合同的收入及若干成本的全面框架。香港財務報告準則第十五號將取代香港會計準則第十八號「收入」(包括銷售貨物及提供服務所產生的收入)及香港會計準則第十一號「建造合約」(訂明建造合約的會計處理)。

香港財務報告準則第十五號亦引入額外定性及定量披露規定，旨在讓財務報表使用者了解源自客戶合同所產生之收入及現金流量的性質、金額、時間及不確定性。

本集團已選擇使用累計影響過渡方法，比較資料並無重列，並繼續按照香港會計準則第十一號及香港會計準則第十八號規定呈報。根據香港財務報告準則第十五號的規定，本集團僅將新規定應用於二零一八年七月一日之前尚未完成的合同。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

Further details of the nature and effect of the changes on previous accounting policies are set out below:

a. Timing of revenue recognition

Previously, revenue arising from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods had passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time.

If the contract terms and the entity's activities do not fall into any of those situations in which control of the promised good or service is regarded as being transferred over time, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that is considered in determining when the transfer of control occurs.

Revenue from sale of goods will continue to be recognised at a point in time and the adoption of HKFRS 15 does not have a significant impact on the Group's financial position and results of operations based on the current business model.

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第十五號，「源自客戶合同的收入」(續)

有關過往會計政策變動之性質及影響之進一步詳情載列如下：

a. 收入確認之時間

過往，出售貨物所得之收入乃當所有權風險及回報轉移予客戶時，在某個時點確認。

根據香港財務報告準則第十五號，收入於客戶獲得合同之承諾貨品或服務之控制權時確認。此可為單個時間點或一段時間。

倘合同條款及實體活動並不屬於對承諾貨品或服務之控制權被視為隨時間轉移情況，則根據香港財務報告準則第十五號，實體於某一指定時間點(即控制權轉移時)就銷售貨品或服務確認收入。所有權風險及回報之轉移僅為於釐定控制權轉移發生時將考慮之其中一項指標。

來自商品銷售的收入繼續在某個時點確認，根據現時業務模式，採納香港財務報告準則第十五號對本集團的財務狀況及經營業績不會構成重大的影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

b. Presentation of contract assets and contract liabilities

Under HKFRS 15, a receivable is recognised only if the Group has an unconditional right to consideration. If the Group recognises the related revenue (see note 2(t)) before being unconditionally entitled to the consideration for the promised goods and services in the contract, then the entitlement to consideration is classified as a contract asset. Similarly, a contract liability, rather than a payable, is recognised when a customer pays non-refundable consideration, or is contractually required to pay non-refundable consideration and the amount is already due, before the Group recognises the related revenue. For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis (see note 2(m)).

As a result of the adoption of HKFRS 15, certain balance of the “advances received for goods to be sold” previously grouped under “deposits received” within trade and other payables is now separately disclosed in note 18(b).

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第十五號，「源自客戶合同的收入」(續)

b. 合同資產及合同負債的呈列

根據香港財務報告準則第十五號，應收賬款僅當本集團擁有無條件收取代價的權利時確認。倘本集團於有權無條件收取合同中的已承諾商品及服務代價前確認相關收入(見附註2(t))，則收取代價的權利被分類為合同資產。同樣，在本集團確認相關收入前，客戶已支付的代價或者根據合同須支付不可退還的代價且該代價已到期支付，則應確認合同負債而非應付款項。就與客戶的單一合同而言，應以合同資產淨額或合同負債淨額呈列。對於多份合同，不相關合同的合同資產及合同負債不能以淨額呈列(見附註2(m))。

由於採納香港財務報告準則第十五號，故過往計入貿易及其他應付賬款內「已收按金」之「預收貨款」目前獨立披露於附註18(b)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

- c. Disclosure of the estimated impact on the amounts reported in respect of the year ended 30 June 2019 as a result of the adoption of HKFRS 15 on 1 July 2018

The following tables summarise the estimated impact of adoption of HKFRS 15 on the Group's consolidated financial statements for the year ended 30 June 2019, by comparing the amounts reported under HKFRS 15 in these consolidated financial statements with estimates of the hypothetical amounts that would have been recognised under HKAS 18 and HKAS 11 if those superseded standards had continued to apply to 2019 instead of HKFRS 15. These tables show only those line items impacted by the adoption of HKFRS 15:

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第十五號，「源自客戶合同的收入」(續)

- c. 就截至二零一九年六月三十日止年度披露因於二零一八年七月一日採納香港財務報告準則第十五號而列報的金額之估計影響

下表概述採用香港財務報告準則第十五號對本集團截至二零一九年六月三十日止年度的綜合財務報表之估計影響，方式是將此等綜合財務報表中按香港財務報告準則第十五號列報的金額，與按香港會計準則第十八號及香港會計準則第十一號確認的假定金額之估計數字作比較(倘該等被替代準則而非香港財務報告準則第十五號一直適用於二零一九年)。此等列表僅顯示該受採用香港財務報告準則第十五號影響的項目：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(ii) HKFRS 15, Revenue from contracts with customers (continued)

- c. Disclosure of the estimated impact on the amounts reported in respect of the year ended 30 June 2019 as a result of the adoption of HKFRS 15 on 1 July 2018 (continued)

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(ii) 香港財務報告準則第十五號，「源自客戶合同的收入」(續)

- c. 就截至二零一九年六月三十日止年度披露因於二零一八年七月一日採納香港財務報告準則第十五號而列報的金額之估計影響(續)

		Amounts reported in accordance with HKFRS 15	Hypothetical amounts under HKAS 18	Difference: Estimated impact of adoption of HKFRS 15 on 2019
		(A)	(B)	(A-B)
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Line items in the consolidated statement of financial position as at 30 June 2019 impacted by the adoption of HKFRS 15:	於二零一九年六月三十日之綜合財務狀況表中受採納香港財務報告準則第十五號影響的項目：			差額： 於二零一九年 採用香港財務報告 準則第十五號的 估計影響
Trade and other payables	貿易及其他應付款項	673,063	701,295	(28,232)
Contract liabilities	合同負債	28,232	-	28,232
Line items in the consolidated statement of cash flows for year ended 30 June 2019 impacted by the adoption of HKFRS 15:	截至二零一九年六月三十日止年度之綜合現金流量表中受採納香港財務報告準則第十五號影響的項目：			
Increase in trade and other payables	貿易及其他應付款項增加	38,463	38,908	(445)
Increase in contract liabilities	合同負債增加	445	-	445

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies (continued)

(iii) HK(IFRIC) 22, Foreign currency transactions and advance consideration

This Interpretation provides guidance on determining “the date of the transaction” for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency.

The Interpretation clarifies that “the date of the transaction” is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The adoption of HK(IFRIC) 22 does not have any material impact on the financial position and the financial result of the Group.

2. 重要會計政策(續)

(c) 會計政策的變動(續)

(iii) 香港(國際財務報告詮釋委員會)第二十二號,「外幣交易及預付代價」

該詮釋就釐定「交易日期」提供指引,旨在釐定於初步確認因實體收取或支付的外幣預付代價之交易而產生之相關資產、開支或收入(或其中部分)所使用之匯率。

該詮釋澄清「交易日期」為初始確認因支付或收取預付代價而產生之非貨幣性資產或負債之日期。倘確認相關項目前存在多筆付款或收款,實體應按該方式釐定每筆付款或收款之交易日期。採用香港(國際財務報告詮釋委員會)第二十二號對本集團之財務狀況及財務業績並無產生任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

2. 重要會計政策(續)

(d) 附屬公司及非控制權益

附屬公司為本集團所控制之實體。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力藉對實體行使其權力而影響該等回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮具體權利(由本集團及其他人士持有)。

於附屬公司之投資於擁有控制權日期起獲合併至綜合財務報表，直至該控制權終止為止。集團內部往來之結餘、交易、現金流量及因內部往來交易而產生之任何未變現溢利，均於編製綜合財務報表時全數抵銷。在無出現減值之情況下，集團內部交易所產生之未變現虧損，會按與未變現溢利相同之方法抵銷。

非控制權益指並非由本公司直接或間接擁有的應佔附屬公司的權益，而本集團未與該等權益的持有者同意任何額外條款而令本集團整體對該等權益產生符合金融負債的定義的合約責任。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in a joint venture or an associate.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

2. 重要會計政策(續)

(d) 附屬公司及非控制權益(續)

非控制權益列入綜合財務狀況表的權益賬內，與本公司股權持有人應佔權益分開列賬。至於非控制權益應佔集團業績的權益，則於綜合損益表及綜合損益及其他全面收益表內列報，並作為非控制權益與本公司股權持有人於損益賬及全面收益總額的一個分配項目。

當本集團於一附屬公司權益出現變動，但並無失去控制權，須以權益交易入賬，而在綜合權益內以調整控股股東及非控制股東權益的數額去反映有關權益變動，但對商譽則不作調整及無收益或損失被確認。

當本集團失去一附屬公司的控制權，須以出售全部於該附屬公司權益入賬，並在損益賬內確認最終收益或損失。於失去控制該前附屬公司控制權當日而保留的任何權益則以公平價值確認，而該數額被視為首次以公平價值確認的金融資產(參閱附註2(f))或，如適當，被視為首次確認投資於一間合營企業或聯營公司的成本。

於本公司之財務狀況表內，於一家附屬公司之投資按成本扣除減值虧損列示(見附註2(k)(ii))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(e) Goodwill

Goodwill represents the excess of (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2. 重要會計政策(續)

(e) 商譽

商譽代表以下的超越值(i)代價的公平價值、被收購者的非控制權益數額及集團從前已持有被收購者股本權益的公平價值的總額；超越(ii)於收購當日，被收購者的可區別資產及負債的淨公平價值。

當(ii)超越(i)時，該超越值即時在損益賬內確認為議價收購收益。

商譽按成本減累計減值虧損列賬。業務合併產生之商譽分配至預計將會受惠於合併之協同作用之各現金產生單位或現金產生單位的組別，並於每年進行減值測試(見附註2(k)(ii))。

於年度內出售的現金產生單位時，應佔商譽部份將撥入出售盈利或虧損中計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(f) Investments other than equity investments

(A) Policy applicable from 1 July 2018

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 2(t)(iii)).
- fair value through other comprehensive income (“FVOCI”) – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- fair value at profit or loss (“FVPL”) if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2. 重要會計政策(續)

(f) 權益投資以外的投資

(A) 自二零一八年七月一日起適用之政策

本集團持有的非權益投資分類為以下其中一個計量類別：

- 攤銷成本，倘持有投資的目的為收取合約現金流量，即純粹為獲得本金及利息付款。投資所得利息收入乃使用實際利率法計算(見附註2(t)(iii))。
- 透過其他全面收益按公平價值列賬—可劃轉，倘投資的合約現金流量僅包括本金及利息付款，且投資乃按其目的為同時收取合約現金流量及出售的業務模式持有。公平價值變動於其他全面收益確認，惟預期信貸虧損、利息收入(使用實際利率法計算)及匯兌收益及虧損則於損益賬確認。當投資終止時，於其他全面收益累計的金額從權益劃轉至損益賬。
- 透過損益賬以公平價值列賬，倘投資不符合按攤銷成本計量或透過其他全面收益按公平價值列賬(可劃轉)的標準。投資的公平價值變動(包括利息)於損益賬確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(f) Investments other than equity investments (continued)

(B) Policy applicable prior to 1 July 2018

Investments which did not fall into the categories of securities held for trading or held-to-maturity securities were classified as available-for-sale financial assets. At the end of each reporting period the fair value was remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve (recycling). Dividend income from equity investments and interest income from debt securities calculated using the effective interest method were recognised in profit or loss. Foreign exchange gains and losses arising from debt securities were also recognised in profit or loss. When the investments were derecognised or impaired (see note 2(k)(i) – policy applicable prior to 1 July 2018), the cumulative gain or loss recognised in equity was reclassified to profit or loss.

(g) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2. 重要會計政策(續)

(f) 權益投資以外的投資(續)

(B) 二零一八年七月一日前適用之政策

對於不屬於持有作買賣證券或持有至到期之證券投資，該分類視為可供出售金融資產。於各報告期終日將重新計量公平價值，而所產生之損益會直接於其他全面收益並於權益中之公平價值儲備(可劃轉)獨立累計確認。權益投資所得之股息收入及債務證券所得之利息收入乃採用實際利息法於損益賬中確認。債務證券所產生之外匯損益也在損益賬確認。當投資終止或減值(見附註2(k)(i) – 二零一八年七月一日前適用之政策)，權益中已確認累計收益或虧損將重新分類至損益賬。

(g) 衍生金融工具

衍生金融工具先按公平價值確認，並在每個報告期終日重新計量。於按公平價值重新計量時所得收益或虧損即時計入損益賬中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after an item of property, plant and equipment has been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of the property, plant and equipment.

Construction in progress is stated at cost less impairment losses (see note 2(k)(ii)). Cost comprises direct costs of construction, capitalised borrowing costs and exchange differences to the extent that it is an adjustment to borrowing costs during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

2. 重要會計政策(續)

(h) 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬(見附註2(k)(ii))。資產的成本值包括購入的代價，加上將該項資產達至擬定現有用途的狀態及運送至運作地點而支付的費用。在物業、廠房及設備投入運作後的支出，如維修及保養，均通常於作出該等支出的期間在損益賬中列作費用。倘若能清楚顯示出該等支出能增加預計於日後運用該項物業、廠房及設備而產生的未來經濟效益，則該等支出將撥作該項物業、廠房及設備的額外成本。

在建工程以成本減除減值虧損列賬(見附註2(k)(ii))。成本包括建設與安裝期內的直接建設成本、資本化借貸成本及匯兌差額的調整。待資產投入擬定用途所需的準備工作大致完成時，這些成本便會停止資本化，而在建工程也會被轉撥到物業、廠房及設備。在建工程在完工並可隨時投入擬定用途前，不計提任何折舊準備。

報廢或出售物業、廠房及設備項目所產生之收益或虧損為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售當日於損益賬內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(h) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings and leasehold improvements	2-25 years
Plant, equipment, furniture and motor vehicles	3-20 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

Enterprise resources planning system ("ERP")	5 years
Trademarks	5 years

Both the period and method of amortisation are reviewed annually.

2. 重要會計政策(續)

(h) 物業、廠房及設備(續)

物業、廠房及設備按其估計可用年期(如下)以直線法撇減其成本減除其估計剩餘價值(如適用):

樓宇及裝修	2-25年
廠房、設備、傢俬及汽車	3-20年

倘一項物業、廠房及設備中之不同部份有不同之可使用年期,該項目之成本將合理地分配至各部份,而各部份則獨立計提折舊。資產之可用年期及估計剩餘價值將於每年檢討。

(i) 無形資產(商譽除外)

本集團收購之無形資產按成本減累計攤銷(若可使用年期有限)及減值虧損(見附註2(k)(ii))列賬。內部產生商譽及品牌之支出於產生期間確認為開支。

可使用年期有限之無形資產,以直線法在預計可使用年期內,在損益賬攤銷。下列可使用年期有限之無形資產,從可使用日起開始攤銷,而其預計可使用年期如下:

企業資源計劃系統	5年
商標	5年

每年均檢討攤銷年期及方式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(j) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. 重要會計政策(續)

(j) 租賃資產

倘本集團釐定一項安排具有在協定期限內通過支付一筆或一系列款項，從而獲得使用某一特定資產或多項資產之權利，則該安排（由一宗交易或一系列交易組成）為或包含租賃。該釐定乃根據安排之內容評估而作出，而不論安排是否具備租賃的法律形式。

(i) 本集團承租之資產之分類

如本集團以租賃持有資產，而有關租賃將擁有該資產之絕大部分風險及回報轉移至本集團，有關之資產便會分類為以融資租賃持有；如租賃不會使擁有權之絕大部分風險和回報轉移至本集團，則分類為經營租賃，惟以下除外：

- 以經營租賃持作自用，但無法在租賃開始時將其公平價值與建於其上之建築物之公平價值分開計量之土地按以融資租賃持有方式入賬；但清楚地以經營租賃持有之建築物除外。就此而言，租賃開始時間指本集團首次訂立租賃時，或自前承租人接收建築物時。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(j) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2. 重要會計政策(續)

(j) 租賃資產(續)

(ii) 以融資租賃收購之資產

若本集團以融資租賃收購資產使用權，租賃資產之公平價值數額或最低租賃金額之現值之較低者，將列入物業、廠房及設備及相關負債(扣除融資費用)列作融資租賃負債。折舊為於相關租賃有效期間或資產可用期限之期間(若本集團將取得資產所有權)，按撇銷資產成本之比率計算(見附註2(h))。減值虧損按照附註2(k)(ii)所載之會計政策入賬。租賃金額所包含之融資費用將於租賃期間計入損益賬內，藉此在每個會計期間以一個相若的息率計算負債餘額的融資費用。或然租金將於產生之會計期間計入損益賬。

(iii) 經營租賃費用

如本集團是以經營租賃持有資產之使用權，則根據租賃作出之付款在租期所涵蓋之會計期間內，以等額在損益賬內扣除；惟其他基準能更清楚地反映租賃資產所產生之收益模式除外。租賃所涉及之獎勵均在損益賬中確認為淨租賃款項總額之組成部分。或然租金將於產生之會計期間計入損益賬。

以經營租賃持有之土地的收購成本乃按直線法在租期內攤銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(i) Credit losses from financial assets

(A) Policy applicable from 1 July 2018

The loss allowance of trade receivables is measured at an amount equal to lifetime ECLs, which are those losses that are expected to occur over the expected life of the trade receivables. The loss allowance is estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial assets (including cash and cash equivalents and other receivables), the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial assets since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are remeasured at each reporting date with any changes recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss with a corresponding adjustment to the carrying amount of financial assets through a loss allowance account.

2. 重要會計政策(續)

(k) 信貸虧損及資產減值

(i) 金融資產產生之信貸虧損

(A) 自二零一八年七月一日起適用之政策

貿易應收賬款之虧損撥備是按整個存續期的預期信貸虧損之金額計量，該虧損預期於貿易應收賬之整個存續期所產生。該等虧損撥備乃根據本集團過往信貸虧損經驗，使用撥備矩陣予以估算，並就債務人之特有因素及對報告日現時及預測整體經濟狀況的評估進行調整。

至於其他金融資產(包括現金及現金等額及其他應收賬款)，本集團會以相等於十二個月的預期信貸虧損金額確認虧損撥備，除非自初始確認後該金融資產的信貸風險顯著增加，在此情況下，虧損撥備會以整個存續期的預期信貸虧損金額計量。

預期信貸虧損在每個報告日重新計量，並在損益賬中確認為減值收益或虧損。本集團確認金融資產的減值收益或虧損時，會對其賬面價值於虧損撥備賬戶進行相應調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial assets

(continued)

(A) Policy applicable from 1 July 2018
(continued)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the counterparties does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2. 重要會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融資產產生之信貸虧損(續)

(A) 自二零一八年七月一日起適用之政策(續)

如果沒有實際可回收的前景，金融資產的賬面總額(部分或全部)會被撇銷。一般情況下，撇銷金額是本集團認為債務人沒有資產或收入來源可產生足夠的現金流以償還該款項。

以往撇銷的資產的後續回收在回收期間被確認為減值回撥計入損益賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial assets

(continued)

(B) Policy applicable prior to 1 July 2018

Impairment losses are recognised when there is objective evidence of impairment and are measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the asset's original effective interest rate where the effect of discounting is material. Objective evidence of impairment includes observable data that comes to the attention of the Group about events that have an impact on the asset's estimated future cash flows.

When the recovery of a trade and other receivable was considered doubtful but not remote, associated impairment losses were recorded using an allowance account. When the Group was satisfied that recovery was remote, the amount considered irrecoverable was written off against the gross carrying amount of those assets directly. Subsequent recoveries of amounts previously charged to the allowance account were reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly were recognised in profit or loss.

2. 重要會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融資產產生之信貸虧損(續)

(B) 二零一八年七月一
日前適用之政策

減值虧損確認是以資產的賬面值與估計未來現金流量之差額計量，如折現影響重大，則按金融資產其初始實際利率(即在初始確認有關資產時計算的實際利率)折現預計未來現金流量。減值的客觀證據包括本集團留意到對資產的估計未來現金流量構成影響之可觀察數據。

當貿易及其他應收賬款之收回機會被視為成疑而非渺茫，該減值虧損則記入撥備賬戶。倘本集團相信收回機會渺茫，則被視為無法收回的款額從撥備賬戶中直接撇銷，而包含在撥備賬戶中的相關款項則予以撥回。倘之前計入撥備賬戶的款項其後收回，則從撥備賬戶中回撥。撥備賬戶的其他變動及其後收回先前直接撇銷的款項，均於損益賬中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(continued)

(i) Credit losses from financial assets

(continued)

(B) Policy applicable prior to 1 July 2018
(continued)

For available-for-sale investments, the cumulative loss that had been recognised in the fair value reserve (recycling) was reclassified to profit or loss. The amount of the cumulative loss that was recognised in profit or loss was the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any loss allowance on that asset previously recognised in profit or loss.

Loss allowance recognised in profit or loss in respect of available-for-sale equity securities were not reversed through profit or loss. Any subsequent increase in the fair value of such assets was recognised in other comprehensive income.

2. 重要會計政策(續)

(k) 信貸虧損及資產減值(續)

(i) 金融資產產生之信貸虧損(續)

(B) 二零一八年七月一日前適用之政策(續)

就可供出售投資而言，已在公平價值儲備(可劃轉)中確認的累計虧損會重新分類至損益賬。在損益賬中確認的累計虧損是收購成本(經扣除任何本金償還額及攤銷額)與現時公平價值的差額，並減去該資產以往在損益賬中確認的任何虧損撥備。

已在損益賬確認而屬可供出售權益證券的虧損撥備，不得在損益賬回撥。有關這類資產公平價值於其後任何的上升，都在其他全面收益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(continued)

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- leasehold land and property, plant and equipment (including construction in progress);
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

2. 重要會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他非流動資產的減值

本集團於每個報告期終日需檢討內部及外來資料來源，以辨識下列資產是否需作減值，或之前所確認之減值虧損(商譽減值虧損除外)是否已不再存在或可能已經減少：

- 租賃土地及物業、廠房及設備(包括在建工程)；
- 無形資產；
- 商譽；及
- 本公司財務狀況表中之於附屬公司之投資。

倘若有任何跡象顯示上述情況，資產的可收回價值將會被評估。此外，即使並無任何減值跡象，商譽及未可使用及無既定可使用期限的無形資產仍按年進行減值評估。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(continued)

(ii) Impairment of other non-current assets

(continued)

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit (“CGU”)).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

2. 重要會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他非流動資產的減值(續)

– 計算可收回價值

資產的可收回價值是按其公平價值減出售成本或使用價值中的較高者。在衡量使用價值時，預計未來現金流量將按除稅前折現率計算折現值，以反映市場目前對金錢的時間值和該資產的特定風險的評估。倘某項資產所產生之現金流並非大致上獨立於其他資產的現金流，則按獨立產生現金流的最小一組資產組合(即一個現金產生單位)來釐定可收回的價值。

– 確認減值虧損

若資產或其所屬現金產生單位的賬面值超逾其可收回價值，則於損益賬確認其減值虧損。為現金產生單位而確認之減值虧損，將首先用以撇減該現金產生單位(或一組單位)之任何商譽之賬面值，然後按比例減少單位(或一組單位)內其他資產之賬面值，但資產的賬面值不可減至低於其扣除出售成本(如能計量)後的公平價值或使用價值(如能確定)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Credit losses and impairment of assets

(continued)

(ii) Impairment of other non-current assets

(continued)

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 重要會計政策(續)

(k) 信貸虧損及資產減值(續)

(ii) 其他非流動資產的減值(續)

– 減值虧損之回撥

有關商譽以外的資產，如果用作釐定資產可收回價值的估計數額出現正面的改變，有關減值虧損將會回撥。但商譽之減值虧損則不會被回撥。

減值虧損之回撥額不會超過假設該資產往年從來沒有確認減值虧損而釐定之賬面值。減值虧損之回撥將於確認回撥之年度內計入當期損益賬中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(I) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress and finished goods, cost comprises direct materials, direct labour and an attributable proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2. 重要會計政策(續)

(I) 存貨

存貨乃以成本及可變現淨值之較低者列賬。成本按加權平均法計算，並計算購買成本、加工成本及為把存貨達致現有場所及狀況而產生的其他成本。半成品及製成品的成本則包括直接原料、直接人工及應佔的部份生產費用。

可變現淨值指正常業務中之估計售價減去完成交易之估計成本及進行銷售所需之估計成本。

出售存貨時，其賬面值於有關收入確認期內確認為開支。任何存貨金額撇減至可變現淨值及存貨之所有虧損均於撇減或虧損之發生期內確認為開支。倘存貨之撇減出現任何回撥，則於回撥出現期內扣減當期存貨費用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(m) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2(t)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 2(n)).

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method (see note 2(t)(iii)).

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(k)(i)).

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 2(k)(i).

2. 重要會計政策(續)

(m) 合同負債

倘客戶於本集團確認相關收入之前支付代價，則確認合同負債(見附註2(t))。倘本集團擁有無條件權利可於本集團確認相關收入前收取代價，亦將確認合同負債。在此情況下，亦將確認相應之應收賬款(見附註2(n))。

就與客戶的單一合約而言，會呈列合同資產淨值或合同負債淨值。就多項合同而言，無關聯合同的合同資產及合同負債不按淨額基準呈列。

當合同包含一項重大融資成分時，合同結餘按實際利率法累計的利息計入(見附註2(t)(iii))。

(n) 貿易及其他應收賬款

本集團有無條件權利收取代價時確認應收賬款。倘若經過一段時間是到期支付該代價的唯一前提，則收取代價權利為無條件。

應收賬款利用實際利率法按攤銷成本減信貸虧損撥備列賬(見附註2(k)(i))。

(o) 現金及現金等額

現金及現金等額包括銀行存款及現金、存放於銀行和其他財務機構之活期存款，及短期與高流動性之投資。該等投資可隨時換算為已知數額之現金，而其價值變動風險不大，並在購入後三個月內到期。現金及現金等價物乃根據附註2(k)(i)所載的政策評估預期信貸虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(p) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(q) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the share options will vest.

2. 重要會計政策 (續)

(p) 貿易及其他應付賬款

貿易及其他應付賬款按公平價值初始確認。其後按攤銷成本入賬，惟若折現影響並不重大，則按成本入賬。

(q) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃之供款

薪酬、年終花紅、有薪年假、向定額供款退休計劃之供款及非金錢福利之成本均於僱員提供有關服務之年度計提。若付款或結算期被推延及其影響屬重大，該金額將按折現值入賬。

(ii) 股權支付

授予僱員之股份認購權公平價值會確認為僱員成本，而權益中的股份認購權儲備亦相應增加。公平價值乃採用「柏力克—舒爾斯」模型，按股份認購權授予日計算，並已考慮授予股份認購權之條款。當僱員須符合歸屬期條件才可無條件享有該等股份認購權，預計公平價值總額在歸屬期內攤分入賬，並已考慮股份認購權歸屬的或然率。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(q) Employee benefits (continued)

(ii) Share-based payments (continued)

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to revenue reserve).

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

2. 重要會計政策(續)

(q) 僱員福利(續)

(ii) 股權支付(續)

估計可歸屬股份認購權之數目須在歸屬期內作出檢討。除非原僱員支出符合資產確認之要求，任何已在往年確認的累積公平價值之調整須在檢討期內之損益賬中扣除／計入，並在股份認購權儲備作相應調整。已確認為支出的數額將在歸屬日作出調整，以反映所給予股份認購權的實際數目(同時對股份認購權儲備作相應調整)；但只會在無法符合與本公司股份市價相關的生效條件時方會放棄行使權。權益金額在股份認購權儲備確認，直至當認購權被行使時(股份發行時確認為股本金額)，或當認購權之有效期屆滿時(直接轉入收益儲備)。

(iii) 離職福利

當本集團不能取消提供該福利時或當集團把有關離職福利的重組成本入賬時(以較早者為準)，該離職福利會被入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they related to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they related to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 重要會計政策(續)

(r) 所得稅

本年度所得稅包括本年稅項及遞延稅項資產和負債的變動。除某些在其他全面收益或直接確認於權益內關於已確認於的項目之相關稅項應分別記入其他全面收益或直接確認於權益內外，其他本年度稅項及遞延稅項資產及負債的變動則於損益賬確認。

本年稅項是指年內就應課稅收入按報告期終日已生效或實質上已生效的稅率計算之預期應付稅項，並已包括以往年度應付稅項的任何調整。

遞延稅項資產和負債分別由可扣稅及應課稅暫時差異產生，而暫時差異乃資產及負債在財務報表上的賬面值與這些資產及負債的納稅基礎兩者之差異。遞延稅項資產亦由未動用之稅務虧損及未動用之稅款抵免產生。

除若干有限的例外情況外，所有遞延稅項負債，以及未來可能有應課稅溢利可供抵免的相關遞延稅項資產均予確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應課稅溢利包括因回撥目前存在的應課稅暫時差異而產生的數額；惟有關回撥的差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計回撥的同一期間或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內回撥。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損及稅款抵免的同一期間內回撥。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(r) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 重要會計政策(續)

(r) 所得稅(續)

確認遞延稅項資產及負債的有限特別情況，包括不可扣稅的商譽所產生的暫時差異，以及不影響會計或應課稅溢利(惟並非業務合併之其中部份)的資產及負債之初始確認，以及有關於附屬公司之投資之暫時差異(就可課稅差異而言，則本集團可控制回撥時間及差異於可見將來或不能回撥，或就可扣減差異而言，則除非差異可於未來回撥)。

確認遞延稅項的金額是根據該項資產及負債的賬面值之預期變現或償還方式，按在報告期終日已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不貼現計算。

本集團於各報告期終日重新審閱遞延稅項資產的賬面值，對預期不再可能有足夠應課稅溢利以實現相關稅務利益的遞延稅項資產予以扣減。若日後可能出現足夠的應課稅溢利時，則有關扣減予以回撥。

因宣派股息所產生的額外所得稅於支付有關股息的責任確立時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(r) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separated from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 重要會計政策(續)

(r) 所得稅(續)

當期所得稅結餘及遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。當期及遞延所得稅資產僅會在本公司或本集團有法定行使權以當期所得稅資產抵銷當期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷當期及遞延所得稅負債：

- 當期所得稅資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延所得稅資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。這些實體計劃在日後每個預計有大額遞延所得稅負債需要結算或大額遞延所得稅資產可以收回的期間內，按淨額基準實現當期所得稅資產和結算當期所得稅負債，或同時變現該資產和結算該負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(s) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(t) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods, the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

2. 重要會計政策(續)

(s) 撥備及或然負債

若本集團須就已發生的事件承擔法律或推定責任，因而預期很可能導致經濟效益外流，在可以作出可靠的估計時，便會就該時間或數額不定的負債計提準備。若貨幣時間值屬重大，撥備須按預期結算責任之支出現值入賬。

若流出經濟利益之可能性較低，或相關數額未能作出可靠估計時，該責任將披露為或然負債，惟流出經濟利益之可能性渺茫者除外。僅由於一項或多項未來事項之發生或不發生而確認是否存在之可能責任亦須披露為或然負債，惟流出經濟利益之可能性渺茫者除外。

(t) 收入及其他收入

本集團將其日常業務過程中源自銷售貨品、提供服務或其他人士使用本集團租賃資產產生收入時分類為收入。

收入於產品或服務的控制權轉移至客戶或承租人有權使用資產時確認，按本集團預期有權獲取的承諾代價的金額(不包括代表第三方收取的金額)。收入不包含增值稅或其他銷售稅，並經扣除任何貿易折扣。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(t) Revenue and other income (continued)

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Sale of goods

Sales of the Group's products are recognised as follows:

- Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

In the comparative period, revenue from sales of goods was recognised when the goods were delivered to the customers, which was taken to be the point in time when the customer had accepted the goods and the related risks and rewards of ownership.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

2. 重要會計政策(續)

(t) 收入及其他收入(續)

本集團收入及其他收入確認政策的進一步詳情如下：

(i) 銷售貨品

本集團的貨物銷售確認如下：

- 收入於客戶擁有及接納產品時確認。倘該等產品為部分履行涵蓋其他產品及／或服務之合約，則確認收入之金額為合同項下交易總額之合適比例，按照相對獨立售價基準在根據合同協定之所有貨物及服務之間分配。

於比較期間，源自銷售貨物之收入於貨物交付時確認，即客戶接納貨物及擁有權之相關風險及回報時確認。

(ii) 經營租賃的租金收入

經營租賃的應收租金收入在租期所涉期間，以等額分期款項於損益賬確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(t) Revenue and other income (continued)

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(k)(i)).

(iv) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recorded as deferred income, and recognised evenly in profit or loss over the assets useful lives.

2. 重要會計政策(續)

(t) 收入及其他收入(續)

(iii) 利息收入

利息收入採用實際利率法於產生時確認。就按攤銷成本或其他全面收益按公平價值列賬(可劃轉)計量且並無出現信貸減值之金融資產而言, 實際利率乃應用於資產之賬面總值。就已出現信貸減值之金融資產而言, 實際利率乃應用於資產之攤銷成本(即經扣除虧損撥備之賬面總值)(見附註2(k)(i))。

(iv) 政府補助

政府補助於可合理確保本集團將收取政府補助且將遵守其所附帶之條件時於財務狀況表初步確認。用於補償本集團已產生開支之補助於開支產生之同一期間有系統地於損益賬中確認為收入。補償本集團資產成本之補助乃計入遞延收入, 並根據該項資產之可使用期間於損益賬內平均確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(u) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of operations outside Hong Kong acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of an operation outside Hong Kong acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the operation outside Hong Kong.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that operation outside Hong Kong is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 重要會計政策(續)

(u) 外幣換算

年內之外幣交易按交易日之外幣匯率換算。以外幣為單位之貨幣資產及負債按報告期終日之外幣匯率換算。匯兌損益在損益賬確認。

以歷史成本計量之外幣非貨幣資產及負債按交易日之外幣匯率換算。以外幣為單位並以公平價值列賬之非貨幣資產及負債按計量公平價值當日之外幣匯率換算。

海外業務之業績按交易日期之外幣匯率換算為港幣。財務狀況表項目(包括二零零五年一月一日或之後收購香港以外之業務綜合計算時產生之商譽)則按報告期終日之外幣匯率換算為港幣。所產生之匯兌差額確認在其他全面收益及獨立累計在權益中的匯兌儲備。二零零五年一月一日前收購香港以外之業務綜合計算時產生之商譽乃按收購該海外業務當日之外幣匯率換算。

出售香港以外之業務並於確認出售損益時，與該香港以外之業務有關之累計匯兌差額，將從權益重分類到損益賬中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(v) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

2. 重要會計政策(續)

(v) 關連人士

- (i) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響；或
 - (c) 為本集團或本集團母公司的主要管理層成員。
- (ii) 倘符合下列任何條件，即實體與本集團有關連：
 - (a) 該實體與本公司屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (b) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (c) 兩間實體均為同一第三方的合營企業。
 - (d) 一間實體為第三方的合營企業，而另一實體為該第三方實體的聯營公司。
 - (e) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

2. Significant Accounting Policies

(continued)

(v) Related parties (continued)

- (ii) An entity is related to the Group if any of the following conditions applies: (continued)
- (f) The entity is controlled or jointly controlled by a person identified in (i).
- (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close family members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 重要會計政策(續)

(v) 關連人士(續)

- (ii) 倘符合下列任何條件，即實體與本集團有關連：
(續)
- (f) 實體受(i)所識別人士控制或受共同控制。
- (g) 於(i)(a)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (h) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

與該人士關係密切的家庭成員是指他們在與實體進行交易時，預期可能會影響該人士或受該人士影響的家庭成員。

(w) 分部報告

營運分部及財務報表所呈報之各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員之財務資料而確定。

就財務報告而言，個別重要營運分部不會綜合呈報，除非這些分部具有類似經濟特徵以及在產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用之方式及監管環境性質方面類似。倘獨立而言並非屬重要之營運分部共同擁有上述大部分特徵，則可綜合呈報。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

3. Accounting Estimates and Judgement

Key sources of estimation uncertainty

In the process of applying the Group's accounting policies, management has made various estimates based on past experiences, expectations of the future and other information. Note 22 contains information about the assumptions and their risk factors relating to fair value of share options granted. Other key sources of estimation uncertainty that may significantly affect the amounts recognised in the financial statements are disclosed below:

(a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual value involve management's estimation.

The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the assessment result differs from the original estimate, such a difference may impact the depreciation for the year. The details of property, plant and equipment are disclosed in note 12.

(b) Impairment of leasehold land and property, plant and equipment and goodwill

Determining whether leasehold land and property, plant and equipment and goodwill are impaired requires an estimation of the value in use of the cash-generating units to which the leasehold land and property, plant and equipment and goodwill have been allocated. The calculation of value in use requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. If the estimation of value in use is different, any reversal or further impairment will impact the profits or losses of the Group. The details of leasehold land and property, plant and equipment and goodwill are disclosed in notes 12 and 13 respectively.

3. 會計估計及判斷

估計不確定性之主要來源

於應用本集團會計政策時，管理層會根據過往的經驗、對將來的預測及其他資料，作出不同的估計。與股份認購權的公平價值有關的假設及風險因素於附註22論述。其他估計不確定性的主要來源可能對財務報表內確認的數額帶來重大影響，在下文披露：

(a) 物業、廠房及設備折舊

物業、廠房及設備在扣除其估計剩餘價值後，以直線方法按其可使用年期計算折舊。可使用年期及剩餘價值的決定涉及管理層的估計。

本集團每年均會評估物業、廠房及設備的剩餘價值及可使用年期，若預期和原本的估計不同，有關差異或會影響本年度之折舊。物業、廠房及設備的詳情於附註12內披露。

(b) 租賃土地及物業、廠房及設備及商譽之減值

決定租賃土地及物業、廠房及設備及商譽有否減值須估計租賃土地及物業、廠房及設備及商譽所分配的現金產生單位的使用價值。計算使用價值時是需要本集團估計預期來自現金產生單位的未來現金流量和計算現值的合適折現率。如使用價值之估計不相同，所有回撥及進一步減值會對本集團之損益賬有所影響。租賃土地及物業、廠房及設備及商譽的詳情分別於附註12及13內披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

3. Accounting Estimates and Judgement (continued)

Key sources of estimation uncertainty (continued)

(c) Income taxes

At 30 June 2019, deferred tax assets of HK\$4,762,000 (2018: HK\$4,027,000) in relation to unused tax losses were recognised as set out in note 19. No deferred tax asset was recognised in respect of the remaining tax losses of HK\$256,181,000 (2018: HK\$250,036,000) and temporary differences of HK\$103,322,000 (2018: HK\$109,717,000) arising from impairment of certain leasehold land and property, plant and equipment due to the unpredictability of future taxable profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the future profits generated are less or more than expected, a write down or further recognition of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a write down or further recognition takes place.

(d) Provision for expected credit loss of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is based on management's estimate of the lifetime expected credit losses to be incurred by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgment.

The provision of ECLs is sensitive to changes in circumstances and of forecast general economic conditions. The information about the ECLs and trade receivables are disclosed in note 23(a). If the financial condition of the customers or the forecast economic conditions were to deteriorate, actual loss allowance would be higher than estimated.

3. 會計估計及判斷(續)

估計不確定性之主要來源(續)

(c) 所得稅

於二零一九年六月三十日，未用稅務虧損之相關確認遞延稅項資產為港幣4,762,000元(二零一八年：港幣4,027,000元)，並已載於附註19內。由於不能預計未來盈利趨勢，故不會對餘下稅務虧損港幣256,181,000元(二零一八年：港幣250,036,000元)及因對若干租賃土地及物業、廠房及設備減值而產生港幣103,322,000元(二零一八年：港幣109,717,000元)的暫時性差異作出確認。遞延稅項資產主要由是否有足夠未來溢利或應繳稅暫時性差異決定其變現能力。假若未來實際溢利少或多於預期，遞延稅項資產會回撥或進一步確認，有關回撥或進一步確認會於該期間之損益賬確認。

(d) 貿易應收賬款的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收賬款的預期信貸虧損。撥備矩陣，乃基於管理層對將產生的整個存續期之預期信貸虧損之估算，其藉考量信貸虧損經驗、逾期貿易應收賬款賬齡、客戶還款記錄和客戶財政狀況及對現時和預測整體經濟狀況的評估來估量，當中各項均涉及重大程度的管理層判斷。

預期信貸虧損撥備極易受到環境變化和預測整體經濟狀況所影響。有關預期信貸虧損及貿易應收賬款的資料於附註23(a)披露。倘若客戶的財務狀況或預測的經濟狀況惡化，實際虧損撥備將會高於估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

4. Segment Reporting

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, the Group has two reportable segments, as described below. Businesses in each reporting segment have similar operating and currency risks, class of customer for products, distribution channels and safety regulation. The following summary describes the operations in each segment:

Food: the manufacture and sale of a broad range of food products including flour and edible oil.

Home Care: the manufacture and sale of household and institutional cleaning products.

(a) Segments results, assets and liabilities

The Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

The measure used for reporting segment profit is "profit from operations". To arrive at "profit from operations", the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs.

Segment assets include all tangible assets, intangible assets and current assets with the exception of deferred tax assets and other corporate assets. Segment liabilities include tax payables, all trade and other payables and contract liabilities attributable to the manufacturing and sales activities of the individual segments and obligations under finance leases with the exception of deferred tax liabilities and other corporate liabilities.

4. 分部報告

本集團已呈報兩個可呈報分部，方式與向本集團最高層行政管理人員內部呈報資料的方式一致。每個營運分部的業務有相類似的經營及貨幣風險、產品顧客類別、分銷渠道和安全規則。下文概述各分部之營運：

食品：製造及分銷一系列食品產品，包括麵粉及食用油。

家居護理：製造及分銷家用及工業用清潔用品。

(a) 分部業績、資產及負債

本集團最高層行政管理人員根據下列事項監控各需作報告分部之業績、資產及負債：

用於報告分部溢利之表示方法為「經營溢利」。為了得出「經營溢利」，本集團之盈利就並無明確歸於個別分部之項目（如總公司或企業行政成本）作出進一步調整。

分部資產包括所有有形資產、無形資產及流動資產，惟遞延稅項資產和其他公司資產除外。分部負債包括應付稅款，各個分部的製造及銷售活動應佔的所有貿易及其他應付賬款及合同負債及融資租賃承擔的責任，惟遞延稅項負債及其他企業負債除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

4. Segment Reporting (continued)

(a) Segments results, assets and liabilities (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management is set out below:

4. 分部報告(續)

(a) 分部業績、資產及負債(續)

按收入確認時間分類之源自客戶合同的收入，以及向本集團最高層行政管理人員之本集團可呈報分部資料載列如下：

		2019 二零一九年			2018 二零一八年		
		Food 食品 HK\$'000 港幣千元	Home Care 家居護理 HK\$'000 港幣千元	Segment Total 分部總計 HK\$'000 港幣千元	Food 食品 HK\$'000 港幣千元	Home Care 家居護理 HK\$'000 港幣千元	Segment Total 分部總計 HK\$'000 港幣千元
Disaggregated by timing of revenue recognition on point in time	按某個時點作為收入確認時間分類						
Revenue from external customers	對外客戶之收入	4,603,540	712,214	5,315,754	4,693,347	679,784	5,373,131
Reportable segment profit from operations	可呈報分部之經營溢利	393,892	60,268	454,160	392,901	45,843	438,744
Interest income on financial assets measured at amortised cost	按攤銷成本計量金融資產之利息收入	17,226	2,034	19,260	18,329	1,605	19,934
Depreciation and amortisation	折舊及攤銷	(50,962)	(2,169)	(53,131)	(52,124)	(1,867)	(53,991)
Other material profit or loss items:	其他重要損益賬項目：						
– Net exchange gains/(losses)	– 匯兌淨收益/(虧損)	869	204	1,073	(611)	(817)	(1,428)
– Loss allowance (recognised)/reversed for trade receivables	– 貿易應收賬款之虧損撥備(確認)/回撥	(228)	–	(228)	293	–	293
– Impairment losses recognised for property, plant and equipment	– 物業、廠房及設備之減值虧損確認	–	–	–	(1,606)	–	(1,606)
Taxation	稅項	(35,264)	(14,045)	(49,309)	(40,446)	(10,890)	(51,336)
Reportable segment assets	可呈報分部之資產	2,380,153	262,705	2,642,858	2,185,280	201,359	2,386,639
Reportable segment liabilities	可呈報分部之負債	562,867	140,849	703,716	626,585	120,344	746,929
Additions to non-current segment assets	增加的分部非流動資產	103,225	3,951	107,176	70,045	2,811	72,856

Note: The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 (see note 2(c)(ii)).

附註：本集團以累計影響方法首次應用香港財務報告準則第十五號。根據該方法，比較資料不予重列，並按香港會計準則第十八號編製(見附註2(c)(ii))。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

4. Segment Reporting (continued)

4. 分部報告(續)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

(b) 可呈報分部之收入、損益賬、資產及負債的對賬

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Revenue	收入		
Reportable segment revenue	可呈報分部之收入	5,315,754	5,373,131
Rental income	租金收入	451	1,142
Consolidated revenue	綜合收入	5,316,205	5,374,273
Profit	溢利		
Reportable segment profit from operations	可呈報分部之經營溢利	454,160	438,744
Unallocated exchange (losses)/gains	未分配之匯兌(虧損)/ 收益	(3)	973
Unallocated head office and corporate expenses	未分配之總公司及 企業費用	(56,029)	(48,655)
Consolidated profit before taxation	綜合除稅前溢利	398,128	391,062
Assets	資產		
Reportable segment assets	可呈報分部之資產	2,642,858	2,386,639
Elimination of inter-segment receivables	分部間應收賬款之抵銷	(9,196)	(70,260)
Deferred tax assets	遞延稅項資產	2,633,662	2,316,379
Unallocated head office and corporate assets	未分配之總公司及 企業資產	428,057	555,027
Consolidated total assets	綜合總資產	3,061,719	2,871,412

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

4. Segment Reporting (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Liabilities	負債		
Reportable segment liabilities	可呈報分部之負債	703,716	746,929
Elimination of inter-segment payables	分部間應付款項之抵銷	(9,196)	(70,260)
		694,520	676,669
Deferred tax liabilities	遞延稅項負債	11,731	4,742
Unallocated head office and corporate liabilities	未分配之總公司及企業負債	20,925	19,816
Consolidated total liabilities	綜合總負債	727,176	701,227

4. 分部報告(續)

(b) 可呈報分部之收入、損益賬、資產及負債的對賬(續)

(c) Geographical information

The following table sets out information about the geographical location of (i) the reportable segment's revenue from external customers; and (ii) the Group's leasehold land and property, plant and equipment, intangible assets and goodwill and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the leasehold land and property, plant and equipment is based on the physical location of the assets, in the case of other non-current assets, the location of operations and in the case of intangible assets and goodwill, the location of the operation to which they are allocated.

(c) 地區資料

下表載列的地理位置資料包括(i)可呈報分部對外客戶之收入；及(ii)本集團的租賃土地及物業、廠房及設備、無形資產及商譽及其他非流動資產(「指定非流動資產」)。客戶的所屬地區乃根據服務提供或貨物運送之地點而釐定。租賃土地及物業、廠房及設備的所屬地區是按其所在地而定。就其他非流動資產的所屬地區乃根據其營運地點，而無形資產及商譽的所屬地區乃根據其被分配到的營運地點而定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

4. Segment Reporting (continued)

4. 分部報告(續)

(c) Geographical information (continued)

(c) 地區資料(續)

	2019 二零一九年			2018 二零一八年		
	Hong Kong and Macau 香港及澳門 HK\$'000 港幣千元	Mainland China 中國大陸 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	Hong Kong and Macau 香港及澳門 HK\$'000 港幣千元	Mainland China 中國大陸 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Revenue from external customers 對外客戶之收入	746,543	4,569,211	5,315,754	721,729	4,651,402	5,373,131
Specified non-current assets 指定非流動資產	83,764	640,901	724,665	84,687	599,186	683,873

5. Revenue

5. 收入

The Company is an investment holding company and the principal activities of the principal subsidiaries are set out on pages 225 to 227.

本公司為一間投資控股公司，其主要附屬公司的主要業務詳列於第225頁至第227頁。

Revenue represents the amounts receivable for the goods sold in the normal course of business, net of discounts, value added tax and other related taxes to external customers as well as rental income.

收入代表在正常業務過程中售予對外客戶，扣除折扣、增值稅和其他相關稅項的應收賬款，以及租金收入。

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

按主要產品或服務分類之源自客戶合同的收入劃分如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第十五號範圍內之源自客戶合同的收入		
Disaggregated by major products or service lines	按主要產品或服務劃分		
– Sales of goods	– 出售商品	5,315,754	5,373,131
Revenue from other sources	其他收入來源		
Rental income	租金收入	451	1,142
		5,316,205	5,374,273

Note: The Group has initially applied HKFRS 15 using the cumulative effect method. Under this method, the comparative information is not restated and was prepared in accordance with HKAS 18 (see note 2(c)(ii)).

附註：本集團以累計影響方法首次應用香港財務報告準則第十五號。根據該方法，比較資料不予重列，並按香港會計準則第十八號編製(見附註2(c)(ii))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

5. Revenue (continued)

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by geographical markets is disclosed in notes 4(a) and 4(c) respectively.

During the years ended 30 June 2019 and 2018, there was no single external customer that contributed 10% or more of the Group's total revenue from external customers.

5. 收入(續)

按收入確認時間及地區市場劃分之源自客戶合同的收入分別於附註4(a)及4(c)中披露。

截至二零一九年及二零一八年六月三十日止年度，本集團無銷售金額相等於或大於集團對外客戶總收入的百分之十的單一客戶。

6. Other Income

6. 其他收入

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Sales of scrapped materials	出售廢料	497	502
Income from food supply reservation	食品供應儲備收入	8,181	8,449
Income from insurance compensation	保險賠償收入	32	961
Net losses on disposal of property, plant and equipment	出售物業、廠房及設備之淨虧損	(66)	(497)
Net loss on disposal of an available-for-sale financial asset	出售可供出售金融資產之淨虧損	-	(7)
Interest income on financial assets measured at amortised cost	按攤銷成本計量金融資產之利息收入	27,250	24,601
Net exchange gains/(losses)	匯兌淨收益/(虧損)	1,070	(455)
Net realised and unrealised losses on derivative financial instruments (note)	衍生金融工具之已變現及未變現淨虧損(附註)	(3,327)	(542)
Net unrealised loss on club membership	會籍之未變現淨虧損	(152)	-
Net gain on liquidation of a joint venture	附屬公司清盤之淨收益	-	206
Government grants income (note 18(a))	政府補貼收入(附註18(a))	7,766	-
Others	其他	2,451	3,206
		43,702	36,424

Note: The Group entered into various foreign exchange forward contracts to manage its foreign currency risk exposures during the year.

附註：本集團於年內訂立了若干外幣遠期合同，以管理所面對的貨幣風險。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

7. Profit Before Taxation

7. 除稅前溢利

Profit before taxation is arrived at after charging/(crediting):

除稅前溢利已扣除/(計入)下列各項：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Staff costs (including directors' emoluments – note 9)	職工成本(包括董事酬金 – 附註9)		
– Salaries, wages and other benefits	– 工資、薪金及其他福利	357,547	338,932
– Share-based payment expenses/ (forfeiture), net	– 股權支付淨費用/(撥回)	362	(5,641)
– Contribution to defined contribution retirement plans	– 定額供款退休計劃之供款	28,971	27,320
		386,880	360,611
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	1,755	1,725
– Tax and other services	– 稅務及其他服務	253	199
		2,008	1,924
Depreciation and amortisation	折舊及攤銷		
– Leasehold land and property, plant and equipment	– 租賃土地及物業、廠房及設備	57,187	57,351
– Intangible assets	– 無形資產	4,599	4,599
		61,786	61,950
Net exchange (gains)/losses	匯兌淨(收益)/虧損	(1,070)	455
Loss allowance recognised/(reversed) for trade receivables	貿易應收賬款之虧損撥備確認/(回撥)	228	(293)
Impairment losses recognised for property, plant and equipment	物業、廠房及設備之減值虧損確認	–	1,606
Operating lease rental of properties	經營租賃物業的租金費用	6,146	4,108
Cost of inventories (note 15(b))	存貨成本(附註15(b))	4,161,761	4,243,311

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

7. Profit Before Taxation (continued)

The Group participates in pension schemes organised by the PRC government whereby the Group is required to pay annual contributions at rates ranging from 13% to 16% (2018: 13% to 20%) of the standard wages determined by the relevant authorities in the PRC during the year ended 30 June 2019.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance and an Occupational Retirement Scheme Ordinance Scheme (the "ORSO Scheme") under the Hong Kong Occupational Retirement Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme and ORSO scheme are defined contribution retirement schemes administered by independent trustees. Under the MPF Scheme, the Group and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2018: HK\$30,000). Under the ORSO Scheme, the Group and its employees are each required to make contributions to the scheme at 10% and 5% of the employees' relevant income respectively. Contributions to the schemes vest immediately. Save for the above schemes, the Group has no other material obligation for payment of retirement benefits beyond the contributions.

7. 除稅前溢利(續)

本集團參與中國政府組織的退休金計劃，據此，本集團於截至二零一九年六月三十日止年度內須按中國有關機關所釐定標準工資為基準，按13%至16%（二零一八年：13%至20%）的比例作出年度退休金供款。

本集團亦根據香港《強制性公積金條例》和《職業退休計劃條例》為根據香港《僱傭條例》司法權下僱用之僱員設立強制性公積金計劃（「強積金計劃」）和職業退休計劃。強積金計劃為一項界定供款退休金計劃，由獨立之信託人管理。根據強積金計劃，本集團及僱員各自須向該計劃作出相當於僱員有關收入5%之供款，而有關收入上限為每月港幣30,000元（二零一八年：港幣30,000元）。根據職業退休計劃，本集團及僱員分別各自需向該計劃作出相當於僱員有關收入10%和5%之供款。向計劃作出的供款均即時歸屬。除上述計劃外，本集團沒有除上述供款以外的其他重大退休福利付款責任。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

8. Taxation

(a) Taxation in the consolidated statement of profit or loss represents:

8. 稅項

(a) 於綜合損益表之稅項為：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Current tax – Hong Kong Profits Tax	本年稅項 – 香港利得稅		
Provision for the year	本年度撥備	4,022	3,042
Under/(over)-provision in respect of prior years	往年度之不足/(超額)撥備	11	(169)
		4,033	2,873
Current tax – Outside Hong Kong	本年稅項 – 香港以外		
Provision for the year	本年度撥備	48,244	58,174
Over-provision in respect of prior years	往年度之超額撥備	(1,220)	(783)
		47,024	57,391
Deferred tax (note 19)	遞延稅項(附註19)		
Origination and reversal of temporary differences	暫時性差異的產生及回撥	6,995	4,419
		58,052	64,683

Hong Kong Profits Tax has been provided for at the rate of 16.5% (2018: 16.5%) on the respective estimated assessable profits of the companies within the Group operating in Hong Kong during the year.

在香港營運的集團公司之香港利得稅撥備乃根據年內估計應課稅溢利按稅率16.5%(二零一八年: 16.5%)計提。

Taxation outside Hong Kong represents income tax charge on the estimated taxable profits of certain subsidiaries operating in Mainland China and Macau, calculated at the rates prevailing in the respective regions.

香港以外稅項指於中國大陸和澳門經營之若干附屬公司就估計應課稅溢利按該地當時之稅率計算的稅項支出。

All entities engaged in the primary processing of agricultural products in Mainland China are exempted from PRC corporate income tax ("CIT"). As a result, the profits from flour mill operations are exempted from CIT for the years ended 30 June 2019 and 2018.

所有在中國大陸經營農產品初加工之企業均獲豁免中國企業所得稅(「企業所得稅」)。因此，於二零一九年及二零一八年六月三十日止年度經營麵粉廠所賺取之溢利可獲豁免中國大陸之企業所得稅。

Other subsidiaries operating in Mainland China are subject to CIT tax rate of 25% (2018: 25%).

於中國大陸經營之其他附屬公司，年內企業所得稅稅率為25%(二零一八年: 25%)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

8. Taxation (continued)

- (a) Taxation in the consolidated statement of profit or loss represents: (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on any dividends distributable by its subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

- (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

8. 稅項(續)

- (a) 於綜合損益表之稅項為：(續)

根據中國企業所得稅法，就向外資企業投資者宣派來自於中國大陸成立之外資企業的股息徵收10%預扣稅。有關規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後所產生之盈利。倘中國大陸與外國投資者所屬司法權區之間定有稅務優惠則可按較低預扣稅率繳稅。本集團的適用比率為5%。因此，本集團須就該等於中國大陸成立的附屬公司就二零零八年一月一日起產生之盈利而分派之股息繳交預扣稅。

- (b) 稅項支出與會計溢利按適用稅率之對賬如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	398,128	391,062
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按適用於當地所得稅稅率計算除稅前溢利之名義稅項	101,867	98,986
Tax effect of non-deductible expenses	稅務上不可扣減的開支之稅務影響	2,294	4,098
Tax effect of non-taxable revenue	無需課稅收入的稅務影響	(5,746)	(1,075)
Tax effect of tax losses not recognised	未予以確認的稅務虧損之稅務影響	1,097	1,281
Tax effect of utilisation of tax losses not previously recognised	使用於以前年度不予以確認稅務虧損之稅務影響	(196)	(3,308)
Effect of tax concessions	稅務寬減之影響	(48,974)	(48,188)
Over-provision in respect of prior years	往年度之超額撥備	(1,209)	(952)
Withholding tax on dividend, royalty and entrusted loan interests received and receivable from PRC subsidiaries	中國國內之附屬公司已收及應收股息、特許權和內部公司借款利息的預扣稅	9,039	13,550
Others	其他	(120)	291
Actual tax expenses	實際稅項支出	58,052	64,683

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

8. Taxation (continued)

8. 稅項(續)

(c) Current taxation in the consolidated statement of financial position represents:

(c) 在綜合財務狀況表中的當期稅項代表：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	4,022	3,042
Balance of Hong Kong Profits Tax recoverable relating to prior years	往年度之香港利得稅可收回之結餘	(3,973)	(797)
		49	2,245
Provision for profits tax outside Hong Kong	香港以外稅項撥備	13,587	12,641
Tax payables	應付稅款	13,636	14,886

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

9. Directors' and Senior Executives' Emoluments

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

9. 董事及高級行政人員酬金

(a) 董事酬金

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事酬金如下：

		Basic salaries/ Directors' fees (Note (iv)) 薪金/ 董事袍金 (附註(iv)) HK\$'000 港幣千元	Bonuses (Note (v)) 花紅 (附註(v)) HK\$'000 港幣千元	Retirement schemes contributions 退休 計劃供款 HK\$'000 港幣千元	Estimated money value of other benefits (Note (vii)) 其他福利的 估計金錢價值 (附註(vii)) HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Share-based payment (Note (viii)) 股權支付 (附註(viii)) HK\$'000 港幣千元	2019 二零一九年 HK\$'000 港幣千元
Executive director	執行董事							
LEUNG Joseph	梁玄博	3,830	2,000	18	74	5,922	180	6,102
Non-executive directors	非執行董事							
KWEK Leng Hai (Note (i))	郭令海(附註(i))	-	-	-	-	-	-	-
TANG Hong Cheong (Note (i))	鄧漢昌(附註(i))	-	-	-	-	-	-	-
WHANG Sun Tze	黃上哲	230	-	-	-	230	-	230
TAN Lim Heng	陳林興	230	-	-	-	230	-	230
TSANG Cho Tai (Note (ii))	曾祖泰(附註(ii))	112	-	-	-	112	-	112
Independent non-executive directors	獨立非執行董事							
LO Kai Yiu, Anthony	羅啟耀	340	-	-	-	340	-	340
AU Chee Ming (Note (iii))	區熾明(附註(iii))	324	-	-	-	324	-	324
HUANG Lester Garson, SBS, J.P.	黃嘉純，銀紫荊星章， 太平紳士	320	-	-	-	320	-	320
Year ended 30 June 2019	截至二零一九年 六月三十日止年度	5,386	2,000	18	74	7,478	180	7,658

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

9. Directors' and Senior Executives' Emoluments (continued)

9. 董事及高級行政人員酬金(續)

(a) Directors' emoluments (continued)

(a) 董事酬金(續)

		Basic salaries/fees (Note (iv)) 薪金/董事袍金 (附註(iv)) HK\$'000 港幣千元	Bonuses (Note (v)) 花紅 (附註(v)) HK\$'000 港幣千元	Retirement schemes contributions (Note (vi)) 退休計劃供款 (附註(vi)) HK\$'000 港幣千元	Estimated money value of other benefits (Note (vii)) 其他福利的估計金錢價值 (附註(vii)) HK\$'000 港幣千元	Sub-total (Note (viii)) 小計 HK\$'000 港幣千元	Share-based payment (Note (viii)) 股權支付 (附註(viii)) HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Executive director	執行董事							
LEUNG Joseph	梁玄博	3,735	2,100	18	70	5,923	(2,544)	3,379
Non-executive directors	非執行董事							
KWEK Leng Hai (Note (i))	郭令海(附註(i))	-	-	-	-	-	-	-
TANG Hong Cheong (Note (i))	鄧漢昌(附註(i))	-	-	-	-	-	-	-
WHANG Sun Tze	黃上哲	230	-	-	-	230	-	230
TAN Lim Heng	陳林興	230	-	-	-	230	-	230
TSANG Cho Tai	曾祖泰	300	-	-	-	300	-	300
Independent non-executive directors	獨立非執行董事							
LO Kai Yiu, Anthony	羅啟耀	340	-	-	-	340	-	340
AU Chee Ming	區熾明	280	-	-	-	280	-	280
HUANG Lester Garson, SBS, J.P.	黃嘉純，銀紫荊星章， 太平紳士	320	-	-	-	320	-	320
Year ended 30 June 2018	截至二零一八年 六月三十日止年度	5,435	2,100	18	70	7,623	(2,544)	5,079

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

9. Directors' and Senior Executives' Emoluments (continued)

(a) Directors' emoluments (continued)

Notes:

- (i) No directors' fees were paid or be payable to any salaried directors employed by group companies of Hong Leong Company (Malaysia) Berhad ("HLCM"), the Company's ultimate holding company, for the years ended 30 June 2019 and 2018.
- (ii) Mr. Tsang Cho Tai has retired as a non-executive director of the Company with effect from 13 November 2018 after the conclusion of the 2018 Annual General Meeting of the Company (the "2018 AGM").
- (iii) Mr. Au Chee Ming was appointed as a member of the Board Audit and Risk Management Committee of the Company with effect from 13 November 2018 after the conclusion of the 2018 AGM.
- (iv) Basic salaries/directors' fees – The amounts paid and payable to non-executive directors were directors' fees. The amount paid and payable to executive director was basic salaries.
- (v) Bonuses paid/payable for the year were performance-related.
- (vi) There was no arrangement under which a director had waived or agreed to waive any emoluments.
- (vii) These represent the estimated money value of medical insurance, life insurance and employees' compensation.
- (viii) These represent the estimated money value of share options granted to the director under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(q)(ii) and, in accordance with that policy, include adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted are disclosed under note 22.

9. 董事及高級行政人員酬金(續)

(a) 董事酬金(續)

附註：

- (i) 截至二零一九年及二零一八年六月三十日止年度概無董事袍金已支付或應支付予為本公司之最終控股公司Hong Leong Company (Malaysia) Berhad (「HLCM」)集團公司所聘用的受薪董事。
- (ii) 曾祖泰先生於二零一八年十一月十三日舉行之本公司二零一八年股東週年常會(「二零一八年股東週年常會」)結束後退任本公司非執行董事一職。
- (iii) 區熾明先生於二零一八年十一月十三日舉行之二零一八年股東週年常會結束後獲委任為本公司董事會審核及風險管理委員會成員。
- (iv) 已付／應付之薪金／董事袍金－非執行董事以董事袍金方式收取。執行董事以薪金方式收取。
- (v) 本年度之已付／應付花紅乃按業績釐定。
- (vi) 並無訂立董事放棄或同意放棄收取其酬金的安排。
- (vii) 這相當於醫療保險、人壽保險及僱員賠償的估計金錢價值。
- (viii) 這相當於根據本公司股份認購權計劃授予董事之股份認購權的估計金錢價值。該些股份認購權價值乃根據本集團就股權支付交易(載列於附註2(q)(ii)內)所制定的會計政策而計算,包括在歸屬前已註銷的股權工具,根據該政策而回撥以前年度計提的金額。

該等非金錢利益包括主要條款及授出股份數目之詳情於附註22內作出披露。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

9. Directors' and Senior Executives' Emoluments (continued)

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2018: one) is a director whose emolument is disclosed in note 9(a) above. The aggregate of the emoluments in respect of the other four (2018: four) individuals are as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Salaries and other benefits	薪金及其他福利	9,170	8,821
Discretionary bonuses	酌情花紅	2,611	2,540
Retirement schemes contributions	退休計劃供款	67	72
		11,848	11,433
Share-based payment expenses/ (forfeiture), net	股權支付淨費用/ (撥回)	140	(1,221)
		11,988	10,212

The numbers of individuals whose emolument falls within the following bands are:

HK\$ 港幣元	2019 二零一九年 Number of individuals 人數	2018 二零一八年 Number of individuals 人數
2,000,001 – 2,500,000	–	2
2,500,001 – 3,000,000	1	2
3,000,001 – 3,500,000	3	–
	4	4

9. 董事及高級行政人員酬金(續)

(b) 最高收入的僱員

獲得最高薪酬五名人士中，有一名(二零一八年：一名)乃本公司之董事，其酬金已於附註9(a)中披露。其他四名(二零一八年：四名)人士之酬金如下：

酬金屬下列範圍內之人數如下：

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

10. Dividends

- (a) Dividends payable to equity shareholders of the Company (excluding the amount paid to shares held by the Group under the ESOP reserve) attributable to the year

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Interim dividend declared and paid of HK\$0.14 (2018: HK\$0.13) per ordinary share	中期股息宣派及已付每股普通股港幣0.14元(二零一八年：港幣0.13元)	33,223	30,799
Final dividend proposed after the end of the reporting period of HK\$0.30 (2018: HK\$0.27) per ordinary share	期末後擬派發之末期股息每股普通股港幣0.30元(二零一八年：港幣0.27元)	71,147	63,875
		104,370	94,674

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期終日後擬派發之末期股息於報告期終日尚未在賬上確認為一項負債。

- (b) Dividends payable to equity shareholders of the Company (excluding the amount paid to shares held by the Group under the ESOP reserve) attributable to the previous financial year, approved and paid during the year

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.27 (2018: HK\$0.23) per ordinary share	有關前一個財政年度獲批及已付之末期股息，每股普通股港幣0.27元(二零一八年：港幣0.23元)	63,731	54,149

10. 股息

- (a) 年內應付本公司股東股息(扣除已付予本集團於行政人員股份認購權方案儲備下持有之股份的金額)

- (b) 年內獲批及已付的前一個財政年度應付本公司股東股息(扣除已付予本集團於行政人員股份認購權方案儲備下持有之股份的金額)

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

11. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$340,076,000 (2018: HK\$326,379,000) and the weighted average number of 236,811,000 (2018: 236,262,000) ordinary shares in issue during the year, calculated as follows:

11. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司股東應佔溢利港幣340,076,000元(二零一八年：港幣326,379,000元)及於本年度內已發行普通股之加權平均數236,811,000(二零一八年：236,262,000)股普通股計算。

		2019 二零一九年 '000 千	2018 二零一八年 '000 千
Issued ordinary shares at beginning of year	年初已發行普通股	243,354	243,354
Effect of shares purchased in prior years	往年度收購之普通股的影響	(8,849)	(7,164)
Effect of shares purchased in current year	本年度收購之普通股的影響	(638)	(911)
		(9,487)	(8,075)
Effect of share options exercised in prior years	往年度行使之股份認購權的影響	2,070	-
Effect of share options exercised in current year	本年度行使之股份認購權的影響	874	983
		2,944	983
Weighted average number of ordinary shares at end of year	年末普通股加權平均數	236,811	236,262

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

11. Earnings per Share (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$340,076,000 (2018: HK\$326,379,000) and the weighted average number of ordinary shares of 237,491,000 (2018: 238,120,000) after adjusting the effect of deemed issue of shares under the Company's share option scheme, calculated as follows:

		2019 二零一九年 '000 千	2018 二零一八年 '000 千
Weighted average number of ordinary shares at end of year	年末普通股加權平均數	236,811	236,262
Effect of deemed issue of shares under the Company's share option scheme	假設因根據本公司之股份認購權計劃發行股份的影響	680	1,858
Weighted average number of ordinary shares (diluted) at end of year	年末普通股(攤薄)加權平均數	237,491	238,120

11. 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司股東應佔溢利港幣340,076,000元(二零一八年:港幣326,379,000元)及普通股的加權平均股數237,491,000(二零一八年:238,120,000)股已就假設因根據本公司之股份認購權計劃發行普通股股份的影響作出調整計算。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

12. Leasehold Land and Property, Plant and Equipment

12. 租賃土地及物業、廠房及設備

		Leasehold land and buildings in Hong Kong and leasehold improvements 香港租賃 土地及樓宇 及裝修 HK\$'000 港幣千元	Leasehold land and buildings outside Hong Kong 香港以外租賃 土地及樓宇 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Plant, equipment, furniture and motor vehicles 廠房、 設備、 傢俬及汽車 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost:	成本：					
At 1 July 2017	於二零一七年七月一日	93,338	1,007,607	28,670	852,592	1,982,207
Additions	增加	1,196	5,726	45,813	24,996	77,731
Transfer between categories	分類間轉撥	18,024	-	(30,598)	12,574	-
Disposals	出售	-	(3,651)	-	(11,525)	(15,176)
Exchange adjustments	匯兌調整	-	21,338	(551)	21,308	42,095
At 30 June 2018	於二零一八年六月三十日	112,558	1,031,020	43,334	899,945	2,086,857
At 1 July 2018	於二零一八年七月一日	112,558	1,031,020	43,334	899,945	2,086,857
Additions	增加	3,905	4,921	81,912	25,983	116,721
Transfer between categories	分類間轉撥	3,704	-	(11,459)	7,755	-
Disposals	出售	-	(409)	-	(13,222)	(13,631)
Exchange adjustments	匯兌調整	-	(30,462)	(2,320)	(30,597)	(63,379)
At 30 June 2019	於二零一九年六月三十日	120,167	1,005,070	111,467	889,864	2,126,568

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

12. Leasehold Land and Property, Plant and Equipment (continued)

12. 租賃土地及物業、廠房及設備(續)

		Leasehold land and buildings in Hong Kong and leasehold improvements 香港租賃土地及樓宇及裝修 HK\$'000 港幣千元	Leasehold land and buildings outside Hong Kong 香港以外租賃土地及樓宇 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Plant, equipment, furniture and motor vehicles 廠房、設備、傢俬及汽車 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Accumulated depreciation and amortisation:	累計折舊及攤銷：					
At 1 July 2017	於二零一七年七月一日	36,987	505,827	–	600,848	1,143,662
Charge for the year	本年度攤銷及折舊	1,671	28,045	–	27,635	57,351
Written back on disposals	出售後撥回	–	(1,051)	–	(8,077)	(9,128)
Exchange adjustments	匯兌調整	–	15,739	–	14,047	29,786
At 30 June 2018	於二零一八年六月三十日	38,658	548,560	–	634,453	1,221,671
At 1 July 2018	於二零一八年七月一日	38,658	548,560	–	634,453	1,221,671
Charge for the year	本年度攤銷及折舊	2,294	24,032	–	30,861	57,187
Written back on disposals	出售後撥回	–	(295)	–	(10,236)	(10,531)
Exchange adjustments	匯兌調整	–	(24,504)	–	(21,000)	(45,504)
At 30 June 2019	於二零一九年六月三十日	40,952	547,793	–	634,078	1,222,823
Impairment loss:	減值虧損：					
At 1 July 2017	於二零一七年七月一日	34,765	165,410	–	–	200,175
Impairment losses	減值虧損	–	–	–	1,606	1,606
Exchange adjustments	匯兌調整	–	–	–	(4)	(4)
At 30 June 2018	於二零一八年六月三十日	34,765	165,410	–	1,602	201,777
At 1 July 2018	於二零一八年七月一日	34,765	165,410	–	1,602	201,777
Written back on disposals	出售後撥回	–	–	–	(1,549)	(1,549)
Exchange adjustments	匯兌調整	–	–	–	(53)	(53)
At 30 June 2019	於二零一九年六月三十日	34,765	165,410	–	–	200,175
Net book value:	賬面淨值：					
At 30 June 2019	於二零一九年六月三十日	44,450	291,867	111,467	255,786	703,570
At 30 June 2018	於二零一八年六月三十日	39,135	317,050	43,334	263,890	663,409

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

12. Leasehold Land and Property, Plant and Equipment (continued)

During the year ended 30 June 2018, certain idle machineries and equipment were considered to be obsolescent. An impairment loss of HK\$1,606,000 was recognised in "administrative expenses" in the consolidated statement of profit or loss. During the year ended 30 June 2019, no impairment loss was recognised.

During the year ended 30 June 2019, additions to equipment financed by new finance leases were HK\$202,000 (2018: HK\$436,000). At 30 June 2019, the net book value of property, plant and equipment held under finance leases amounted to HK\$489,000 (2018: HK\$668,000).

12. 租賃土地及物業、廠房及設備(續)

於截至二零一八年六月三十日止年度，若干閒置機器及設備被認為是技術陳舊，該減值虧損為港幣1,606,000元並已計入於綜合損益表「行政費用」內。於截至二零一九年六月三十日止年度，並沒有確認減值虧損。

於截至二零一九年六月三十日止年度，新訂之設備融資租賃添置為港幣202,000元(二零一八年：港幣436,000元)。於二零一九年六月三十日，以融資租賃持有的物業、廠房及設備賬面淨值為港幣489,000元(二零一八年：港幣668,000元)。

13. Intangible Assets and Goodwill

13. 無形資產及商譽

		Goodwill 商譽 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	ERP 企業資源 計劃系統 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost:	成本：				
At 1 July 2017, 30 June 2018, 1 July 2018 and 30 June 2019	於二零一七年七月一日、 二零一八年六月三十日、 二零一八年七月一日及 二零一九年六月三十日	14,714	39,970	22,992	77,676
Accumulated amortisation:	累計攤銷：				
At 1 July 2017	於二零一七年七月一日	-	39,970	6,372	46,342
Charge for the year	本年度攤銷	-	-	4,599	4,599
At 30 June 2018	於二零一八年六月三十日	-	39,970	10,971	50,941
At 1 July 2018	於二零一八年七月一日	-	39,970	10,971	50,941
Charge for the year	本年度攤銷	-	-	4,599	4,599
At 30 June 2019	於二零一九年六月三十日	-	39,970	15,570	55,540

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

13. Intangible Assets and Goodwill

(continued)

13. 無形資產及商譽(續)

		Goodwill	Trademarks	ERP	Total
		商譽	商標	企業資源 計劃系統	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Impairment loss:	減值虧損：				
At 1 July 2017, 30 June 2018, 1 July 2018 and 30 June 2019	於二零一七年七月一日、 二零一八年六月三十日、 二零一八年七月一日及 二零一九年六月三十日	12,539	-	-	12,539
Net book value:	賬面淨值：				
At 30 June 2019	於二零一九年六月三十日	2,175	-	7,422	9,597
At 30 June 2018	於二零一八年六月三十日	2,175	-	12,021	14,196

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

本年度之攤銷費用已計入於綜合損益表「行政費用」內。

Impairment test for cash-generating units containing goodwill

包含商譽之現金產生單位之減值測試

The carrying amount of goodwill is allocated to edible oil operations. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering the financial year ending 30 June 2020. The key assumption of the cash flow projections are the estimated weighted average growth rate and the discount rate used. Cash flows for the periods thereafter are extrapolated using an estimated weighted average growth rate of 3% (2018: 3%) which does not exceed the long-term average growth rate for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 14.3% (2018: 16.2%) which reflects specific risks relating to the relevant CGU.

商譽之賬面金額撥歸食用油分部。相應現金產生單位的可回收金額是根據使用價值計算。該運算使用之現金流量預測是按照管理層批核截至二零二零年六月三十日止財政年度的預算計算。其所用的主要假設為預計加權平均增長率及折現率。於該期間的現金流量所使用的預計加權平均增長率3%(二零一八年:3%)不超過現金產生單位經營業務的長期平均增長率。現金流量使用除稅前折現率14.3%(二零一八年:16.2%)折現,並反映有關現金產生單位的特有風險。

The results of the tests undertaken as at 30 June 2019 and 30 June 2018 indicated no further recognition of impairment loss was necessary.

於二零一九年六月三十日及二零一八年六月三十日進行之測試結果顯示毋須作出進一步減值虧損之確認。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

14. Available-for-sale Financial Assets and Other Non-Current Assets

14. 可供出售金融資產及其他非流動資產

		30 June 2019 二零一九年 六月三十日 HK\$'000 港幣千元	1 July 2018 二零一八年 七月一日 HK\$'000 港幣千元	30 June 2018 二零一八年 六月三十日 HK\$'000 港幣千元
	Note 附註			
Financial assets measured at amortised cost	金融資產按攤銷成本計量			
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	10,583	6,268	6,268
Financial assets measured at FVPL	金融資產按公平價值計入損益計量			
Club membership	會籍 (i)	915	1,067	-
Available-for-sale financial assets	可供出售金融資產			
Club membership, at cost	會籍(按成本)	-	-	342
Impairment loss	減值虧損	-	-	(165)
		-	-	177
		11,498	7,335	6,445

Note:

- (i) Available-for-sale financial assets were reclassified to financial assets measured at FVPL upon the initial application of HKFRS 9 at 1 July 2018 (see note 2(c)(i)).

附註：

- (i) 於二零一八年七月一日首次應用香港財務報告準則第九號後，可供出售金融資產重新分類為金融資產按公平價值計入損益計量(見附註2(c)(i))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

15. Inventories

(a) Inventories in the consolidated statement of financial position comprise:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Raw materials	原材料	394,372	437,284
Work in progress	半成品	41,150	34,189
Finished goods	製成品	165,415	142,534
Inventories in transit	在途貨品	1,212	782
Packing materials	包裝料	23,694	25,320
		625,843	640,109

(b) The analysis of amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Carrying amount of inventories sold	已售存貨之賬面值	4,157,998	4,240,112
Write-down of inventories	存貨減值	3,763	3,199
		4,161,761	4,243,311

15. 存貨

(a) 於綜合財務狀況表之存貨包含：

(b) 於綜合損益表確認為支出之存貨金額分析如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

16. Trade and Other Receivables

16. 貿易及其他應收賬款

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Trade receivables, net of loss allowance	扣除虧損撥備之貿易應收賬款	349,530	346,523
Derivative financial instruments:	衍生金融工具：		
– Foreign exchange forward contracts	– 外幣遠期合同	47	877
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	43,707	37,701
		393,284	385,101

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

所有貿易及其他應收賬款均預期在一年內收回或確認為支出。

Aging Analysis

賬齡分析

As of the end of the reporting period, the aging analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of loss allowance, is as follows:

於報告期終日，根據發票日期及扣除虧損撥備後之貿易應收賬款之賬齡分析(已計入貿易及其他應收賬款)如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Within 3 months	三個月內	346,398	342,085
3 to 6 months	三至六個月	2,751	3,375
Over 6 months	六個月以上	381	1,063
		349,530	346,523

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 23(a).

本集團之信貸政策及貿易應收賬款產生的信貸風險詳列於附註23(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

17. Cash and Cash Equivalents and Other Cash Flow Information

17. 現金及現金等額及其他現金流量資料

(a) Cash and cash equivalents comprise:

(a) 現金及現金等額包括：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Deposits with banks	銀行定期存款	1,050,192	867,102
Cash at bank and on hand	銀行存款及現金	267,735	295,044
Cash and cash equivalents in the consolidated statement of financial position	綜合財務狀況表之現金及現金等額	1,317,927	1,162,146
Fixed deposit held at bank with original maturity over three months	所持有原到期日為三個月以上的銀行定期存款	-	(50,000)
Restricted bank balances	有限制之銀行結餘	-	(2,924)
Cash and cash equivalents in the consolidated statement of cash flows	綜合現金流量表之現金及現金等額	1,317,927	1,109,222

Cash at bank carries interest at floating rates based on daily bank deposits rates. Deposits with banks include time deposits which are matured within three months and earn interest at the respective short term deposit rates, and fixed deposit with original maturity over three months.

銀行存款是根據每日銀行存款之浮動利率計算而賺取利息。銀行定期存款包括定期存款乃於三個月內到期，以及按各自之短期存款利率及三個月以上的定期存款賺取利息。

As at 30 June 2018, the restricted bank balances of HK\$2,924,000 were funds pledged with a financial institution in the PRC for letter of credit.

於二零一八年六月三十日有限制之銀行結餘為港幣2,924,000元，該資金是用於抵押予中國境內之銀行所開出之信用證。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

17. Cash and Cash Equivalents and Other Cash Flow Information

(continued)

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

17. 現金及現金等額及其他現金流量資料(續)

(b) 融資活動所產生之負債對賬

下表詳列本集團融資活動所產生之負債變動，當中包括現金及非現金變動。融資活動所產生之負債指其現金流量曾於或未來現金流量將於本集團綜合現金流量表內分類為融資活動之現金流量。

		Obligations under finance leases 融資租賃承擔	
		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
At 1 July	於七月一日	669	505
Changes from financing cash flows:	融資現金流量變動：		
Net decrease in obligations under finance leases	融資租賃承擔之淨減少	(346)	(282)
Exchange adjustments	匯兌調整	(11)	10
Other changes:	其他變動：		
New finance leases (note 12)	新訂之融資租賃 (附註12)	202	436
At 30 June	於六月三十日	514	669

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

18. Trade and Other Payables and Contract Liabilities

(a) Trade and other payable

As of the end of the reporting period, the aging analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

		Note 附註	30 June 2019 二零一九年 六月三十日 HK\$'000 港幣千元	1 July 2018 二零一八年 七月一日 HK\$'000 港幣千元	30 June 2018 二零一八年 六月三十日 HK\$'000 港幣千元
Within 3 months	三個月內		356,051	334,927	334,927
More than 3 months	三個月以上		7,611	3,831	3,831
Trade payables	貿易應付賬款		363,662	338,758	338,758
Deposits received	已收按金	(i)	8,909	8,788	37,715
Other payables and accruals	其他應付賬款及應計費用		285,547	280,567	280,567
Deferred income	遞延收入	(iii)	14,945	23,836	23,836
Derivative financial instruments: – Foreign exchange forward contracts	衍生金融工具： – 外幣遠期合同		–	54	54
			673,063	652,003	680,930

Notes:

- (i) As a result of the adoption of HKFRS 15, the advances received amounted to HK\$28,927,000 as at 1 July 2018 are classified as contract liabilities and disclosed in note 18(b).
- (ii) All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

18. 貿易及其他應付賬款及合同負債

(a) 貿易及其他應付賬款

於報告期終日，根據發票日期之貿易應付賬款之賬齡分析(已計入貿易及其他應付賬款)如下：

附註：

- (i) 於採納香港財務報告準則第十五號後，港幣28,927,000元之預收貨款於二零一八年七月一日重新分類至合同負債，並於附註18(b)內披露。
- (ii) 所有貿易及其他應付賬款均預計在一年內結付或確認為收入。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

18. Trade and Other Payables and Contract Liabilities (continued)

(a) Trade and other payable (continued)

Notes: (continued)

- (iii) Pursuant to the relocation agreement executed on 16 November 2016 between the Grain Bureau of YiXing City and Jiangsu Lam Soon Flour Mills Company Limited ("JLSLF"), a wholly-owned subsidiary of the Company, government compensation will be paid to JLSLF to compensate the relocation of a flour mill plant in connection with the construction of the new plant on the relocated land, including among others, acquisition of property, plant and equipment and associated costs relating to the relocation. It is estimated that a total cash relocation compensation of HK\$68,453,000 will be compensated to JLSLF with the full amount to be received by the financial year ending 30 June 2020.

After offsetting the total estimated costs and expenses relating to the relocation, the remaining balance is accounted for as "deferred income" within "trade and other payables" in the consolidated statement of financial position and recognised evenly in profit or loss over the assets useful lives in accordance with the accounting policy set out in note 2(t)(iv).

Up to 30 June 2019, government compensation of HK\$21,419,000 in relation to the relocation was received. During the year, expenditure of HK\$7,766,000 (2018: Nil) relating to the plant relocation project had been incurred, a corresponding amount of government compensation was then credited to the consolidated statement of profit or loss (see note 6).

18. 貿易及其他應付賬款及合同負債(續)

(a) 貿易及其他應付賬款(續)

附註：(續)

- (iii) 根據宜興市糧食局與本公司全資附屬公司江蘇南順麵粉有限公司(「江蘇南順麵粉」)於二零一六年十一月十六日簽訂的搬遷協議，政府補償將支付予江蘇南順麵粉以補償在重新安置的搬遷土地上建造新工廠，包括購置物業、廠房和設備以及與搬遷有關的相關費用。估計現金搬遷補償總金額為港幣68,453,000元將向江蘇南順麵粉作出補償，並於截至二零二零年六月三十日止財政年度將全數收到該搬遷補償。

抵銷有關搬遷補償所估計之總成本及開支後，餘額在綜合財務狀況表的「貿易及其他應付賬款」內列為「遞延收入」，並按照附註2(t)(iv)所載之會計政策而處理，於資產使用年限內平均計入損益賬。

截至二零一九年六月三十日已收到港幣21,419,000元是與搬遷有關的政府補償。年內，已產生與搬遷項目有關的支出為港幣7,766,000元(二零一八年：無)，相關金額之政府補償已計入綜合損益表(見附註6)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

18. Trade and Other Payables and Contract Liabilities (continued)

(b) Contract liabilities

	30 June 2019 二零一九年 六月三十日 HK\$'000 港幣千元	1 July 2018 二零一八年 七月一日 HK\$'000 港幣千元	30 June 2018 二零一八年 六月三十日 HK\$'000 港幣千元
Advances received for goods to be sold 待出售商品預收貨款	28,232	28,927	-

Contract liabilities represent receipts in advances for sales of goods, giving rise to contract liabilities until revenue is recognised.

Included in the contract liabilities as at 1 July 2018, a balance of HK\$28,383,000 was recognised as revenue in the current year.

合同負債是指出售商品預收貨款在確認收入之前而產生之合同負債。

於二零一八年七月一日的合同負債當中，已於本年度確認為收入為港幣28,383,000元。

18. 貿易及其他應付賬款及合同負債(續)

(b) 合同負債

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

19. Deferred Taxation

19. 遞延稅項

(a) Deferred tax assets and liabilities recognised

(a) 已確認遞延稅項資產及負債

(i) Movement of each component of deferred tax assets and liabilities

(i) 遞延稅項資產及負債項目變動

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

於綜合財務狀況表已確認之遞延稅項(資產)/負債項目及年內之變動如下:

Deferred tax arising from:	遞延稅項產生自:	Depreciation allowances in excess of the related depreciation 折舊免稅額超出有關折舊	Provisions 撥備	Tax losses 稅務虧損	Undistributed profits 未分配利潤	Total 合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 July 2017	於二零一七年七月一日	7,977	(69)	(7,591)	-	317
(Credited)/charged to consolidated statement of profit or loss (note 8(a))	於綜合損益表(計入)/扣除(附註8(a))	(506)	31	3,564	1,330	4,419
At 30 June 2018	於二零一八年六月三十日	7,471	(38)	(4,027)	1,330	4,736
At 1 July 2018	於二零一八年七月一日	7,471	(38)	(4,027)	1,330	4,736
Charged/(credited) to consolidated statement of profit or loss (note 8(a))	於綜合損益表扣除/(計入)(附註8(a))	1,096	(19)	(735)	6,653	6,995
At 30 June 2019	於二零一九年六月三十日	8,567	(57)	(4,762)	7,983	11,731

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

19. Deferred Taxation (continued)

19. 遞延稅項(續)

(a) Deferred tax assets and liabilities recognised (continued)

(a) 已確認遞延稅項資產及負債(續)

(ii) Reconciliation to the consolidated statement of financial position

(ii) 綜合財務狀況表之對賬

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表 已確認之遞延稅項 淨資產	-	(6)
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表 已確認之遞延稅項 淨負債	11,731	4,742
		11,731	4,736

(b) Deferred tax liabilities not recognised

(b) 未確認遞延稅項負債

At 30 June 2019, temporary differences relating to the undistributed profits of the Group's subsidiaries in the Mainland China amounted to HK\$643,151,000 (2018: HK\$386,074,000). A deferred tax liability has been recognised in respect of undistributed profits of HK\$159,660,000 (2018: HK\$26,600,000) where there are planned distributions from subsidiaries in the foreseeable future. No deferred tax liabilities have been recognised in respect of the remaining HK\$483,491,000 (2018: HK\$359,474,000) as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed by these subsidiaries in the foreseeable future.

於二零一九年六月三十日，有關本集團於中國大陸之附屬公司未分配利潤的暫時性差異為港幣643,151,000元(二零一八年：港幣386,074,000元)。附屬公司的未分配利潤為港幣159,660,000元(二零一八年：港幣26,600,000元)，並計劃於可見未來分派股利，因此一項遞延稅項負債已被確認。由於本公司可控制該等附屬公司的股息政策，並已決定於可見未來該等附屬公司很可能將不會分派股利，所以並未就餘下的港幣483,491,000元(二零一八年：港幣359,474,000元)未分配利潤就其確認為遞延稅項負債。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

19. Deferred Taxation (continued)

(c) Deferred tax assets not recognised

At 30 June 2019, the Group had unused tax losses of HK\$285,042,000 (2018: HK\$274,440,000) available for offset against future taxable profits. A deferred tax asset has been recognised in respect of tax losses of HK\$28,861,000 (2018: HK\$24,404,000). No deferred tax assets have been recognised in respect of the remaining HK\$256,181,000 (2018: HK\$250,036,000) due to the unpredictability of future taxable profit streams. Included in unrecognised tax losses are losses of HK\$38,543,000 (2018: HK\$38,695,000) that will expire within five years. Other losses can be carried forward indefinitely.

At 30 June 2019, the Group had temporary differences of HK\$103,322,000 (2018: HK\$109,717,000) arising from impairment losses of certain leasehold land and property, plant and equipment provided in prior years. No deferred tax assets have been recognised in respect of these temporary differences due to the unpredictability of taxable profits streams against which the deductible temporary differences can be utilised in the foreseeable future.

19. 遞延稅項(續)

(c) 未確認遞延稅項資產

於二零一九年六月三十日，本集團有港幣285,042,000元(二零一八年：港幣274,440,000元)可用於抵消未來應課稅溢利的稅務虧損。當中就該稅務虧損確認了港幣28,861,000元(二零一八年：港幣24,404,000元)的遞延稅項資產。剩餘的港幣256,181,000元(二零一八年：港幣250,036,000元)可抵扣的虧損，因為未來溢利的不可預見性，所以並未就其確認為遞延稅項資產。另外，未確認的稅務虧損中有港幣38,543,000元(二零一八年：港幣38,695,000元)的虧損將於五年內到期。其他虧損可以無限期地結轉後期。

本集團於以前年度為若干租賃土地及物業、廠房及設備作減值撥備，該等撥備於二零一九年六月三十日為本集團產生港幣103,322,000元(二零一八年：港幣109,717,000元)的暫時性差異。因為未來溢利的不可預見性，並在可預見的未來用作扣減暫時性差異，所以並無就該差異確認遞延稅項資產。

20. Share Capital

(a) Issued share capital

		2019 二零一九年		2018 二零一八年	
		No. of shares 股份數量	HK\$'000 港幣千元	No. of shares 股份數量	HK\$'000 港幣千元
		'000 千		'000 千	
Ordinary shares, issued and fully paid:	已發行及已繳足普通股：				
At 1 July and 30 June	於七月一日及六月三十日	243,354	672,777	243,354	672,777

20. 股本

(a) 已發行股本

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

20. Share Capital (continued)

(a) Issued share capital (continued)

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

During the year, the Group purchased its own ordinary shares on The Stock Exchange of Hong Kong Limited for the purpose of satisfying the exercise of share options granted under the Group's share option scheme as follows:

For the year ended 30 June 2019:

20. 股本(續)

(a) 已發行股本(續)

根據香港《公司條例》第135條，本公司普通股不再具有面值。

本年度為滿足已授予股份認購權可被行使的條件，本集團按股份認購權計劃購入其香港聯合交易所有限公司掛牌的普通股如下：

截至二零一九年六月三十日止年度：

Month/year	年/月份	No. of shares purchased 購入股份數量 '000 千	Highest price paid per share 已繳付每股最高價值 HK\$ 港幣元	Lowest price paid per share 已繳付每股最低價值 HK\$ 港幣元	Aggregate price paid 已繳付總價格 HK\$'000 港幣千元
August 2018	二零一八年八月	38	12.90	12.70	487
September 2018	二零一八年九月	260	12.90	12.54	3,304
October 2018	二零一八年十月	158	12.80	12.50	2,002
November 2018	二零一八年十一月	99	13.80	12.60	1,287
December 2018	二零一八年十二月	130	14.28	13.66	1,822
January 2019	二零一九年一月	72	14.60	14.18	1,032
February 2019	二零一九年二月	35	15.20	14.58	521
March 2019	二零一九年三月	92	15.26	14.78	1,377
April 2019	二零一九年四月	209	16.00	15.10	3,291
May 2019	二零一九年五月	107	16.06	15.50	1,690
June 2019	二零一九年六月	288	15.94	15.46	4,513
		1,488			21,326

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

20. Share Capital (continued)

20. 股本(續)

(a) Issued share capital (continued)

(a) 已發行股本(續)

For the year ended 30 June 2018:

截至二零一八年六月三十日止年度：

Month/year	年/月份	No. of shares purchased	Highest price paid per share	Lowest price paid per share	Aggregate price paid
		購入股份數量	每股最高價值	每股最低價值	已繳付總價格
		'000	HK\$	HK\$	HK\$'000
		千	港幣元	港幣元	港幣千元
August 2017	二零一七年八月	169	10.80	10.68	1,824
September 2017	二零一七年九月	268	10.82	10.70	2,890
October 2017	二零一七年十月	200	10.90	10.70	2,172
November 2017	二零一七年十一月	200	11.02	10.40	2,171
December 2017	二零一七年十二月	262	10.90	10.60	2,809
January 2018	二零一八年一月	129	11.80	11.20	1,489
February 2018	二零一八年二月	120	13.00	12.96	1,560
April 2018	二零一八年四月	175	14.90	14.56	2,581
May 2018	二零一八年五月	32	15.00	14.72	476
June 2018	二零一八年六月	130	15.04	14.60	1,936
		1,685			19,908

The considerations of the purchased shares for the year ended 30 June 2019 of HK\$21,326,000 (2018: HK\$19,908,000) were charged to ESOP reserve.

截至二零一九年六月三十日止年度購入股份的價值為港幣21,326,000元(二零一八年：港幣19,908,000元)並已在行政人員股份認購權方案儲備扣除。

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股之持有人可收取不時宣派之股息，並可於本公司之大會上就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

As at 30 June 2019, there were 6,197,000 (2018: 6,779,000) ordinary shares acquired and held by the Group under the ESOP reserve for the purpose of satisfying the exercise of share options granted to a director and eligible employees.

於二零一九年六月三十日，為滿足已授予一名董事及合資格員工股份認購權可被行使的條件，本集團於行政人員股份認購權方案儲備中持有普通股6,197,000股(二零一八年：6,779,000股)。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

20. Share Capital (continued)

(b) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure by reviewing its equity-debt ratio and cashflow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines equity-debt ratio as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total bank loans and obligations under finance leases less cash and cash equivalents.

20. 股本(續)

(b) 資本管理

本集團管理資本的主要目標是要保障集團能夠持續經營，透過為產品及服務制定與風險水平相稱的定價，以及透過用合理成本獲得融資，從而繼續為股東提供回報及為其他利益相關者帶來好處。

本集團積極及定期對資本架構展開檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好的資本狀況帶來的優勢及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

本集團以權益債務比率及現金流需求考慮將來的財務負債及承擔項目來監察資本架構。有見及此，本集團將權益債務比率界定為本公司股東應佔總權益與淨債務的比率。淨債務包括總銀行貸款及融資租賃承擔減現金及現金等額。

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Obligations under finance leases	融資租賃承擔	514	669
Less: Cash and cash equivalents	減：現金及現金等額	(1,317,927)	(1,162,146)
Net liquid funds	淨流動資金	(1,317,413)	(1,161,477)
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益	2,323,830	2,159,472
Equity-debt ratio	權益債務比率	100:0	100:0

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

21. Reserves

21. 儲備

The Company

本公司

		Share capital	Investment revaluation reserve	Share option reserve	General reserve	Revenue reserve	Total
		股本	投資重估儲備	股份認購權儲備	一般儲備	收益儲備	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 July 2017	於二零一七年七月一日	672,777	(7)	10,161	50,000	1,098,338	1,831,269
Profit for the year	本年度溢利	-	-	-	-	361,979	361,979
Other comprehensive income for the year	本年度其他全面收益						
- Transfer to profit or loss on disposal of an available-for-sale financial asset	一出售可供出售金融資產而轉撥至損益賬	-	7	-	-	-	7
Total comprehensive income for the year	本年度全面收益總額	-	7	-	-	361,979	361,986
Exercise of share options	行使之股份認購權	-	-	(1,650)	-	(1,624)	(3,274)
Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	(5,641)	-	-	(5,641)
Transfer between reserves	儲備間之轉撥	-	-	-	(50,000)	50,000	-
Final dividend paid in respect of prior year	就往年度已付末期股息	-	-	-	-	(55,971)	(55,971)
Interim dividend paid in respect of current year	就本年度已付中期股息	-	-	-	-	(31,636)	(31,636)
At 30 June 2018	於二零一八年六月三十日	672,777	-	2,870	-	1,421,086	2,096,733
At 1 July 2018	於二零一八年七月一日	672,777	-	2,870	-	1,421,086	2,096,733
Profit for the year	本年度溢利	-	-	-	-	27,859	27,859
Exercise of share options	行使之股份認購權	-	-	(2,160)	-	(17,776)	(19,936)
Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	362	-	-	362
Final dividend paid in respect of prior year	就往年度已付末期股息	-	-	-	-	(65,705)	(65,705)
Interim dividend paid in respect of current year	就本年度已付中期股息	-	-	-	-	(34,070)	(34,070)
At 30 June 2019	於二零一九年六月三十日	672,777	-	1,072	-	1,331,394	2,005,243

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

21. Reserves (continued)

Nature and purpose of reserves of the Group:

(i) Surplus reserves

Surplus reserves include statutory surplus reserve and discretionary surplus reserve.

In accordance with Accounting Regulations for Business Enterprises, foreign investment enterprises in Mainland China are required to transfer at least 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("PRC GAAP") to the statutory surplus reserve until the balance of the reserve is equal to 50% of their registered capital.

(ii) Investment revaluation reserve

Prior to 1 July 2018, the investment revaluation reserve included the cumulative net change in the fair value of the available-for-sale financial assets held at the end of the reporting period in accordance with HKAS 39.

(iii) ESOP reserve

The ESOP reserve comprises the purchase consideration for issued shares of the Company acquired for the purpose of satisfying the exercise of share options granted to a director and eligible employees under the Company's Share Option Scheme.

(iv) Share option reserve

Share option reserve comprises the cumulative fair value of employee services received for the issue of share options and is dealt with in accordance with the accounting policies in note 2(q)(ii).

21. 儲備(續)

集團儲備之性質及用途：

(i) 盈餘儲備

盈餘儲備包括法定盈餘儲備及酌情盈餘儲備。

根據《企業會計制度》，在中國大陸的外商投資企業均須將不少於10%的按《中華人民共和國會計準則》計算的除稅後溢利撥入法定盈餘儲備，直至該儲備的結餘相等於其註冊資本的50%為止。

(ii) 投資重估儲備

於二零一八年七月一日前，投資重估儲備包括於報告期終日持有的可供出售金融資產之公平價值變動的累計淨額，並按照香港會計準則第三十九號處理。

(iii) 行政人員股份認購權方案儲備

行政人員股份認購權方案儲備包括為滿足一名董事及合資格員工行使按本公司股份認購權方案所授予的股份認購權所購入之本公司已發行股份的購買代價。

(iv) 股份認購權儲備

股份認購權儲備包括授予股份認購權之員工服務之累計公平價值，該儲備根據附註2(q)(ii)所載之會計政策而處理。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

21. Reserves (continued)

Nature and purpose of reserves of the Group: (continued)

(v) Exchange reserve

The exchange reserve comprises: (a) the foreign exchange differences arising from the translation of the financial statements of subsidiaries outside Hong Kong whose functional currencies are different from the functional currency of the Company; and (b) the exchange differences on monetary items which form part of the Group's net investment in the subsidiaries outside Hong Kong. The reserve is dealt with in accordance with the accounting policies set out in note 2(u).

(vi) General reserve

The general reserve has been set up by transfer of revenue reserve in prior years. Pursuant to a resolution of the Board of directors of the Company passed during the year ended 30 June 2018, the general reserve has been transferred to revenue reserve to streamline the equity accounts of the Company.

(vii) Revenue reserve

The distributable reserves of the Company at 30 June 2019 amounted to HK\$1,331,394,000 (2018: HK\$1,421,086,000).

22. Equity Settled Share-Based Transactions

Executive Share Option Scheme 2013 (the "ESOS 2013") was approved by the shareholders of the Company at the extraordinary general meeting held on 23 April 2013 and took effect on 25 April 2013 to, among other, allow grant of options over newly issued shares and/or transfer of existing shares by a trust of the ESOS 2013 (the "Trust") which was established between the Company and a trustee of the Trust, a wholly owned subsidiary of the Group.

Options granted under the ESOS 2013 are subject to achievement of performance-based vesting condition. The option shall lapse on the date the grantee ceased to be an employee of the Group or the performance-based condition is not satisfied. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

21. 儲備(續)

集團儲備之性質及用途：(續)

(v) 匯兌儲備

匯兌儲備包括：(a)換算香港以外之附屬公司(其功能貨幣有別於本公司之功能貨幣)之財務報表所產生之外匯差額；(b)組成本集團香港以外之附屬公司投資淨額一部份之貨幣性項目之匯兌差額。該儲備根據附註2(u)所載之會計政策而處理。

(vi) 一般儲備

一般儲備為本公司董事會於以前年度決議之收益儲備撥入。為了簡化本公司的權益賬目，本公司董事會於截至二零一八年六月三十日止年度根據通過的決議，把一般儲備轉撥至收益儲備。

(vii) 收益儲備

本公司於二零一九年六月三十日之可分配儲備為港幣1,331,394,000元(二零一八年：港幣1,421,086,000元)。

22. 按權益結算之以股份為基礎交易

2013行政人員股份認購權計劃(「2013股份認購權計劃」)於二零一三年四月二十三日於本公司股東特別大會上獲股東批准，並於二零一三年四月二十五日生效，其中包括准許授出涉及新發行股份及或透過2013股份認購權計劃中的信託(「信託」)(信託乃本公司與作為該信託之受託人所成立，而受託人為本集團之全資附屬公司)。

根據2013股份認購權計劃所授出之認購權之歸屬乃根據績效條件為標準。股份認購權於承授人停止為本集團之員工之日或未能達到表現指標時失效。每份股份認購權賦予持有人認購本公司一股普通股的權利及以股份總額結算。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

22. Equity Settled Share-Based Transactions (continued)

As at 1 July 2018, there were 3,105,000 (2017: 12,500,000) outstanding options pursuant to the ESOS 2013. During the year ended 30 June 2019, no (2018: 5,175,000) share options were vested to the grantees under the ESOS 2013. No (2018: 7,325,000) share options granted to the grantees were lapsed or cancelled and 2,070,000 (2018: 2,070,000) share options were exercised by the grantees.

(a) The terms and conditions of the grants are as follows:

ESOS 2013:

	Number of Instruments at grant date 認購權數目	Exercisable period 可行使時間	Contractual life of options 認購權合約期
Options granted to a director: 認購權授予一名董事：			
- 28 June 2013 (Batch 1) - 於二零一三年六月二十八日(批號1)	1,250,000	From the date of notification of entitlement ("Vesting Date") up to 6 months from the Vesting Date 於自經知會所得認購權日期(「歸屬日期」)起至歸屬日期後六個月內行使	4 years 四年
		From the 13th month up to the 18th month from the Vesting Date 於歸屬日期起第十三個月至第十八個月期間行使	5 years 五年
		From the 25th month up to the 30th month from the Vesting Date 於歸屬日期起第二十五個月至第三十個月期間行使	6 years 六年
- 28 June 2013 (Batch 2) - 於二零一三年六月二十八日(批號2)	3,750,000	From the Vesting Date up to 6 months from the Vesting Date 於歸屬日期起六個月內行使	4 years 四年
		From the 13th month up to the 18th month from the Vesting Date 於歸屬日期起第十三個月至第十八個月期間行使	5 years 五年
		From the 25th month up to the 30th month from the Vesting Date 於歸屬日期起第二十五個月至第三十個月期間行使	6 years 六年

22. 按權益結算之以股份為基礎交易(續)

於二零一八年七月一日，根據2013股份認購權計劃，共有3,105,000(二零一七年：12,500,000)股尚未行使之認購權。於截至二零一九年六月三十日止年度，根據2013股份認購權計劃並沒有向獲授人歸屬(二零一八年：5,175,000股)認購權。沒有授予獲授人之認購權失效(二零一八年：7,325,000股)以及獲授人行使共2,070,000(二零一八年：2,070,000)股認購權。

(a) 授出之條款和條件如下：

2013股份認購權計劃：

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

22. Equity Settled Share-Based Transactions (continued)

22. 按權益結算之以股份為基礎交易(續)

(a) The terms and conditions of the grants are as follows: (continued)

(a) 授出之條款和條件如下：(續)

ESOS 2013: (continued)

2013股份認購權計劃：(續)

	Number of Instruments at grant date 認購權數目	Exercisable period 可行使時間	Contractual life of options 認購權合約期
Options granted to eligible executives: 認購權授予合資格行政人員：			
- 28 June 2013 (Batch 1) - 於二零一三年六月二十八日(批號1)	2,400,000	From the Vesting Date up to 6 months from the Vesting Date 於歸屬日期起六個月內行使	4 years 四年
		From the 13th month up to the 18th month from the Vesting Date 於歸屬日期起第十三個月至第十八個月期間行使	5 years 五年
		From the 25th month up to the 30th month from the Vesting Date 於歸屬日期起第二十五個月至第三十個月期間行使	6 years 六年
- 28 June 2013 (Batch 2) - 於二零一三年六月二十八日(批號2)	7,200,000	From the Vesting Date up to 6 months from the Vesting Date 於歸屬日期起六個月內行使	4 years 四年
		From the 13th month up to the 18th month from the Vesting Date 於歸屬日期起第十三個月至第十八個月期間行使	5 years 五年
		From the 25th month up to the 30th month from the Vesting Date 於歸屬日期起第二十五個月至第三十個月期間行使	6 years 六年
- 26 November 2014 - 於二零一四年十一月二十六日	900,000	From the Vesting Date up to 6 months from the Vesting Date 於歸屬日期起六個月內行使	3 years 三年
		From the 13th month up to the 18th month from the Vesting Date 於歸屬日期起第十三個月至第十八個月期間行使	4 years 四年
		From the 25th month up to the 30th month from the Vesting Date 於歸屬日期起第二十五個月至第三十個月期間行使	5 years 五年
Total share options granted 股份認購權授予總數	15,500,000		

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

22. Equity Settled Share-Based Transactions (continued)

(b) The number and weighted average exercise prices of share options are as follows:

ESOS 2013:

		2019 二零一九年		2018 二零一八年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價	認購權數目	加權平均 行使價	認購權數目
		HK\$ 港幣元	'000 千	HK\$ 港幣元	'000 千
Outstanding at the beginning of the year	於年初尚未被行使	4.90	3,105	4.78	12,500
Exercised during the year	於年內行使	4.79	(2,070)	4.79	(2,070)
Lapsed during the year	於年內失效	-	-	4.77	(7,325)
Outstanding at the end of the year	於年末尚未被行使	4.79	1,035	4.90	3,105
Exercisable at the end of the year	於年末可行使	-	-	-	-

The options outstanding at 30 June 2019 under the ESOS 2013 had weighted average exercise price of HK\$4.79 (2018: HK\$4.90) and weighted average remaining contractual life of 0.9 year (2018: 1.2 years).

22. 按權益結算之以股份為基礎交易(續)

(b) 股份認購權的數目及加權平均行使價如下：

2013股份認購權計劃：

於二零一九年六月三十日，在2013股份認購權計劃中，尚未行使的股份認購權加權平均行使價為港幣4.79元(二零一八年：港幣4.90元)以及加權平均剩餘合約期為0.9年(二零一八年：1.2年)。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

22. Equity Settled Share-Based Transactions (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions of ESOS 2013:

Grant date	授出日	26 November 2014 二零一四年十一月二十六日	20 November 2013 二零一三年十一月二十日	28 June 2013 二零一三年六月二十八日
Fair value at measurement date	於計量日之公平價值	HK\$港幣0.883元 – HK\$港幣1.083元	HK\$港幣1.090元 – HK\$港幣1.739元	HK\$港幣0.456元 – HK\$港幣1.060元
Share price	股價	HK\$港幣6.75元	HK\$港幣5.75元	HK\$港幣4.58元
Exercise price	行使價	HK\$港幣6.80元	HK\$港幣4.62元	HK\$港幣4.62元
Expected volatility	預期波幅	26.46% – 27.81%	23.33% – 35.04%	27.20% – 35.99%
Option life	認購權年期	2.6 years年 – 4.6 years年	0.6 year年 – 5.6 years年	1 year年 – 6 years年
Expected dividend yield	預期股息率	3.1%	3.1%	3.5%
Risk-free rate (based on Exchange Fund Note)	無風險利率 (根據外匯基金票據)	0.49% – 1.07%	0.20% – 1.25%	0.24% – 1.37%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

22. 按權益結算之以股份為基礎交易(續)

(c) 股份認購權的公平價值和假設

透過授予股份認購權獲提供服務的公平價值是參考所授予認購權的公平價值計量。已授出股份認購權公平價值是根據「柏力克-舒爾斯」模型估算。股份認購權的合約期限是該模型的輸入值。

股份認購權公平價值及2013股份認購權計劃假設：

預期波幅乃根據過往波幅而釐定(計算乃根據股份認購權的加權平均剩餘期)，並根據公開提供的資料對未來波幅的預期變更作出調整。預期股息乃根據過往股息而釐定。更改輸入項目假設可對公平價值估計造成重大影響。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade receivables. The Group's exposure to credit risk arising from cash and cash equivalents and derivative financial assets is limited because the counterparties are banks and financial institutions with a good credit rating, for which the Group considers to have low credit risk. The Group does not provide any other guarantees which would expose the Group to credit risk.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 37% (2018: 26%) of the total trade receivables was due from the Group's five largest customers.

23. 財務風險管理及公平價值

本集團在正常營運過程中面對信貸、流動資金、利率及貨幣風險。本集團面對之此等風險及本集團採取之金融管理政策和措施來限制此等風險載列如下。

(a) 信貸風險

信貸風險指交易方違反其合約責任而導致本集團財務虧損之風險。本集團之信貸風險主要來自貿易應收賬款。本集團所面對現金及現金等額及衍生金融資產之信貸風險乃有限，原因是交易方為具有良好信貸評級之銀行及金融機構，管理層因此認為本集團面臨之信貸風險較低。本集團並無提供任何使本集團面臨信貸風險之擔保。

貿易應收賬款

本集團面臨之信貸風險主要受各客戶之個別情況而非客戶經營業務所在之行業或國家影響，因此，重大集中信貸風險主要於本集團面臨個別客戶之重大風險時出現。於報告期終日，貿易應收賬款總額之37%（二零一八年：26%）為應收本集團五大客戶之欠款。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Individual credit evaluations are performed on all customers requiring credit. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Credits are offered to customers following financial assessments and established payment records where applicable. Credit limits are set for all customers and these are exceeded only with the approval of senior company officers. Customers considered to be with credit risk are traded on a cash basis. General credit terms are payment within 30 to 60 days following the sales took place. Regular review and follow up actions are carried out on overdue amounts to minimise the Group's exposure to credit risk. Collaterals over properties are obtained from certain customers. An ageing analysis of the debtors is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these debtors.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience indicates different loss patterns for different customer segments, the loss allowance based on past due status is further distinguished between the Group's different customer bases.

23. 財務風險管理及公平價值(續)

(a) 信貸風險(續)

貿易應收賬款(續)

集團均會對所有信貸客戶進行個別信貸評估。此等評估主要針對客戶過往到期時的還款記錄及現時還款的能力，並考慮客戶的特定資料，以及與客戶經營業務的經濟環境相關的資料。客戶信貸乃於進行財務評估後及基於已建立的付款記錄(如適用)而釐定。所有客戶均設有信貸限額，且在公司高級人員批准後方可超出有關限額。若認為客戶有信貸風險，則以現金進行交易。一般信貸於銷售發生後 30 至 60 日內到期。為了儘量減少信貸風險，本集團定期檢討逾期未付金額並採取跟進行動。本集團會從若干客戶取得物業抵押。本集團定期編製應收款項賬齡分析以密切監察並盡量減少與此等應收款項有關的信貸風險。

本集團貿易應收賬款之虧損撥備一般按整個存續期之預期信貸虧損(採用撥備矩陣計算)之金額計量。由於本集團過往信貸虧損經驗顯示不同客戶分部之虧損模式存在差異，故根據逾期狀況計算虧損撥備時對本集團不同客戶群體作進一步區分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(a) Credit risk (continued)

Trade receivables (continued)

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 30 June 2019:

		Gross carrying amount 賬面總值 HK\$'000 港幣千元	Loss allowance 虧損撥備 HK\$'000 港幣千元
Current (not past due)	即期(未逾期)	312,392	–
Less than 3 months past due	逾期少於三個月	31,185	–
More than 3 months past due	逾期超過三個月	6,509	(556)
		350,086	(556)

The calculation reflects the probability-weighted outcome of expected credit losses and is adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and also forward-looking information including the Group's view of economic conditions over the expected lives of the receivables.

23. 財務風險管理及公平價值(續)

(a) 信貸風險(續)

貿易應收賬款(續)

下表提供有關本集團於二零一九年六月三十日就貿易應收賬款所面臨之信貸風險及預期信貸虧損之資料：

該計算反映預期信貸虧損之概率加權結果，並進行調整，以反映期內收集之歷史數據之經濟狀況、當前及前瞻性資料之間之差異，包括本集團對貿易應收賬款之存續期之經濟狀況的看法。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Comparative information under HKAS 39

Prior to 1 July 2018, a loss allowance was recognised only when there was objective evidence of impairment (see note 2(k)(i) – policy applicable prior to 1 July 2018). At 30 June 2018, trade receivables of HK\$483,000 was determined to be impaired. The aging analysis of trade receivables that were not considered to be impaired was as follows:

		2018 二零一八年 HK\$'000 港幣千元
Neither past due or impaired	無逾期亦無減值	316,701
Less than 3 months past due	逾期少於三個月	27,270
More than 3 months past due	逾期超過三個月	2,552
		346,523

Receivables that were neither past due nor impaired related to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to a number of independent customers that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of these balances as there had been no significant change in credit quality and the balances were still considered fully recoverable.

23. 財務風險管理及公平價值(續)

(a) 信貸風險(續)

貿易應收賬款(續)

香港會計準則第三十九號項下之可比資料

於二零一八年七月一日前，虧損撥備僅在有客觀減值證據時確認(見附註2(k)(i) – 二零一八年七月一日前適用之政策)。於二零一八年六月三十日，港幣483,000元乃釐定為已減值之貿易應收賬款。並未被視作已減值之貿易應收賬款之賬齡分析如下：

概無逾期或減值之應收賬款乃與眾多客戶有關，彼等在近期並無違約之記錄。

逾期但並無減值之應收賬款乃與一些獨立客戶有關，該等客戶與集團有良好的往績記錄。根據過往經驗，鑑於信貸質素並無重大變動及結餘仍被視為可以全數收回，管理層認為該等結餘並不需要作出減值撥備。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
At beginning of year	年初	483	771
Amounts written off during the year	本年度撇銷金額	(137)	(31)
Loss allowance recognised/(reversed) during the year	本年度虧損撥備確認/(回撥)	228	(293)
		91	(324)
Exchange adjustments	匯兌調整	(18)	36
At end of year	年末	556	483

(b) Liquidity risk

The Group closely monitors its liquidity and financial resources to ensure that a healthy financial position is maintained such that cash inflows from operating activities together with un-drawn committed banking facilities are sufficient to meet the requirements for loan repayments, daily operational needs, capital expenditure, as well as potential business expansion and development.

The Group reviews its strategy from time to time to ensure that cost-efficient funding is available to cater for the unique operating environment of each subsidiary.

23. 財務風險管理及公平價值(續)

(a) 信貸風險(續)

貿易應收賬款(續)

本年度貿易應收賬款之虧損撥備組成部份之變動如下：

(b) 流動資金風險

本集團密切監察其流動資金和財政資源，以確保維持穩健的財務狀況，使來自經營業務的所得現金，連同尚未動用的銀行備用信貸，足以應付償還貸款、日常營運、資本開支，以及擴展業務及發展的潛在資金需要。

本集團不時檢討其財務政策，目的是作出具有成本效益的融資安排，切合各附屬公司獨特的經營環境。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates prevailing at the end of the reporting period) and the earliest date the Group can be required to pay:

		2019 二零一九年				
		Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	
		合約未折現	一年內或即時	一年以上但兩年以內	兩年以上但五年以內	
		賬面值	賬面值	賬面值	賬面值	賬面值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Trade payables	貿易應付賬款	363,662	363,662	363,662	-	-
Other payables and accruals	其他應付賬款及應計費用	285,547	285,547	285,547	-	-
Obligations under finance leases	融資租賃承擔	514	514	160	126	228
		649,723	649,723	649,369	126	228

		2018 二零一八年				
		Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but within 2 years	More than 2 years but within 5 years	
		合約未折現	一年內或即時	一年以上但兩年以內	兩年以上但五年以內	
		賬面值	賬面值	賬面值	賬面值	賬面值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Trade payables	貿易應付賬款	338,758	338,758	338,758	-	-
Other payables and accruals	其他應付賬款及應計費用	280,567	280,567	280,567	-	-
Obligations under finance leases	融資租賃承擔	669	669	312	132	225
		619,994	619,994	619,637	132	225

23. 財務風險管理及公平價值(續)

(b) 流動資金風險(續)

下表載列本集團金融負債於報告期終日之剩餘合約到期日，剩餘合約到期日乃按合約無折現現金流量(包括利用約定利率或(倘浮息)在報告期終日適用的利率計算之利息付款)以及本集團可被要求付款之最早日期計算：

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits.

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest earning financial assets at the end of the reporting period:

		2019 二零一九年		2018 二零一八年	
		Effective interest rate p.a. 實際年利率 %	Carrying amount 賬面值 HK\$'000 港幣千元	Effective interest rate p.a. 實際年利率 %	Carrying amount 賬面值 HK\$'000 港幣千元
Fixed rate financial assets:	定息金融資產：				
Deposits with banks	銀行定期存款	2.96	1,050,192	2.65	867,102
Variable rate financial assets:	浮息金融資產：				
Cash at bank	銀行存款	1.32	233,648	1.30	259,528
Total	合計		1,283,840		1,126,630

(ii) Sensitivity analysis

At 30 June 2019, it is estimated that general increase/decrease of 0 to 50 basis points (2018: 0 to 75 basis points) in interest rates for the Group's interest earning financial assets denominated in various currencies, mainly Hong Kong dollars, Renminbi and United States dollars, with all other variables held constant, would have decreased/increased the Group's profit for the year and revenue reserve by approximately HK\$348,000 (2018: increased/decreased of HK\$1,333,000).

23. 財務風險管理及公平價值(續)

(c) 利率風險

本集團的利率風險主要來自銀行存款。

(i) 利率概況

下表詳列於報告期終日，本集團帶息金融資產的利率概況：

(ii) 敏感度分析

於二零一九年六月三十日，估計若本集團帶息金融資產中各外幣(主要為港幣、人民幣及美元)利率全面上升/下調0至50點子(二零一八年：0至75點子)，在其他所有變數維持不變的情況下，本集團之本年度溢利及收益儲備將減少/增加約港幣348,000元(二零一八年：增加/減少港幣1,333,000元)。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values *(continued)*

(c) Interest rate risk *(continued)*

(ii) Sensitivity analysis *(continued)*

The sensitivity analysis above indicates the instantaneous change in the Group's profit for the year (and revenue reserve) that would arise assuming that the change in interest rates had occurred at the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit for the year (and revenue reserve) is estimated as an annualised impact on interest income of such a change in interest rates. The analysis is performed on the same basis as for 2018.

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("US\$"), Renminbi ("RMB"), Hong Kong dollars ("HK\$"), Macau Patacas ("MOP") and New Zealand dollars ("NZ\$").

23. 財務風險管理及公平價值 *(續)*

(c) 利率風險 *(續)*

(ii) 敏感度分析 *(續)*

以上之敏感度分析表示假設利率於報告期產生轉變對本集團本年度溢利(和收益儲備)會出現之即時變動,並適用於重新計量本集團於報告期終日持有面對公平價值利率風險之金融工具。就本集團於報告期終日持有浮動利率非衍生金融工具產生之現金流量利率風險,本集團本年度溢利(和收益儲備)之影響以利率轉變所得收入作為年度化影響予以估計。分析是以與二零一八年相同之基準進行。

(d) 貨幣風險

本集團面對的貨幣風險,主要來自因買賣而產生之應收賬款、應付賬款及現金結餘,該等項目乃按外幣,即交易所涉及業務之功能貨幣以外之貨幣計值。外匯風險主要來自美元、人民幣、港幣、澳門幣及紐西蘭幣。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency and exposure arising from inter-company balances which are considered to be in the nature of interest in subsidiaries are excluded.

23. 財務風險管理及公平價值(續)

(d) 貨幣風險(續)

(i) 承受之外匯風險

下表就本集團於報告期終日，以相關公司功能貨幣以外貨幣計值的已確認資產或負債所承受之外匯風險作出詳細分析。由換算香港以外業務之財務報表至本集團之呈列貨幣以及視為附屬公司權益性質之集團公司間之結餘之差額，並不包括在內。

Exposure to foreign currencies (Expressed in original currency)
承受之外匯風險(以原貨幣計算)

	2019 二零一九年					2018 二零一八年			
	HK\$'000	RMB'000	US\$'000	MOP'000	NZ\$'000	HK\$'000	RMB'000	US\$'000	MOP'000
	港幣千元	人民幣千元	美元千元	澳門幣千元	紐西蘭幣千元	港幣千元	人民幣千元	美元千元	澳門幣千元
Trade and other receivables	-	-	96	-	-	-	-	163	-
Cash and cash equivalents	594	12,917	5,344	-	-	645	32,636	79	-
Trade and other payables	-	-	(4,144)	-	(407)	-	(19)	(2,287)	-
Amounts due from group companies	31,099	-	-	2,077	-	49,278	-	-	6,107
Gross exposure arising from recognised assets and liabilities	31,693	12,917	1,296	2,077	(407)	49,923	32,617	(2,045)	6,107
Notional amounts of foreign exchange forward contracts at fair value through profit or loss	-	-	-	-	772	-	55,081	-	-
Overall net exposure	31,693	12,917	1,296	2,077	365	49,923	87,698	(2,045)	6,107

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous changes in the Group's profit after tax (and revenue reserve) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2019 二零一九年		2018 二零一八年	
		Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and revenue reserve	Increase/ (decrease) in foreign exchange rates	Increase/ (decrease) in profit after tax and revenue reserve
		外匯匯率 上升/(下跌) %	除稅後溢利及 收益儲備 增加/(減少) HK\$'000 港幣千元	外匯匯率 上升/(下跌) %	除稅後溢利及 收益儲備 增加/(減少) HK\$'000 港幣千元
RMB	人民幣	0.40	49	2.43	2,373
HK\$	港幣	(0.40)	(40)	(2.43)	(731)
US\$	美元	0.63	56	(1.49)	183
MOP	澳門幣	(0.40)	(6)	(2.43)	(108)
NZ\$	紐西蘭幣	0.06	1	-	-

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit or loss after tax and revenue reserve measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

23. 財務風險管理及公平價值(續)

(d) 貨幣風險(續)

(ii) 敏感度分析

下表載列出若本集團於報告期終日所面對重大風險之外幣匯率，於該日期的假設轉變對本集團除稅後溢利(和收益儲備)之即時變動，並假設所有其他風險變數保持不變。

上表呈述之分析結果顯示本集團各實體以各自功能貨幣計算之除稅後溢利或虧損及收益儲備，按報告期終日通行之匯率換算為港幣以作呈報之總額即時影響。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis as for 2018.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

23. 財務風險管理及公平價值(續)

(d) 貨幣風險(續)

(ii) 敏感度分析(續)

敏感度分析乃假設滙率變動適用於重新計量本集團於報告期終日持有及使本集團面對貨幣風險之有關金融工具。分析是以與二零一八年相同之基準進行。

(e) 公平價值計量

(i) 以公平價值計量之金融資產及負債

下表載列根據香港財務報告準則第十三號「公平價值計量」，定期於報告期終日計量集團金融工具之公平價值分類為三個公平價值級別。參考按估值方法所輸入數據的可觀察性及重要性作以下級別釐定：

- 第一級別估值：僅使用第一級別輸入數據(即計量日期當日相同資產及負債活躍市場上的未經調整報價)計量的公平價值。
- 第二級別估值：使用第二級別輸入數據(即不符合第一級別標準的可觀察數據)計量的公平價值，且不會使用重大不可觀察輸入數據。不可觀察輸入數據為未能取得市場數據的輸入數據。

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For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values (continued)

23. 財務風險管理及公平價值(續)

(e) Fair value measurement (continued)

(e) 公平價值計量(續)

(i) Financial assets and liabilities measured at fair value (continued)

(i) 以公平價值計量之金融資產及負債(續)

- Level 3 valuations: Fair value measured using significant unobservable inputs.

- 第三級別估值：使用重大不可觀察輸入數據計量的公平價值。

		2019 二零一九年				2018 二零一八年			
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
		第一級別	第二級別	第三級別	總額	第一級別	第二級別	第三級別	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Recurring fair value measurements	經常性公平價值計量								
Assets	資產								
Other non-current assets:	其他非流動資產：								
- Club membership	- 會籍	-	915	-	915	-	-	-	-
Derivative financial instruments:	衍生金融工具：								
- Foreign exchange forward contracts	- 外幣遠期合同	-	47	-	47	-	877	-	877
		-	962	-	962	-	877	-	877
Liability	負債								
Derivative financial instruments:	衍生金融工具：								
- Foreign exchange forward contracts	- 外幣遠期合同	-	-	-	-	-	54	-	54

- During the years ended 30 June 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

- 截至二零一九年六月三十日及二零一八年六月三十日止年度，第一級別與第二級別之間沒有轉移，也沒有轉入或轉出第三級別。本集團政策為於級別轉移發生之報告期終日確認公平價值級別轉移。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

23. Financial Risk Management and Fair Values *(continued)*

(e) Fair value measurement *(continued)*

(ii) Valuation techniques and input used in Level 2 fair value measurements

The fair value of club membership in Level 2 is determined using market comparison approach by reference to quoted prices in an active market of financial assets similar to the instrument being valued, adjusted for factors unique to the instrument being valued.

The fair value of foreign exchange forward contracts in Level 2 is determined based on quotes from market makers or alternative participants supported by observable inputs including spot and forward exchange rates.

(iii) Fair value of financial assets and liabilities carried at other than fair value

Apart from non-trade balances with subsidiaries, all other significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 30 June 2019 and 2018. It is not meaningful to disclose the fair value of non-trade balances with subsidiaries because there is no fixed term of repayment.

23. 財務風險管理及公平價值 *(續)*

(e) 公平價值計量 *(續)*

(ii) 採用於第二級別公平價值計量的估值技術及輸入數據

列作第二級別之會籍之公平價值是參考和工具相近之金融資產按市場比較法在活躍市場之市場報價，再以有關工具之獨有因素予以調整。

列作第二級別之外幣遠期合同之公平價值是以莊家或其他市場參與者以可觀察輸入數據所支持的報價來釐定，其中包括即期及遠期匯率。

(iii) 非以公平價值列賬的金融資產及負債之公平價值

除與附屬公司之非貿易結餘外，於二零一九年及二零一八年六月三十日，所有其他重大金融資產及負債的賬面價值與公平價值並無重大差異。由於與附屬公司之非貿易結餘並無固定還款期，故披露其公平價值並無意義。

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財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

24. Commitments

- (a) Capital commitments outstanding at the end of the reporting period not provided for in the financial statements were as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Capital expenditure authorised and contracted for	已授權並已訂約之資本開支	29,013	107,391
Capital expenditure authorised but not contracted for	已授權但未訂約之資本開支	135,260	27,294

- (b) At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Within 1 year	一年內	2,712	1,273
After 1 year but within 5 years	一年後但五年內	711	233
		3,423	1,506

The Group leases a number of properties under operating leases. The leases typically run for periods from 1 year to 3 years (2018: 1 year to 3 years).

- (c) At 30 June 2019, the Group had several non-cancellable purchase orders for raw materials with its suppliers with an amount of HK\$768,624,000 (2018: HK\$818,321,000).

24. 資本承擔

- (a) 本集團於報告期終日有以下資本承擔未在財務報表中作出撥備：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Capital expenditure authorised and contracted for	已授權並已訂約之資本開支	29,013	107,391
Capital expenditure authorised but not contracted for	已授權但未訂約之資本開支	135,260	27,294

- (b) 於報告期終日，根據不可解除之經營租賃在日後應付之最低租賃付款總額如下：

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Within 1 year	一年內	2,712	1,273
After 1 year but within 5 years	一年後但五年內	711	233
		3,423	1,506

本集團根據經營租賃租用多個物業。該等租賃期一般為一年至三年(二零一八年：一年至三年)。

- (c) 於二零一九年六月三十日，本集團與其供應商訂立數張不可取消的原材料採購訂單，金額為港幣768,624,000元(二零一八年：港幣818,321,000元)。

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25. Related Party Transactions

(a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors and certain of the highest paid employees is disclosed in note 9 to the consolidated financial statements. Total remuneration is included in "staff costs" (note 7).

(b) Management fees

Related party 關聯方	Nature of transactions 交易性質	2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
GOMC/GGMC/GMCL GOMC/GGMC/國浩管理	Management fee expenses (Note) 管理費支出(附註)	12,844	12,332

Note:

On 7 July 2017, two master services agreements (collectively, the "Master Services Agreements") were entered into by the Company with GuoLine Group Management Co. Limited ("GGMC") and GOMC Limited ("GOMC") respectively, both are subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the Company's ultimate holding company, for provision by i) GGMC of management services to the Company's subsidiaries excluding, at any time, the subsidiaries incorporated, resident or with operation in Hong Kong ("Hong Kong Subsidiaries") and; ii) GOMC of management services to the Company and the Hong Kong Subsidiaries.

An agreement for services dated 11 June 2019 was entered into by the Company with Guoco Management Company Limited ("GMCL"), a subsidiary of Guoco Group Limited ("GGL") as a service provider pursuant to clause 3.2 of the Master Services Agreements for provision of services by GMCL to the Group.

The Master Services Agreements are for a term of three years from 1 July 2017 to 30 June 2020.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of (b) management fees above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures recognised by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" of the Directors' Report.

25. 有關連人士之交易

(a) 主要管理人員薪酬

主要管理人員之薪酬，包括支付予本公司董事及若干酬金最高的僱員於綜合財務報表附註9披露載列。薪酬總額已計入「職工成本」內(見附註7)。

(b) 管理費

2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
12,844	12,332

附註：

於二零一七年七月七日，本公司與其最終控股公司Hong Leong Company (Malaysia) Berhad (「HLCM」)之附屬公司，GuoLine Group Management Co. Limited (「GGMC」)及GOMC Limited (「GOMC」)，分別訂立了兩份服務主協議，藉以由(i) GGMC向本公司之附屬公司(不包括於任何時間在香港成立，常駐或營運之附屬公司「香港附屬公司」)提供管理服務，及(ii) GOMC向本公司及香港附屬公司提供管理服務。

本公司與國浩管理有限公司(「國浩管理」)於二零一九年六月十一日訂立服務協議。國浩管理為國浩集團有限公司(「國浩集團」)的附屬公司，並作為服務供應商，根據該等服務主協議第3.2條，內容有關國浩管理向本集團提供之服務。

服務主協議合約期由二零一七年七月一日至二零二零年六月三十日，為期三年。

(c) 有關關連交易之上市規則之適用性

上述就(b)管理費之有關連人士交易構成上市規則第14A章界定之持續關連交易。上市規則第14A章規定之披露於董事會報告內「關連交易」一節中提供。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

26. Company – Level Statement of Financial Position

26. 公司層面的財務狀況表

		2019 二零一九年 HK\$'000 港幣千元	2018 二零一八年 HK\$'000 港幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	277	293
Interest in subsidiaries	附屬公司權益	883,682	883,647
Amounts due from subsidiaries	應收附屬公司款項	920,869	902,260
		1,804,828	1,786,200
Current assets	流動資產		
Other receivables	其他應收賬款	1,210	2,370
Cash and cash equivalents	現金及現金等額	347,050	467,732
		348,260	470,102
Current liability	流動負債		
Other payables	其他應付賬款	8,229	8,966
		8,229	8,966
Net current assets	淨流動資產	340,031	461,136
Total assets less current liability	總資產減流動負債	2,144,859	2,247,336
Non-current liability	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	139,616	150,603
NET ASSETS	淨資產	2,005,243	2,096,733
Capital and reserves	資金及儲備		
Share capital (note 20)	股本(附註20)	672,777	672,777
Reserves (note 21)	儲備(附註21)	1,332,466	1,423,956
TOTAL EQUITY	總權益	2,005,243	2,096,733

Approved and authorised for issue by the Board of Directors on 29 August 2019.

經由董事會於二零一九年八月二十九日批准及授權刊發。

LEUNG Joseph 梁玄博
DIRECTOR 董事

WHANG Sun Tze 黃上哲
DIRECTOR 董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

27. Comparative Figures

Certain comparative figures have been adjusted to conform to current year's presentation.

27. 比較數字

若干比較數字已調整以與本年度的呈列準則一致。

28. Immediate and Ultimate Holding Company

At 30 June 2019, the directors consider the immediate holding company to be GuoLine International Limited, which is incorporated in Bermuda and the ultimate holding company to be HLCM, which is incorporated in Malaysia. These entities do not produce financial statements available for public use.

28. 直接及最終控股公司

董事認為於二零一九年六月三十日直接控股公司為 GuoLine International Limited，一間於百慕達註冊成立之公司，而最終控股公司為 HLCM，一間於馬來西亞註冊成立之公司。這些個體沒有財務報表可供公眾使用。

29. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet effective for the year ended 30 June 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 30 June 2019 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

29. 截至二零一九年六月三十日止年度已頒佈但尚未生效之經修訂、新訂的準則及詮釋可能產生的影響

截至本財務報表刊發之日，香港會計師公會已頒佈截至二零一九年六月三十日止年度尚未生效，亦無在本財務報表採用之數項修訂、新訂準則及詮釋，當中包括下列可能與本集團相關。

**Effective for
accounting periods
beginning on or after**
由下列或以後會計期間
開始生效

HKFRS 16, <i>Leases</i> 香港財務報告準則第十六號，「租賃」	1 January 2019 二零一九年一月一日
HK(IFRIC) 23, <i>Uncertainty over income tax treatments</i> 香港(國際財務報告詮釋委員會)第二十三號，「所得稅處理之不確定性」	1 January 2019 二零一九年一月一日
Annual improvements to HKFRSs 2015-2017 Cycle 香港財務報告準則二零一五年至二零一七年週期之年度改進	1 January 2019 二零一九年一月一日

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

29. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet effective for the year ended 30 June 2019

(continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have certain impact on the consolidated financial statements. Further details of the expected impacts are discussed below. While the assessment has been substantially completed for HKFRS 16, the actual impacts upon the initial adoption of this standard may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standard is initially applied in the Group's interim financial report for the six months ending 31 December 2019. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report. The Group does not intend to early adopt any of these amendments or new standards.

HKFRS 16, Leases

As disclosed in note 2(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

29. 截至二零一九年六月三十日止年度已頒佈但尚未生效之經修訂、新訂的準則及詮釋可能產生的影響(續)

本集團現正評估該等修訂、新訂準則及詮釋於首次應用期間之預期影響。至目前為止，本集團已識別新準則之某些方面可能對綜合財務報表構成若干影響。該等預期影響之進一步詳情於下文論述。雖然就香港財務報告準則第十六號之評估已大致完成，但由於迄今完成之評估基於本集團目前可獲得之資料，因此首次採納準則之實際影響可能會有所不同，而且在該等準則首次應用於本集團截至二零一九年十二月三十一日止六個月之中期財務報告前可能會發現更多影響。本集團亦可能改變會計政策選擇，包括過渡選項，直到該等準則首次在該財務報告中應用。本集團無意提早採納任何有關修訂或新準則。

香港財務報告準則第十六號，「租賃」

誠如附註2(j)所披露，本集團目前根據租賃類別將不同租賃安排分類為融資租賃及經營租賃。本集團作為出租人訂立若干租賃，而其他則作為承租人。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

29. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet effective for the year ended 30 June 2019

(continued)

HKFRS 16, Leases (continued)

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

HKFRS 16 is effective for annual periods beginning on or after 1 January 2019. As allowed by HKFRS 16, the Group plans to use the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group will therefore apply the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group plans to elect the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

29. 截至二零一九年六月三十日止年度已頒佈但尚未生效之經修訂、新訂的準則及詮釋可能產生的影響(續)

香港財務報告準則第十六號，「租賃」(續)

香港財務報告準則第十六號預期將不會對出租人於其租賃項下之權利及義務進行入賬之方式造成重大影響。然而，一旦採納香港財務報告準則第十六號，承租人將不再區分融資租賃及經營租賃。相反，在可行權宜方法之規限下，承租人將按與現有融資租賃會計處理相若之方式對所有租賃進行入賬，即於租賃開始日期，承租人將按未來最低租賃付款之現值確認及計量租賃負債，並將確認相應之「使用權」資產。初步確認該資產及負債後，承租人將確認租賃負債未付結存所產生之利息費用及使用權資產折舊，以取代於租期內按系統化基準確認經營租賃項下所產生之租金費用之現有政策。作為可行權宜方法，承租人可選擇不以此項會計模式應用於短期租賃(即租期為十二個月或以下)及低價值資產之租賃，於該等情況下，租金費用將繼續於租期內按系統化基準予以確認。

香港財務報告準則第十六號將主要影響本集團作為承租人就物業租賃(目前劃分為經營租賃)之會計處理。應用新會計模式預期將導致資產及負債有所增加，並影響租賃期間於損益表確認費用之時間。

香港財務報告準則第十六號於二零一九年一月一日或之後開始之年度期間生效。經香港財務報告準則第十六號允許，本集團計劃運用實際權宜手段豁免屬於或包含租賃之現有安排之過往評估。因此，本集團僅會將香港財務報告準則第十六號中新租賃定義用於在首次應用日期或之後訂立之合約。此外，本集團計劃選擇可行權宜方法不將新會計模式應用於短期租賃及低價值資產租賃。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2019 截至二零一九年六月三十日止年度

29. Possible Impact of Amendments, New Standards and Interpretations Issued but not yet effective for the year ended 30 June 2019

(continued)

HKFRS 16, Leases (continued)

The Group currently plans to adopt HKFRS 16 initially on 1 July 2019, using a modified retrospective approach. Therefore, the cumulative effect of adopting HKFRS 16 will be recognised as an adjustment to the opening balances of lease liabilities and the corresponding right-of-use assets at 1 July 2019, with no restatement of comparative information.

Other than the recognition of lease liabilities and right-of-use assets, the Group expects that the transition adjustments to be made upon the initial adoption of HKFRS 16 and the expected changes in accounting policies as described above on the Group's consolidated financial statements from 1 July 2019 onwards will not be material.

29. 截至二零一九年六月三十日止年度已頒佈但尚未生效之經修訂、新訂的準則及詮釋可能產生的影響 (續)

香港財務報告準則第十六號，「租賃」 (續)

本集團計劃就採納香港財務報告準則第十六號而選用經修訂追溯法，並於二零一九年七月一日將首次應用之累計影響確認為租賃負債及使用權資產之年初結餘調整，並將不會重列比較資料。

除確認租賃負債及使用權資產外，本集團預期於首次採納香港財務報告準則第十六號後將作出之過渡調整並不重大。上述會計政策之預期變動將對本集團自二零一九年七月一日起的綜合財務報表亦不會構成重大影響。

PRINCIPAL SUBSIDIARIES

主要附屬公司

At 30 June 2019 於二零一九年六月三十日

The following list contains particulars of principal subsidiaries at 30 June 2019:

於二零一九年六月三十日各主要附屬公司摘要如下：

Name of company 公司名稱	Particulars of issued capital 已發行之股本摘要	Place of incorporation/ establishment and operation 註冊及經營地點	Effective percentage of equity holding 股權擁有百分比		Principal activity 主要業務	Notes 附註
			Group 本集團	Company 本公司		
Gladko Industries Limited 澤高實業有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	-	Investment holding 投資控股	
Global Flour Trader Limited 環球麵粉貿易有限公司	10,000 ordinary shares 10,000股普通股	Hong Kong 香港	100	-	Trading of commodity derivatives 商品期貨貿易	
Guangzhou Lam Soon Homecare Products Limited 廣州南順清潔用品有限公司	HK\$21,000,000 港幣21,000,000元	The People's Republic of China 中華人民共和國	100	-	Manufacturing and trading of cleaning products 清潔產品生產及貿易	N1
Hong Kong Flour Mills Limited 香港麵粉廠有限公司	100 ordinary shares 10,000 deferred shares 100股普通股 10,000股遞延股	Hong Kong 香港	100	-	Provision of trucks rental service and investment holding 提供貨車租賃及投資控股	
Jiangsu Lam Soon Flour Mills Company Limited 江蘇南順麵粉有限公司	US\$7,000,000 7,000,000美元	The People's Republic of China 中華人民共和國	100	-	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Jiangsu Lam Soon Food Company Limited 江蘇南順食品有限公司	US\$10,000,000 10,000,000美元	The People's Republic of China 中華人民共和國	100	-	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Lam Soon (China) Holdings Company Limited	US\$1 1美元	British Virgin Islands/ Hong Kong 英屬維爾京群島/香港	100	-	Investment holding 投資控股	
Lam Soon Cleaning & Caring Laboratories (Hong Kong) Company Limited 南順清潔護理研發(香港)有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	-	Trading of cleaning products 清潔產品貿易	
Lam Soon Distribution International Limited (Formerly Known as Swamex Food Service Limited) 南順分銷售(國際)有限公司 (前稱鮮美食品有限公司)	400,000 ordinary shares 400,000股普通股	Hong Kong 香港	100	100	Trading of edible oils products 食用油產品貿易	

PRINCIPAL SUBSIDIARIES

主要附屬公司

At 30 June 2019 於二零一九年六月三十日

Name of company 公司名稱	Particulars of issued capital 已發行之股本摘要	Place of incorporation/ establishment and operation 註冊及經營地點	Effective percentage of equity holding 股權擁有百分比		Principal activity 主要業務	Notes 附註
			Group 本集團	Company 本公司		
Lam Soon Food Industries (BVI) Limited	HK\$11,858,415 港幣11,858,415元	British Virgin Islands 英屬維爾京群島	100	–	Investment holding 投資控股	
Lam Soon Food Industries Limited	Ordinary shares HK\$83,228,315 普通股港幣83,228,315元	Bermuda/ Hong Kong 百慕達/香港	100	100	Investment holding 投資控股	
Lam Soon Food Supply (Macau) Company Limited 南順食品供應(澳門)有限公司	MOP25,000 澳門幣25,000元	Macau 澳門	100	–	Trading of flour, edible oils and cleaning products 麵粉、食用油及清潔產品貿易	
Lam Soon (Pan Yu) Industries Company Limited 南順(番禺)工業有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Investment holding 投資控股	
Lam Soon Products Supply (Hong Kong) Company Limited 南順產品供應(香港)有限公司	1,000,000 ordinary shares 1,000,000股普通股	Hong Kong 香港	100	–	Manufacturing of edible oils and trading of flour, edible oils and agency products 食用油生產及麵粉、食用油及 代理產品貿易	
Lam Soon Realty Limited 南順地產有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Property holding, the provision of warehousing and logistic services and licenses of factory canteen 物業持有、提供倉儲和物流服務及 工廠食堂執照持有	
Lam Soon (Shandong) Food Company Limited 南順(山東)食品有限公司	US\$10,113,100 10,113,100美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Lam Soon (Sichuan) Food Company Limited 南順(四川)食品有限公司	US\$7,000,000 7,000,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Lam Soon Silos Investments Limited 南順筒倉投資有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Investment holding 投資控股	
Lam Soon Systems Limited 南順系統有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Provision of information technology services 提供資訊科技服務	

PRINCIPAL SUBSIDIARIES

主要附屬公司

At 30 June 2019 於二零一九年六月三十日

Name of company 公司名稱	Particulars of issued capital 已發行之股本摘要	Place of incorporation/ establishment and operation 註冊及經營地點	Effective percentage of equity holding 股權擁有百分比		Principal activity 主要業務	Notes 附註
			Group 本集團	Company 本公司		
Lam Soon Trademark Limited	US\$2 2美元	Cook Islands/ Hong Kong 科克群島/香港	100	–	Trademark holding 商標持有	
LS SynaLife Trading Company Limited (Formerly Known as Lam Soon Distribution Agency Limited) 新豐鍵貿易有限公司 (前稱南順品牌代理有限公司)	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Trading and distribution of products and investment holding 貿易及分銷產品及投資控股	
Richly Choice Development (PTC) Limited	US\$1 1美元	British Virgin Islands 英屬維爾京群島	100	100	Provision of trustee services 提供信託服務	
Shekou Lam Soon Flour Mills Company Limited 蛇口南順麵粉有限公司	US\$27,500,000 27,500,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Shekou Lam Soon Silo Company Limited 蛇口南順筒倉有限公司	US\$9,500,000 9,500,000美元	The People's Republic of China 中華人民共和國	100	–	Provision of silo facilities 提供筒倉服務	N1
Shenzhen Lam Soon Edible Oils Company, Limited 深圳南順油脂有限公司	US\$12,000,000 12,000,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of edible oils products 食用油產品生產及貿易	N1

Note:

附註：

N1 These subsidiaries are registered as wholly-owned-foreign companies under PRC Laws.

N1 該等附屬公司按中華人民共和國法律以外商獨資公司名義註冊。

5-YEAR FINANCIAL SUMMARY 五年財務概要

The summaries of results, assets and liabilities of the Group and total equity attributable to equity shareholders of the Company for the last five financial years are as follows:

本集團過往五個財政年度的業績、資產及負債及本公司股東應佔總權益概要如下：

		2019 二零一九年 HK\$'M 港幣百萬元	2018 二零一八年 HK\$'M 港幣百萬元	2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元	2015 二零一五年 HK\$'M 港幣百萬元
Results	業績					
Revenue	收入	5,316	5,374	4,814	4,708	4,449
Operating profit before interest, taxation, depreciation and amortisation	未扣除利息支出、稅項、折舊及攤銷的經營溢利	433	428	369	324	221
Profit attributable to equity shareholders of the Company	本公司股東應佔溢利	340	326	273	202	114
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	725	684	698	727	803
Net current assets	淨流動資產	1,622	1,491	1,209	1,005	957
Non-current liabilities	非流動負債	(12)	(5)	(1)	(1)	(69)
Non-controlling interests	非控制權益	(11)	(11)	(11)	(11)	(11)
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益	2,324	2,159	1,895	1,720	1,680





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